Gujarat Fluorochemicals Limited

Integrated Annual Report 2019-20

GUJARAT FLUOROCHEMICALS

VALUE THROUGH GREEN CHEMISTRY

Secure. Sustainable. Green.

CHEMISTRY FOR TOMORROW

Gujarat Fluorochemicals Limited (GFCL) is proud to present its first Annual Report adopting the structure as described in the Integrated Reporting framework<IR> as defined by the International Integrated Reporting Council (IIRC)

About the Report

Welcome to the Integrated Annual Report 2019-20

Gujarat Fluorochemicals Limited (GFCL) is proud to present its first Annual report adopting the structure as described in the Integrated Reporting framework<IR> as defined by the International Integrated Reporting Council (IIRC). This report endeavours to provide a holistic overview of GFCL's philosophy and approach to creating true value over long-term for its stakeholders including customers, employees, investors and society at large.

Our Reporting Guidelines

The Integrated Report 2019-20 is guided by the principles and requirements of the IIRC's International <IR> Integrated Reporting Framework. The report is also in accordance with the Global Reporting Initiative (GRI) standards: Core option, with linkages to the National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of the business. The financial and statutory information in this report is in compliance with the requirements of the Companies Act, 2013, Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

The report is structured into six capitals with adoption of integrated reporting framework as laid out by the International Integrated Reporting Council (IIRC), followed by Notice of Annual General Meeting, Board's report and financial statements.

Financial Capital

Intellectual Capital

Manufactured Capital

Social & Relationship Capital

Human Capital

Natural Capital

Report Boundary and Scope

The report focuses information on business operations of GFCL, aptly disclosed through six capitals as defined by IIRC. All the six capitals cover information on a consolidated basis. The Annual Report considers the primary reporting period as April 01, 2019 to March 31, 2020. However, some sections of the report represent facts and figures of previous years to provide a comprehensive view to the readers – and especially anyone whose success is dependent on GFCL, such as our customers, employees, investors and other stakeholders.

Assurance

To ensure the integrity of facts and information, the Management have reviewed the Integrated Report.

The statutory auditors, Patankar & Associates, Chartered Accountants, Pune, have provided assurance on the Financial Statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

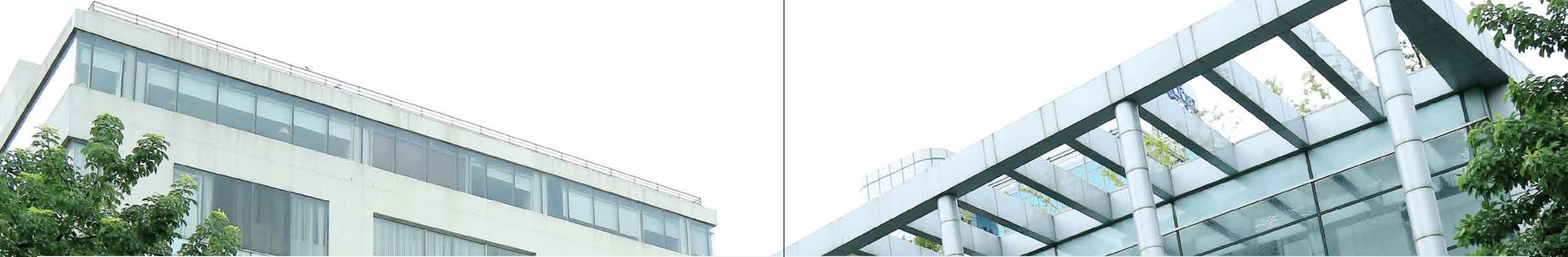
Stakeholder Feedback

We welcome and appreciate any constructive input and feedback from stakeholders

Email: bvdesai@gfl.co.in

Mail: ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007

Website: www.gfl.co.in



Board of Directors

Shri Devendra Kumar Jain
Chairman and Non-Independent Director

Shri Shailendra Swarup
Independent Director

Shri Pavan Jain
Non-Independent Director

Shri Vivek Jain
Managing Director and Non-Independent Director

Shri Om Prakash Lohia
Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Shanti Prashad Jain
Independent Director

Ms Vanita Bhargava
Independent Director

Shri Sanath Kumar Mupiralla
Whole-Time Director and Non-Independent Director

Shri Chandra Prakash Jain
Independent Director

Shri Sanjay Borwankar
Whole-Time Director and Non-Independent Director

Board Level Committees

Audit Committee

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Shailendra Swarup
Independent Director

Ms. Vanita Bhargava
Independent Director

Committee of Directors for Operations

Shri Devendra Kumar Jain
Chairman and Non-Independent Director

Shri Vivek Jain
Managing Director and Non-Independent Director

Shri Deepak Asher
Non-Independent Director

Nomination and Remuneration Committee

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Om Prakash Lohia
Independent Director

Stakeholders' Relationship Committee

Shri Devendra Kumar Jain
Chairman and Independent Director

Shri Pavan Jain
Non-Independent Director

Shri Vivek Jain
Managing Director and Non-Independent Director

Shri Shanti Prashad Jain
Independent Director

Shri Deepak Asher
Non-Independent Director

Corporate Social Responsibility Committee

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Vivek Jain
Managing Director and Non-Independent Director

Shri Deepak Asher
Non-Independent Director

Key Managerial Personnel

Shri Vivek Jain
Managing Director

Shri Manoj Agrawal
Chief Financial Officer

Shri Bhavin Desai
Company Secretary

Bankers

BNP Paribas
DBS Bank India Limited
RBL Bank Limited
Mizuho Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited.
Yes Bank Limited
Emirates NBD Bank

Plant Location

Ranjitnagar Plant

Survey Number 16/3, 26 and 27, Village Ranjitnagar-389 380, Taluka Ghoghamba, District Panchmahal, Gujarat – State

Dahej Plant

Plot Number 12 A GIDC Dahej Industrial Estate, Taluka Vagra, District Bharuch-392 130, Gujarat – State

Auditors

Patunkar & Associates Chartered Accountants 19, Gold wing, Parvati nagar Sinhgad Road, Pune - 411030

Registered Office

Survey Number 16/3, 26 and 27
Village Ranjitnagar 389380
Taluka Ghoghamba
District Panchmahal, Gujarat
Tel.: +91 2678 248153
Fax: +91 2678 248153

Vadodara Office

ABS Towers, 2nd Floor
Old Padra Road
Vadodara – 390007, Gujarat
Tel.: +91 265 6198111
Fax: +91 265 2310312

Corporate Office

Inox Towers, 17 Sector 16 A,
Noida - 201301, Uttar Pradesh
Tel.: +91 120 6149600
Fax: +91 120 6149610

For us, our commitment to People, Planet & Profit embodies our values and aspirations. It is the guiding force behind our organizational endeavours, strategically inspiring us to create sustainable value across verticals and to all stakeholders.

For us, sustainability goes way beyond regulatory compliances and is more of a reflection of our resolve to promote ecologically viable processes. Taking forward our pledge to promote 'Value through green chemistry', we strive to encourage secure, safe and sustainable processes designed to reduce our impact on human health and our natural ecosystem.

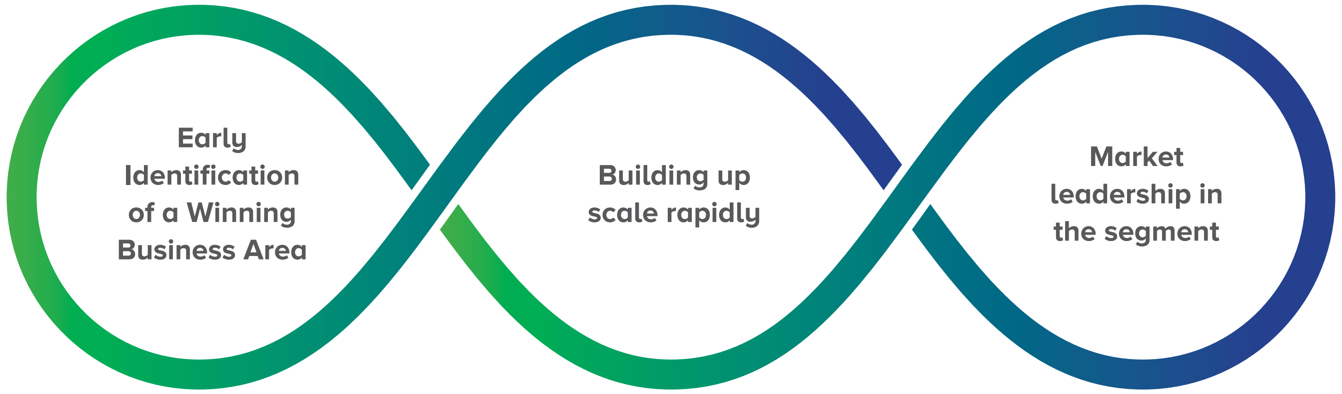
With our expertise in green chemistry, we aim to deliver innovative and exceptional solutions for demanding applications, allowing us to consistently focus on clean processes that aid the development of customised solutions.

Aligning our goals to our actions, we are now poised to build a culture of excellence, promote our core values and spearhead change – to initiate and augur environmental sustainability and responsibly pave the path for a greener future.

In the 1920s the Inox Group's tryst with the world of business began with a successful paper and newsprint trading business.

In the 1920s the Inox Group's tryst with the world of business began with a successful paper and newsprint trading business. Gradually, it diversified into multiple lucrative sectors, capitalizing on growing opportunities. Over the next six decades, a business conglomerate emerged – its journey punctuated with many firsts and groundbreaking achievements. Today, the Inox Group has moved from chemicals to celluloid, serving multiple industries with a record of accomplishment of delivering distinguished products and services.

Each INOX Group company is characterized by the growth DNA of the Group that can be encapsulated in the following:



Key highlights for FY 2019-20

10,000+
Employees across the globe

75+
Countries of presence

200+
Business units across India

Our Business Verticals

- Industrial Gases
- Refrigerants
- Chemicals
- Cryogenic Engineering
- Renewable Energy
- Entertainment

Group Companies

- Gujarat Fluorochemicals Limited
- INOX Leisure Limited
- INOX Wind Limited
- INOX Air Products Private Limited
- INOX India Private Limited
- GFL Limited

Gujarat Fluorochemicals Limited is one of the leading and largest producers of chloromethanes, refrigerants and polytetrafluoro-ethylene in the world.

With over 30 years of experience in fluorine chemistry, we continue to leverage our core competencies to deliver unique products designed for diverse end-users. Our focus on clean processes and a constant commitment towards sustainable operations drives us to align our aspirations with our motto of delivering value through green chemistry.

We started commercial operations in 1989 with India's largest refrigerant manufacturing unit in Gujarat. Today, we have expanded and diversified our presence with two manufacturing units in India, a captive fluorspar mine in Morocco, subsidiaries in Europe and USA, and an extensive marketing network across the globe. At present, GFCL serves customers in 75 countries and our integrated and advanced manufacturing facilities, best-in-class quality assurance laboratories and state-of-the-art R&D facility empowers us to fulfil our quest for a cleaner, greener and sustainable future.

Vision

- To become preferred suppliers of Fluoropolymers, Fluoroelastomers and new generation refrigerants globally and achieve this through Technological, Operational and Service excellence.
- We shall endeavour to be a global player in our businesses.
- We shall constantly endeavour to delight customers, workforce and all the stakeholders.
- We shall do our business exercising utmost care of environment and society at large.

Mission

We shall endeavour to, always be the market leader, by providing our customers the latest, the most innovative and the best available technologies, products and services. Through this, we shall provide our customers the best "Value for Money" by producing best in class quality products at most competitive prices. We shall conduct our operations keeping Safety and Environment in place along with upgradation of technology.

Our Credo

- **Quality:** to excellence in quality.
- **Excellence:** Excellence in services & manufacturing practices to our all stakeholders.
- **Integrity:** Building trust in dealings with all stakeholders.
- **Innovation:** Enthuse our clients through our innovative approach.
- **Customer value:** Delight the customer & deliver the value.

Financial Capital

2606
Revenue from operations (₹ in Crores)

553
EBITDA (₹ in Crores)

10.36%
Return on Capital Employed

598
Cash flow from operations (₹ in Crores)

3142
Market Capitalization as on 31st March 2020 (₹ in Crores)

CRISIL AA Negative
Credit Rating

Manufactured Capital

Installed Capacity

Dahej

Plants:

Chloralkali

Chloromethane

PTFE

Fluoropolymers

Ranjitnagar

Plants:

Refrigerants Gas

FluoroSpecialty intermediates

3148
CAPEX investment in manufacturing facilities (₹ in Crores)

~11%
Of the global PTFE capacity accounted by our PTFE facility

3076
Investments in property, plant and equipment (₹ in Crores)

Intellectual Capital

10
Patents filed

2
Ongoing IPR projects

3
Patent rights obtained in fluoropolymers segment

19
PHDs

63
Members in R&D team

Human Capital

1.22
Lost time injury frequency rate (LRIFR) at Dahej

1.2%
Monthly attrition rate

14.4
Average training man hours per employee

32,543
Total training hours

Natural Capital

12%
Total wind power consumption

96.62%
Of hazardous waste recycled

11.5%
Reduction in purchased electricity

Social and Relationship Capital

2.19
Spent towards Community Development activities (₹ in Crores)

177,424
People benefited from CSR interventions

95%
Suppliers retained beyond three years

98
Customer satisfaction score

48%
Share in revenue from India

19%
Share in revenue from Europe

12%
Share in revenue from US

21%
Share in revenue from ROW

4

Offices across Hamburg, Germany, Dallas and USA

1987

Gujarat Fluorochemicals Limited (GFL), a public limited company, was incorporated in the year 1987 as a Refrigerants manufacturer in India.

1988

In 1988, GFL launched a public issue and established a manufacturing plant to produce Chlorofluorocarbon Refrigerant gases and Hydrofluoric Acid in Panchmahal Gujarat.

1989

GFL commenced its commercial operations in the year 1989 and entered into a technical collaboration with Stauffer Chemicals Pennwalt Corporation and Stearns Catalytic Corporation USA and commissioned a plant near Vadodara.

1999

In the year 1999, GFL diversified into Entertainment business through Inox Leisure Limited – a chain of multiplexes across India.

2006

In 2006, GFL implemented Clean Development Mechanism Project entailing reduction of Greenhouse Gas emissions by the thermal oxidation of HFC-23, a by-product generated at the Refrigerant gas plant at Ranjitnagar, Gujarat. In lieu of that, the company received Carbon Credits issued by the UNFCCC to be traded in international markets.

2007

In the year 2007-08, GFL established a chemical complex at Dahej, Gujarat. The chemical complex comprised of a captive power plant, caustic soda and chlorine plant, chloromethane plant and a Polytetrafluoroethylene (PTFE) plant.

2009

In 2009, GFL incorporated a wholly owned subsidiary, Gujarat Fluorochemicals Americas LLC, to conduct business operations across the American subcontinent. Year 2009 also marked GFL's diversification into Wind energy business through Inox Wind Limited, a leading wind energy solutions provider in India.

2011

In 2011, Gujarat Fluorochemicals entered into a JV with MeturisSarl, Morocco and Global Mines Sarl, Morocco to undertake Fluorspar Beneficiation Project for supply of Acid Grade Fluorspar and Metallurgical Grade Fluorspar to GFL.

2013

In 2013, GFL incorporated a wholly owned subsidiary, Gujarat Fluorochemicals GmbH in Hamburg, Germany to conduct trading, processing, distribution, marketing and storage of Fluoropolymersin EMEA region.

With the introduction of PFOA free PTFE resins and dispersions in the year 2013, GFL ranked amongst the world's major players offering PFOA free Fluoropolymers.

2013-19

With vertically integrated Fluoropolymer manufacturing facility and expertise in Fluorine chemistry, GFL expanded its monomer and polymer capacity to cater to the growing demand for Fluoropolymers and Fluoroelastomers across geographies.

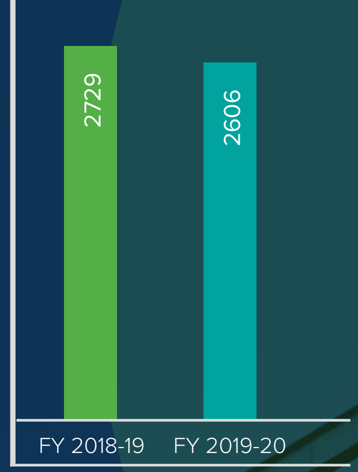
GFL launched FKM (Fluoroelastomers) brand Fluonox in 2015. In 2016, subsequent to the success of our PTFE brand INOFLON in global markets, GFL added two more Fluoropolymer products – FEP and PFA under the brand name INOFLON. In 2018, GFL started its Additives brand INOLUB for marketing PTFE Micropowders and Polymer Processing Aids (PPA).

In 2019, GFL introduced PVDF under the brand name INOFLAR.

2019

Pursuant to the order passed by National Company Law Board Tribunal, Ahmedabad Bench on July 04, 2019, the Chemical Business Undertaking of erstwhile Gujarat Fluorochemicals Limited, now known as GFL Limited, was demerged to form a new company Inox Fluorochemicals Limited, which is now known as Gujarat Fluorochemicals Limited with all assets and liabilities pertaining to the Chemical Business Undertaking transferred to the resultant company on a going concern basis with effect from the appointed date, April 01, 2019.

Revenue from operations
(₹ in Crores)

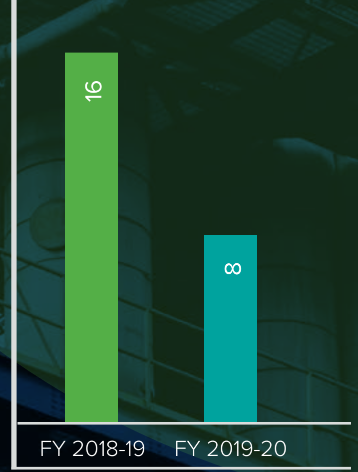


EBITDA
(₹ in Crores)

EBITDA Margin
(in %)

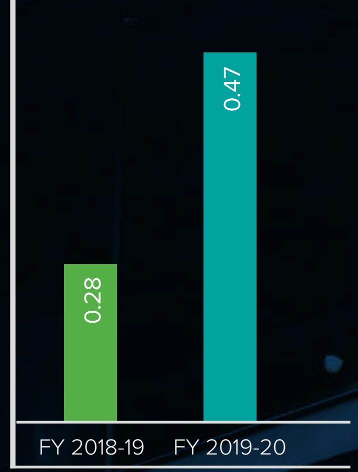
PAT*
(₹ in Crores)

PAT Margin*
(in %)



RoCE
(in %)

Debt Equity Ratio
(in times)



*Before Exceptional items and earlier taxation

We operate in a complex and a dynamic market, posing challenges as well as opening up new avenues to maximize value creation through an innovative, agile and strategic approach. Our business continues to be influenced by various factors and emerging trends ranging from ecological concerns to changing user preferences, drives us to improvise and innovate ways to remain relevant and deliver exceptional value.

Keeping up with change

In today's interconnected world, markets and customers continue to be influenced by changing demands and preferences. To keep up with diverse requirements, we understand, it is imperative to deliver exceptional products and solutions that exceed expectations. Fluoropolymers, Fluoroelastomers and Refrigerants are used across industry verticals such as Pharmaceutical & Chemical Processing, Electrical and Telecommunication, Automotive Equipment, Houseware, Architecture and Fabric industries, providing ample opportunities for players in this space to grow and expand their operations, while effectively fulfilling consumer demands.

Striking an Ecological balance

Extreme weather conditions and climate change continue to affect our ecosystem adversely. Increasing population continues to deplete our natural resources and the need for effective conservation is more of a necessity than a regulatory requirement. As governments and regulators focus on framing policies to preserve the environment, businesses such as ours, are developing actionable strategies to mitigate the threats and reduce its impact with innovative and eco-friendly products and solutions. With rising awareness about climate change and environmental sustainability, consumers continue to ask for eco-friendly products and solutions, allowing sectoral players to efficiently explore the domain of green chemistry.

Encouraging Resource Efficiency

To reduce the growing pressures on our environment, optimum utilization of resources have become pertinent. We recognize the need for developing sustainable technologies and adopting responsible manufacturing practices to reduce our carbon footprints. Moreover, the principles of reuse and recycle have gained prominence across our verticals, contributing to the cause of resource efficiency and utilization.

Leveraging Digitization and Innovation

Digitization and new-age technologies are transforming the way businesses operate. With increasing penetration of internet, connected devices, automation and IoT, we continue to adopt new-age methods to further improve our operational efficiency and ensure cost optimization. This has also accelerated the pace of product and technology innovation and reduced the time taken to design, develop and introduce new and innovative products and solutions to the market. Adoption of advanced technology also enables us to ensure quality and consistency of critical grades, a necessity in the chemicals industry.

Fostering business sustainability

Stakeholders expect companies to demonstrate long-term value while ensuring integrity and transparency across operations. Our strong financial position and the ability to resiliently overcome challenges determines our feasibility and organizational sustainability. It not only boosts stakeholder confidence but, also enthuses the company to successfully navigate through unprecedented challenges like the recent COVID-19 pandemic.

Strategies

Progress made in FY 2019-20

Customer satisfaction through innovative and eco-friendly products

Customers' success is pivotal to our business success. We constantly engage with our customers to understand their needs and expectations, which in turn enables us to provide best-in-class products that fulfil their requirements. Our business development and marketing intelligence teams regularly communicate with existing and potential customers to collect information and understand changing trends in the downstream industry. It is thoroughly assessed to derive potential business opportunities and take decisions that help us to achieve our vision.

- 98 Customer satisfaction score

Build economies of scale

We strive to leverage our scale to augment next level growth. Through our state-of-the-art multipurpose plants, we produce large quantities of various products simultaneously, ensuring consistency and quality. Further, our backward integration capabilities enable us to maintain a strong control over the entire supply chain, improve its efficiency and reduce manufacturing cost.

- Invested in building 3 new multipurpose plants, enabling us to increase the manufacturing capacity to 4 times as compared to 2018-19

Cutting edge technology

We continue to invest in the development and deployment of sustainable and modern technology that enable us to increase our efficiency, reduce cost and minimize defects. We also invest significantly towards upgrading our IT infrastructure. For our transactions and activities including enterprise resource planning, customer relationship management, materials management, production planning management, quality management, projects management, financial and costing management, we utilize our SAP platform to enhance efficiency and take decisions in real time.

- Continued to focus on deploying sustainable technologies across our operations
- Adoption of newer model of SAP to further strengthen our processes
- ₹ 3.88 cr invested for Surfactant Technology

Strategies

Progress made in FY 2019-20

Operational excellence

At GFCL, we undertake various initiatives across our operations to increase the overall efficiency of our processes and practices. We have a comprehensive predictive and preventive maintenance and repairing system. It helps us to continuously evaluate and monitor reliability and efficiency of our equipment, allowing us to increase overall efficiency of equipment and reducing plant downtime and operational disturbances.

- Reduction in Plant Downtime by more than 14% in major plants

Our brand reputation

We continue to emphasize on our commitment to strengthen our brand reputation, guided by our promise of 'Green chemistry' – to provide eco-friendly products to our customers, ensure fairness and inclusivity, and maintain a reputation for responsible leadership and innovation.

- Undertook brand visibility activities including participation in various trade expos and exhibitions
- Introduced eco-friendly products and solutions

Emphasis on Sustainability

At GFCL, we continuously monitor the impact of our operations on the surrounding ecosystem by conducting periodic environmental impact assessments by external experts. We also carry out environment impact assessments for all Greenfield projects to understand and mitigate their impacts on the surrounding environment and ecosystem. We are undertaking initiatives such as waste water treatment and installation of electrostatic precipitators in power plants for removing fine particles, dust and smoke from flue gas stack. As part of our sustainability drive, we also try to maximize the utility of our products with better yields, leading to minimum waste generation.

- Experts carried out a Bio Accumulation study at Dahej marine coastal region
- To promote biodiversity, trees have been planted in nearby villages and in areas around our manufacturing units to develop a green belt

Driving Progress with Sustainable Values

Input

Financial Capital

Efficient utilization of financial resources to capitalize on opportunities for long-term sustainable value creation

₹ 11 Crores
Equity share capital

₹ 189 Crores
Profit in FY 2019-20

Manufactured Capital

State-of-the-art manufacturing facilities designed for multiproduct manufacturing

Single largest and most efficient refrigerant plants in India

India's largest refrigerant manufacturing unit

₹ 3148 Crores
Gross Block

Intellectual Capital

In-house development of sustainable technology and eco-friendly and innovative products to enhance customer satisfaction

63
Members in the R&D team

> 10 years
Average Experience of R&D team

Technical know-how

Human Capital

Skills and capability of our human resource utilized to drive shared organizational objectives

643
New hires across company

2551
Employees across operations

32543
Man hours of training imparted

Social and Relationship Capital

Building long-standing and mutually beneficial relationship with stakeholders including customers, suppliers, shareholders & investors, and communities

₹ 2.19 Crores
Spent towards community development activities

16,000
Shareholders

400+
Customers

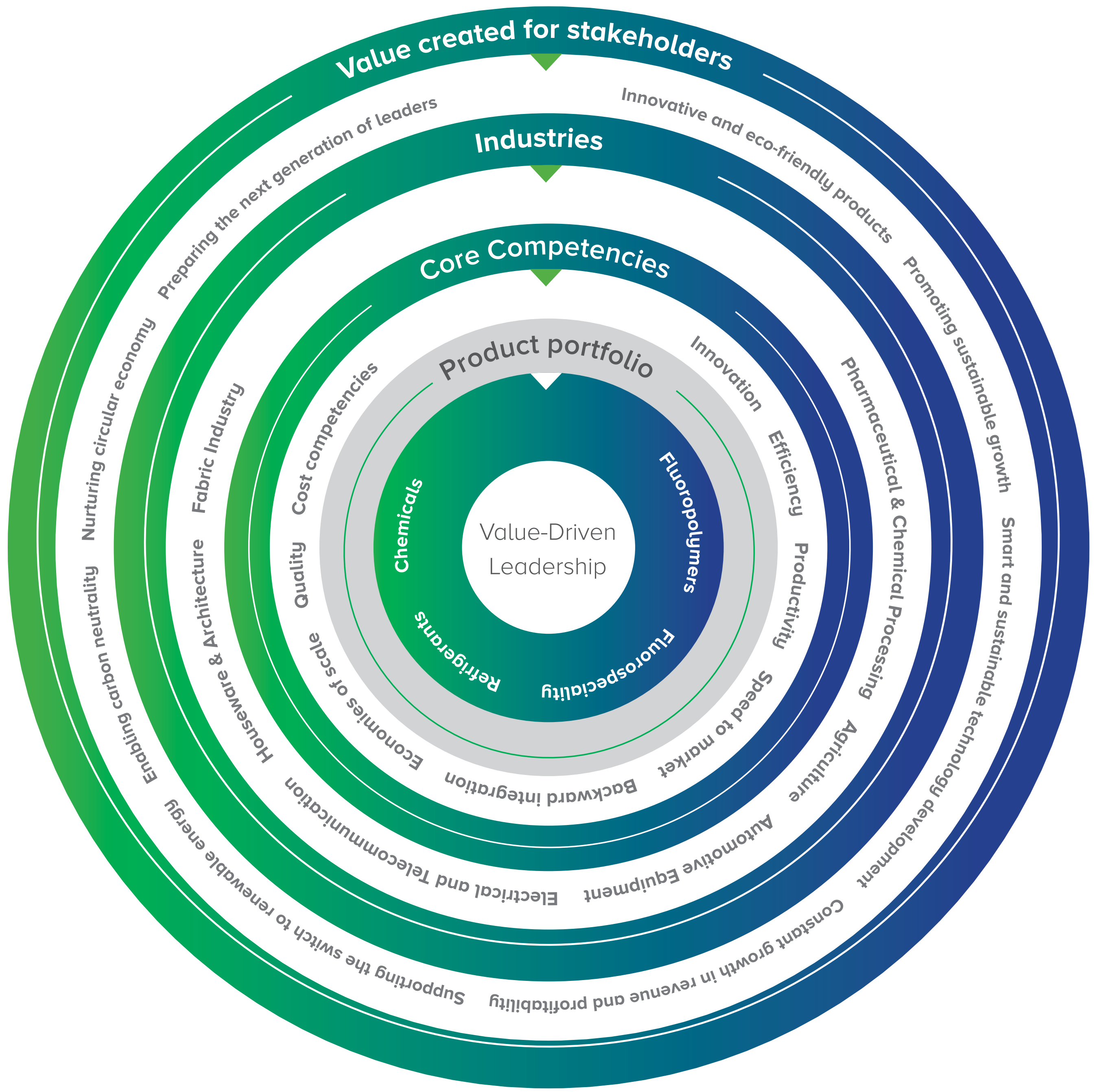
Natural Capital

Committed towards efficient utilization of natural resources and reduction of environmental footprint

4829 ML
Total water consumed

727021340 kWh
Total indirect energy consumption

Process



Outputs

Financial Capital

₹ 2606 Crores
revenue from operations

₹ 189 Crores
PAT

₹ 553 Crores
EBITDA

₹ 3142 Crores
Market capitalization as on 31st March 2020

0.47 times
Debt to equity

Manufactured Capital

Leading
Producers of Fluropolymers in the world

~11%
Of the global PTFE capacity provided by our PTFE facility

20+
Industries served

14%+
Reduction in plant downtime of major plants in FY 2019-20

Intellectual Capital

10
Patents filed

2
Ongoing IPR projects

3
Patent rights obtained for fluoropolymers

Developed various specialty chemical products such as **EDFA; BTFM; DCTFMA; TEOF; 2,4 DFBA; 3,4 DFNB; 1,3 DFB and BrEDFA**

34%
Increase in R&D expenditure y-o-y over last five years

Human Capital

10.7%
Increase in workforce

₹ 205 Crores
spent on employee remuneration and benefits

Lost Time Incident free' man hours

33,96,664
Dahej

18,75,431
Ranjitnagar

Social and Relationship Capital

1,77,424
beneficiaries from our CSR activities

53
villages across 3 towns (on standalone bases)

98
Customer satisfaction score

₹ 357 Crores
Contributed to exchequer

Natural Capital

96.62%
of hazardous waste recycled

12%
Total wind power consumption in FY 2019-20

7.02%
YoY reduction in withdrawal of surface water

100%
of non-hazardous waste recycled

Outcomes

Financial Capital

- Sustained growth in revenue driven by operational performance
- Robust balance sheet
- Sustained cash flow and strong liquidity position
- Long-term value creation for shareholders through increased returns

Manufactured Capital

- Improved infrastructure efficiency, integrity and safety measures
- Sustainable capital investment
- Production of quality products with minimum lead time
- Waste reduction
- Increase in operational efficiency

Intellectual Capital

- Innovation of new products
- Development and deployment of sustainable and green technologies
- Building robust brand portfolio
- Enhanced quality of products

Human Capital

- Safe & Healthy Workplace
- Engaged & Motivated workforce
- Appropriate/Critical Talent Acquisition
- Harmonious Employee Relations

Social and Relationship Capital

- Upliftment of the society at large
- Strong business relationship with suppliers and business partners
- Proactive involvement with various government and industry bodies
- Improved Customer SatisfactionAcquisition
- Harmonious Employee Relations

Natural Capital

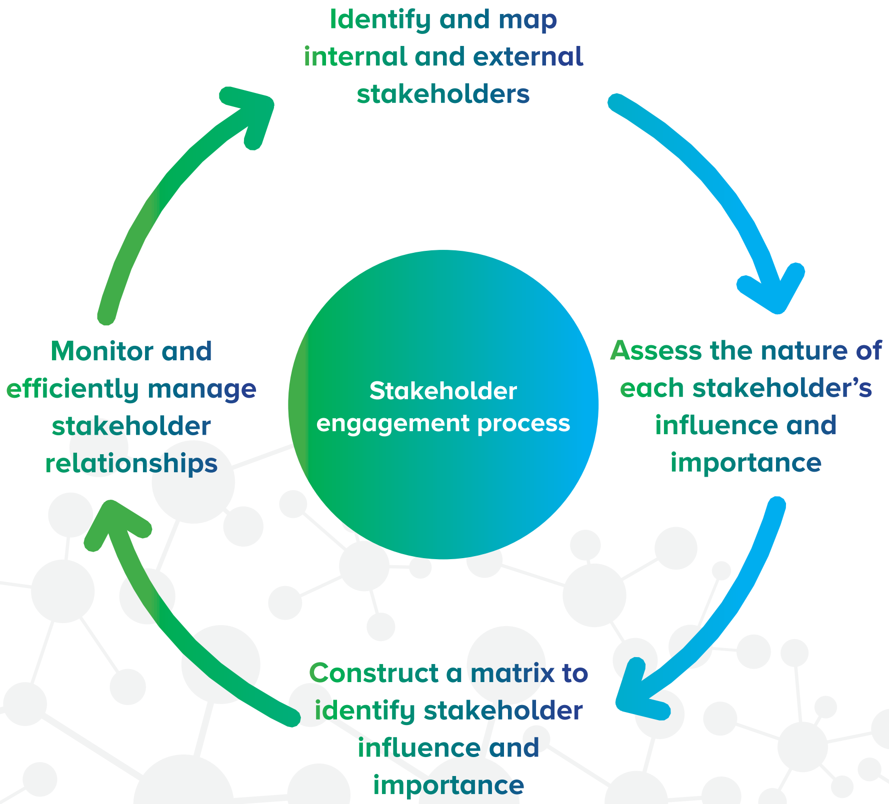
- Efforts to alleviate the impact of climate change
- Reduction in environmental footprint
- Water and resource management

Stakeholder engagement for GFCL is a continuous process adopted by us to communicate, consult and to understand our stakeholders better – what they want and why they want it.

These are important inputs to craft our plans and actions so that we create long term value for them, thereby making them true partners in progress. In our endeavor to conduct our business in a transparent and ethical manner, we have established a robust and all-inclusive stakeholder engagement process which help us to develop a long term mutually gainful relationship.

Stakeholder Engagement policy

Over the years, we have built strong relationships with multiple stakeholders. Our aim is to achieve outcomes that are beneficial for stakeholders across the business spectrum. Our continuous interactions, communication and consultations with stakeholders enable exchange of opinions and views, allowing us to efficiently engage with them. To further strengthen our relationships, we participate in corporate social responsibility activities, community development projects and viable environmental initiatives through various social platforms to foster effective communication and better engagement with stakeholders. Additionally, we have a Stakeholders Relationship Committee to address any complaints or grievances.



Stakeholders	Investors / Shareholders	Customers	Suppliers	Employees
Value Proposition	Return on Investment Growth in portfolio, customer base and geography for sustained profitable business	Strong Brand Quality products Competitive Price On time Delivery Technical services Required Product offerings	Business continuity Capability Building	Fair Wages Trustworthy relationship Well - being
Why are they important to us	Funding and capital investment	Helps to increase market share Revenue growth	Cost optimization Operational leverage Lean Manufacturing	Engaged and Empowered employees drive business by achieving targets set for them Right Talent gives us competitive advantage
How do we engage with them	Investor meetings General Meetings Annual Report Press Briefings	Customer visits by Sales and Marketing team Technical support interaction Conferences Trade fairs Product brochures and website	Vendor Satisfaction surveys Vendor meetings Vendor capability webinars	CEO talk Employee Surveys Joint Committee forums Company House Magazine Let's Talk and Stay interviews E-mail Communication HR Buddy Ethics Line
Key ESG concerns	Climate change Health and Environment protection Technology and product innovation Fair business practices	Sustainability in Supply Chain and green chemistry Health and Environment protection Safety at workplace	Sustainable procurement Ethical Business practices Health, safety and human rights Environmental footprint	Talent Retention Local Labour market Welfare practices with regard to wellness facilities
Capital linkage	Financial Relationship	Financial Relationship Intellectual	Financial Relationship Natural	Human Financial

Stakeholders	Community	Regulatory and Government Bodies	Industry Bodies and Media	Educational Institutes
Value Proposition	Sustainable development of communities around our operations	Policy Formulation to shape future business growth	Sharing of best practices Benchmarking Collaboration	Future talent supply Research and development
Why are they important to us	Ensuring community engagement to create lasting value for societies in which we operate	To ensure business continuity we need to comply with regulations In regulated markets we have to comply with set standards and policies	Understand industry trends and future needs Engage with industry colleagues to discuss matters of mutual interest including regulatory trends. Appropriate media coverage and company branding	Fulfill present and future talent requirement Intellectual partnerships to undertake research and development of product and technology
How do we engage with them	Public Hearing Meeting with Community leaders CSR Cell engagement with community Community Development programmes and events Community Development Newsletter	Participation is Seminars and events organized by the Regulatory Bodies Making representations whenever required	Press Conferences Regional and national conferences and seminars of Industry Bodies Memberships	Campus engagement Senior Management Lectures MOU
Key ESG concerns	Water availability Environment protection Pollution Prevention Employment generation	Pollution Control Emission and waste management Energy efficiency Community development Compliance	Transparent Disclosures and information sharing on emission, water, safety, welfare and other social accountability matters	Employment opportunity Community involvement
Capital linkage	Social & Relationship	Relationship Natural	Relationship	Relationship

At the core of GFCL's long-term business strategy lies an endeavour to derive sustained value for our stakeholders.

It endows the Company with capabilities to confidently cope with social, environmental and economic challenges while pursuing profitable growth . The development of a long-term business strategy begins with the identification and prioritization of stakeholder expectations and its integration into the same. In line with our strategic priorities, we have undertaken a materiality assessment exercise to identify issues that have a material impact on our business growth.

Process for Materiality Assessment

With an objective to understand internal as well as external stakeholder perspectives, the following key stakeholder groups have been identified by GFCL:

Senior Management	Industry Associations
Employees	Investors and Lenders of Capital
Customers	Regulatory Agencies
Vendors / Suppliers	Civil Society

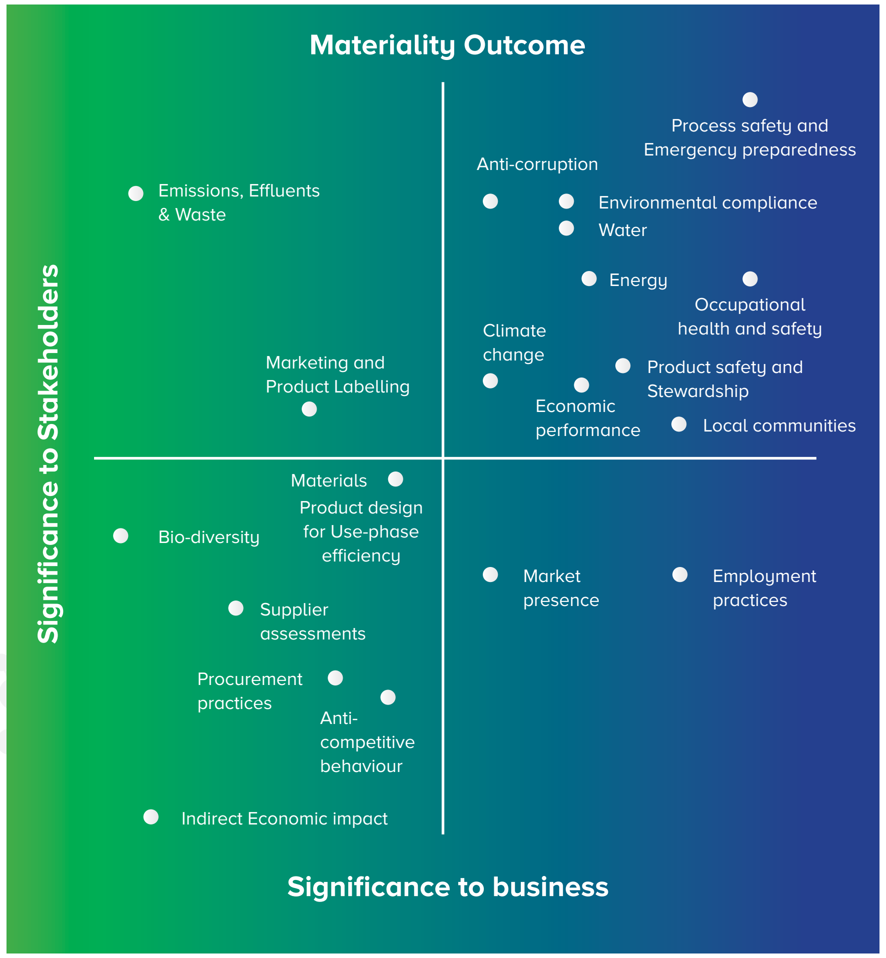
The following systematic approach has been adopted by GFCL for conducting its materiality assessment:

1. Identification of key internal and external stakeholder groups;
2. Review of Indian and global sustainability reporting frameworks, principles and sectoral issues to arrive at major sustainability topics relevant to GFCL (categorized under Environmental, Social and Economic dimensions);
3. Development of an objective questionnaire designed to uniformly capture stakeholder views to ascertain priority of each topic;
4. Provide access to an online materiality survey to about 230 individual stakeholders from the above groups;
5. Statistical analysis of survey responses to identify and prioritize material issues.

Key Outcomes

The Materiality survey was rolled out to all stakeholders and 60% of them responded. An average score was calculated based on the priority ratings given by the respondents, to each of the 21 topics in the materiality universe.

In the materiality matrix presented below, responses received from senior management are represented on the X-axis and those from other stakeholders are represented on the Y-axis. This approach conveys the prioritization of material topics from the business perspective v/s the stakeholder perspective.



Today's world is marked by uncertainty and volatility.

As a result, a robust and effective risk management framework is necessary for businesses to grow and thrive. At GFCL, we have an enterprise wide function backed by a qualified team of experts with deep domain knowledge and extensive industry experience. They develop frameworks and methodologies for assessing and mitigating risks.

An effective risk management policy is vital to attaining our strategic objectives, to create value and protect the interest of stakeholders. Our success not only depends on our ability to minimise impact but also on our aptitude to transform challenges and uncertainties into opportunities to expand and establish our presence.

Risk Management Committee

The risk management committee consists of the following members:

- **Shri Devendra Kumar Jain**, Chairman
- **Shri Vivek Jain**, Managing Director
- **Shri Pavan Jain**, Director

Risk Management Framework

Risk	Context	Impact on Value creation	Our response	Capital Impacted
External environment	Our business transpires across geographies, exposing us to various geopolitical, social and economic risks. These risks are constantly evolving, creating multiple uncertainties. Factors such as policy uncertainty, access to funds, currency volatility, rising interest rates, social unrest and increased inflationary effects might also create impediments to potential growth.	Our ability to successfully navigate through an uncertain and dynamic market environment creates an opportunity to further augment our growth, enhance returns and diversify our offerings.	We constantly monitor the changing market environment in countries where we operate, thereby safeguarding us from potential risks. Further, owing to our diverse geographical presence, cyclic slowdowns in a particular geography or region does not have any major impact on our operations.	Financial Social and Relationship
Lower market demand for products	Slow economic growth across the world has weighed significantly on consumer spending and demand. Moreover, the outbreak of COVID-19 has halted economic activities owing to countrywide lockdowns in different parts of the world. This has led to further decrease in consumer spending, resulting in a demand slowdown in various industries.	Lower demand for our products in the short-term might impact our revenue, profitability and return on investments, resulting in lower returns for our stakeholders.	At GFCL, we have developed multipurpose plants and any sudden impact on demand due to circumstantial changes can be mitigated by a changing product mix. Moreover, our diverse and innovative product portfolio has helped us to establish a strong foothold in the market, thereby allowing us to minimise the overall impact on the business, if any.	Financial Manufactured
Climate change and impact on Environment	With rising awareness about climate change, businesses and consumers have become more conscious than ever. Consumers prefer brands that showcase an ecological concern and offer environment-friendly products and solutions. Further, an inability to abide by prescribed rules and regulations might result in penalties, stoppage of operations and loss of reputation.	Rising environmental concerns compel us to be cognizant of the impact of our operations on the environment. It has also given us the opportunity to explore and expand our portfolio of environment-friendly (green) chemicals.	At GFCL, our R&D team is dedicated to make our existing product portfolio environment-friendly and constantly strives to develop green technologies for manufacturing. Our eco-friendly product range adheres to international compliance standards such as REACH 2020. We are one of the very few companies working in this segment, providing us an opportunity to constantly improve our offerings in this segment.	Financial Manufactured Natural Intellectual Social & Relationship
Competition and entry of new player	Given the scale of our operation, we face stiff competition from domestic as well as international players. Further, entry of new players in the market might reduce our market share.	Competitive business landscape enables us to think differently and innovate better ways of serving our esteemed customers	The industry in which we operate has a high entry barrier due to high capex intensity, restricted access to technology, low availability of key raw materials and long & stringent product development & approval cycles. Further, our scale and capabilities for introducing specialized grades in each category of Fluorpolymers and PTFE is unique in itself. This enables us to increase our customer base and strengthen our relationship with existing customers. This, along with our ability to offer cost competitive solutions provide further impetus to our products and favourably place us against our competitors.	Manufactured Social and Relationship

Risk	Context	Impact on Value creation	Our response	Capital Impacted
Attraction, development and retention of key talents	To efficiently execute our strategy in an increasingly complex and uncertain environment, we need a diverse and engaged pool of talented and skilled employees. There is fierce competition to source the best talents in the industry, especially for certain technical or specialist positions. Therefore, it is crucial for us to attract, develop and retain key people.	A highly motivated and skilled workforce enables us to drive a performance driven and innovative culture. By offering a congenial working environment, we aim to motivate our employees to aspire for professional success while also retaining our position as an employer of choice.	At GFCL, we emphasize on talent management as part of our human resource strategy. We undertake various initiatives to better define and understand our talent supply and demand requirements. We also undertake various initiative to promote an open, inclusive and diverse workplace. We also intend to accelerate the development of high potential employees to make them future-ready. To retain and attract skilled employees, we offer competitive remuneration packages, commensurate to their expertise and experience.	Human Financial
Product safety and quality	Our products are used in various industries including agriculture, pharmaceutical and automotive. Our inability to provide safe and quality products as per domestic and international standards might have an adverse impact on our operations and hamper our brand reputation.	Our ability to provide safe and superior quality products underpins the trust of our stakeholders in our brand.	We take pride in delivering superior quality products to our customers. We undertake stringent quality control measures across our value chain, right from purchase of raw material to delivery of finished goods, to ensure adherence to the highest standards of quality. Our quality assurance team manages and controls all operating parameters and deviations, if any, in product quality, assuring the supply of defect-free and safe products.	Manufactured Intellectual
Cost Compet-itiveness	Rising price of key raw material might have an adverse impact on our profitability. Further, inability to provide products at a cost competitive price might also result in loss of key customers to competitors.	Through our effective cost management strategy, our endeavour is to strike the ideal balance between affordability and quality. It is likely to ensure our long term financial sustainability.	We leverage our economies of scale and forward and backward integration capabilities to emerge as one of the most cost competitive producers of green chemicals globally. We have successfully created a niche for ourselves in the chemicals and Fluoropolymers business and we remain motivated to explore markets for more value added products that ensure competitive pricing.	Financial Manufactured

Risk	Context	Impact on Value creation	Our response	Capital Impacted
Business Continuity	Business Continuity risks arise from disruptions like natural disasters, pandemic, terror and unrest, which is likely to challenge or interrupt production, delay product launches and can ultimately impact our revenue and business sustainability.	This might cause disruption in our operations, leading to temporary slowdown.	We have a robust balance sheet and strong liquidity position to mitigate or reduce the impact of any unforeseen and unprecedented challenge. Further, we have an effective business continuity plan in place to successfully navigate through challenging times.	Financial Manufactured

At GFCL, governance extends beyond regulatory and legislative requirement.

We strive to emphasise on an enterprise-wide culture of good corporate governance with an endeavour to ensure that decisions are taken in a fair and transparent manner, while considering its impact on all stakeholders. We actively monitor and revise our governance structures, practices and processes from time to time, to ensure the adoption and implementation of best practices.

Our Board of Directors are accountable to shareholders and other stakeholders and are responsible for setting and implementing sound corporate governance practices throughout our operations. Our Board of Directors are committed to assure adherence to the highest standards of corporate governance in the conduct of our business.

We strive to promote good governance practices to create transparent dialogue across the organizational vertical, enabling proper channels of communication with respective stakeholders. The Board members are entrusted with the responsibility to make overall strategy and policy decisions and supervise their implementation. They work as a team with a shared vision and are fully aligned to the company's mid-term strategy and purpose.

Prevention of Corruption and Bribery

At GFCL, we are committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices. We conduct our business activities with honesty, integrity and the highest possible ethical standards. We vigorously enforce our business practice, wherever we operate and do not tolerate instances of bribery, corruption or extortion.

We comply with various applicable laws and regulations, including anti-bribery, anti-corruption laws, Indian Prevention of Corruption Act, 1988 while being committed and aligned to UN Global Compact principles. We comply with National Voluntary Guidelines on Social, Environment & Economic Responsibilities and we have reiterated our commitment to improve these practices by adopting the ISO26000 standards on Social Responsibility, getting ISO37001 certified. These practices have enabled us to increase transparency of our operations, enhance our reputation and provide a common basis for measuring progress. As a result we have now been certified for ISO37001 – Anti bribery Management System.

Whistle Blower Mechanism

Our Whistle Blower Policy helps to implement our Code of Conduct (CoC) and encourages all concerned parties to take positive actions, which are not only commensurate with our values and beliefs, but are also perceived to be so. We encourage Employees and Directors to report any violations of the CoC. Our endeavour is to offer all Employees and Directors a conducive environment to disclose concerns about improper activities. We also provide adequate safety against victimization to all Whistle Blowers and make provisions for protected disclosures.

Zero

Whistle-Blower cases received

Communication and Training

At GFCL, we conduct mandatory programs for employees to follow the Code of Conduct stipulated in the Whistle Blower policy and the policy on Prevention of Sexual Harassment at workplace to reinforce our commitment to governance and adherence to fair business practices. We have also developed customized awareness programmes and focused campaigns for relevant aspects of sustainability, social accountability and business ethics. Efforts are undertaken to effectively communicate it to employees as well as external stakeholders including suppliers and the community at large.

7550

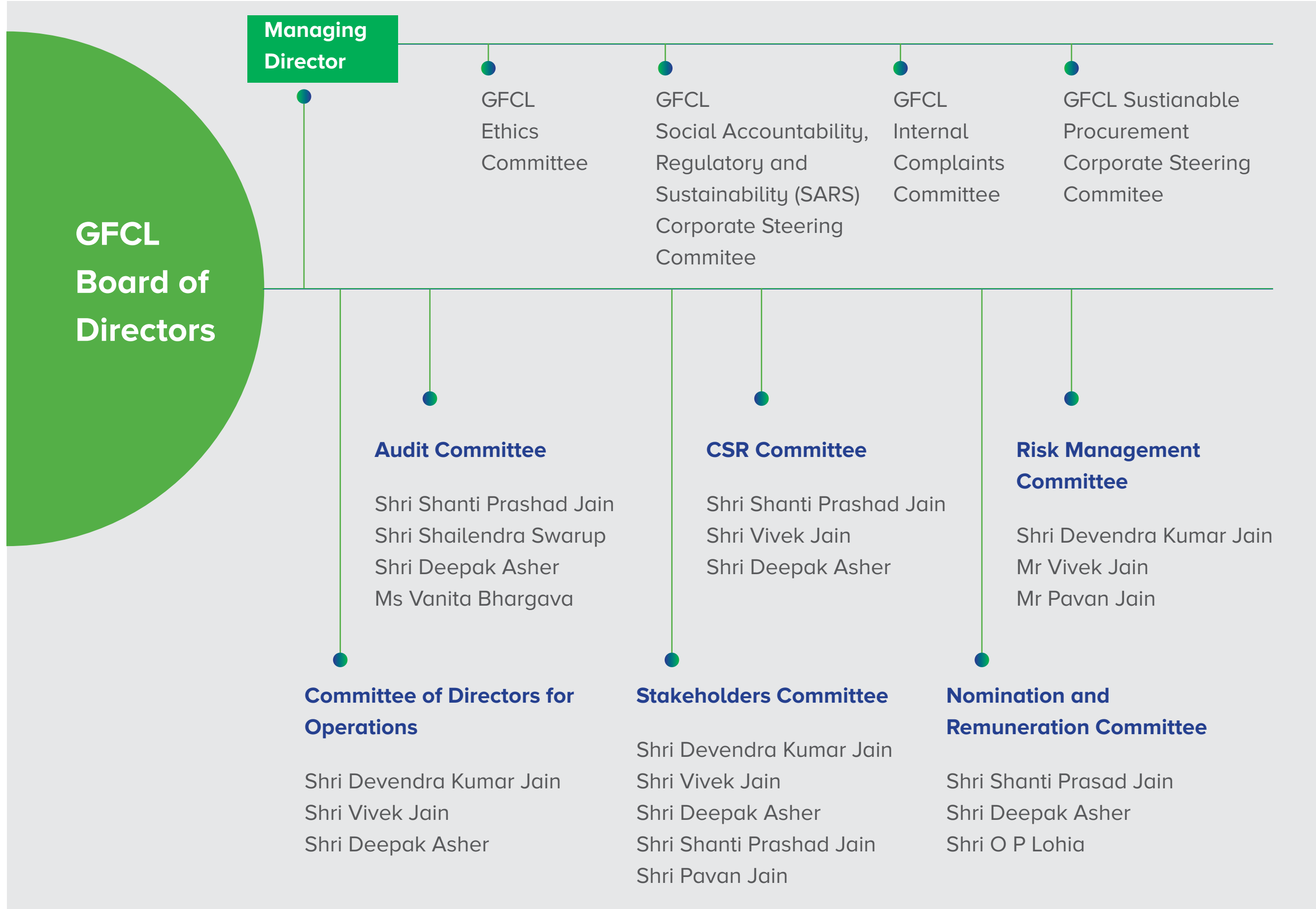
Training man hours in FY 2019-20

ISO 37001

Transparency and Trust are the building blocks of any organization's credibility. Nothing undermines effective institutions and equitable business more than bribery, which is why there's ISO 37001 – Anti Bribery and Anti- Corruption Management System. GFCL is among the very few Indian companies to have achieved ISO 37001 certification, the international Standard that allows organizations to prevent, detect and address bribery by adopting an anti-bribery policy, implementing anti-bribery compliance management system, training, risk assessments, due diligence, implementing financial and commercial controls, and instituting reporting and investigation procedures.

All our existing policies, procedures and processes were thoroughly reviewed before accreditation. Appropriate steps were taken to identify asses risk and mitigation plans have been implemented through the use of Process FMEA tool and taking action to reduce to the Risk Priority Number, or RPN in each case. As part of the Certification audit 180 employees and other stakeholders were interviewed randomly.

Our Governance Framework



Key Committees

At GFCL, we have formed various committees under the Board of Directors that assists in:

- handling a greater number of issues with better efficiency by having experts focus on specific areas
- developing subject specific expertise on areas such as compliance management, risk management and financial reporting
- enhancing the objectivity and independence of the board's judgment

Our key board committees that looks after our governance practises and their scope of work include:

Social Accountability, Regulatory, and Sustainability (SARS) Corporate Steering Committee

GFCL is committed to conduct its business in an honest and ethical manner and in compliance with all applicable laws and regulations. It is also committed and aligned to UN Global Compact principles, SA8000, ISO26000, National Voluntary Guidelines on Social, Environment & Economic Responsibilities and continues to improve these practices over the years. The Social Accountability, Regulatory, and Sustainability (SARS) Corporate Steering Committee is constituted with the objective to drive, review and provide direction to all Social Accountability, Regulatory and Compliance, Sustainability (including Safety, Health, Environment) and Responsible Care related activities and interventions across the Company.

Area of operations of the Committee

1. Sustainability including environment management and GHG emission control, water conservation & climate change
2. Work place safety and hazard elimination through 'responsible care' and product stewardship
3. Workplace health and wellness
4. Social accountability
5. Regulatory and other compliance

Overall Role of the Committee

1. Demonstrate leadership commitment
2. Be actively engaged and provide guidance to all the teams working in their respective areas along with creating cross functional teams to drive specific strategic initiatives.
3. Identification and deployment of strategic initiative and monitoring progress in areas of sustainability, climate change, environment protection and health and safety
4. Draft, define, standardize and roll out Company- wide policies and procedures in the above areas
5. Set targets, define dashboard and review progress of respective sites.
6. Prioritize actions, identify priorities and approve resources as required
7. Establish reward and recognition processes across organization
8. Design audit structure and review action plan for gap closure
9. Allocate resources

The Committee reviews unit level activities with the site team(s) on a monthly basis. The Committee meets every month with the Top Management to appraise of the progress made, identify gaps and draft plan of action, on all the related activities. The Committee is also required to publish a Monthly Sustainability and Social Accountability Dashboard.

Ethics Committee

At GFCL, we strive to ensure that the day to day management of the affairs of the company is being executed as per the various policies and guidelines and in a fair, honest, ethical, transparent and legal manner. The Top management has constituted an 'Ethics Committee' which is responsible for the implementation of various Fair Business Practices, Policies and Guidelines. The Committee takes care of the following:

1. Anti-Bribery and Corruption and fraud
2. Non engagement of Child Labour, Bonded Labour, slavery, forced labour, anti-trafficking
3. Anti-discrimination and Equal opportunity
4. Responsible sales and marketing
5. Protection of Human rights, Gender equality, Minority rights
6. Code of conduct
7. Whistle blower policy
8. Conflict of Interest
9. Anti-Competitive & Anti-Trust
10. Prevention of Sexual Harassment

Area of operations of the Committee

1. Fair Business Practices (Bribery, Corruption, Fraud and Code of Conduct)
2. Social Accountability (Child Labour, Bonded Labour and Discrimination) practices
3. Responsible Sales and Marketing process and procedures

Overall Role of the Committee

a) Reviewing the implementation
b) Providing advice and guidance to personnel
c) Investigate any incidence of breach.
d) Reporting to Top management on the performance, opportunities for improvement and the need for change or innovation
e) Ensure integrity is when changes to systems are planned and implemented
f) Provide confidential and secured platform (whistleblower procedure) to employees for reporting such concerns without any fear of personal repercussions.
g) Reporting to the governing body on the content and operation and allegations of serious or systematic breach of competition law at planned intervals.

Internal Complaints Committee

The Company has zero tolerance for sexual harassment and has therefore, laid down a policy and procedure to deal with sexual harassment complaints as provided in this Guideline following the provisions of THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 read with Rules framed there under. The Management has formed Internal Complaints Committee to consider and redress complaints of aggrieved women.

Sustainable Procurement Committee

We are committed to the principles of 'We source responsibly' and is determined to ensure that GFCL aggressively pursues 'Green Procurement' and works with its business partners in this regard.

With a focus on social, environmental, and economic good and improving our collective effort in the areas of human rights, labour, environment and anti-corruption, the Top management has constituted a 'Sustainable Procurement Committee' to whom the authority and responsibility shall be given.

Area of operations of the Committee

1. Sustainable Procurement
2. GHG reduction in logistics
3. Supplier Sustainability Evaluation
4. Periodic Sustainable Audits

Overall Role of the Committee

a) Commitment to successful sustainable procurement, and it is important that the committee understands how procurement can support the organizational goals and improve performance.
b) Establishing clear accountabilities
c) Adapting the organizational goals and values into clear sustainability objectives
d) Providing advice and guidance to personnel on the sustainable procurement process and issues relating to it; recognizing iforganizational practices that may have an adverse impact on its sustainability goals.
e) Reporting to Top management on the performance, opportunities for improvement and need for change or innovation
f) Ensure integrity of the procurement system when changes to the management system are planned and implemented

Our Governing Body – Board of Directors

Profile of Directors

Chairman

Shri Devendra Kumar Jain
Chairman

Shri Devendra Kumar Jain is a graduate in History (Hons.) from St. Stephens College, Delhi, possesses over 60 years of rich experience in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was granted a Dignity of an Honorary Member of the Civil Division in the Order of the British Empire by Her Majesty, the Queen of England. Shri Devendra Kumar Jain has been a member of the Indian National Committee of the International Chamber of Commerce and has been an Associate Member of the World Economic Forum, Geneva, Switzerland and a member of the Indian delegation to the Davos symposium on several occasions in past.

Executive Directors & Non executive Director

Shri Vivek Kumar Jain
Managing Director

Shri Vivek Kumar Jain is a graduate of Commerce from St Stephens College Delhi and also has a post graduate degree in Business Administration from the Indian Institute of Management Ahmedabad. He has over 42 years of rich business experience in setting up and managing several businesses. Shri Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception.

Shri Pavan Kumar Jain
Non executive Director

Shri Pavan Kumar Jain is a Chemical Engineer from Indian Institute of Technology, New Delhi, with over 47 years of experience of handling several diverse businesses, of which the last twenty two have been as Managing Director of Inox Air Products Limited. Under his stewardship, Inox Air Products Limited has grown from a single plant business, to one of the largest players in the Industrial Gas business in the country.

Shri Deepak Asher
Director & Group Head (Corporate Finance)

Shri Deepak Asher is a Graduate in Commerce and Law, and thereafter took up Chartered Accountancy and Cost and Management Accountancy as professional qualifications. Shri Asher is presently a Fellow Chartered Accountant and an Associate Cost and Management Accountant. Shri Asher has been associated, in different capacities, with the INOX Group of Companies, a USD 3 Bn. business group for more than 30 years now. Shri Asher is designated as Director and Group Head (Corporate Finance) for the INOX Group, sits on the Board of many of the Group Companies, and advises the Group on corporate finance, growth, diversification and other strategic initiatives. Shri Asher pioneered the Clean Development Mechanism (CDM) Project Development of Gujarat Fluorochemicals Limited (GFL). GFL's CDM Project was the first in the world to seek registration under the United Nations Framework Convention of Climate Change. The Project has been amongst the largest in the world, having reduced more than 55 Mn. Tonnes of carbon dioxide emissions, contributing significantly to the environment, as well as earning the company valuable carbon credits.

Besides, Shri Deepak Asher has set up the INOX Group's entertainment business. Operated under the INOX brand of multiplexes, this is amongst India's largest, fastest growing, most premium and profitable multiplex brand. Apart from driving organic growth, Shri Asher also spearheaded several acquisitions in the multiplex space.

Shri Deepak Asher also helped formulating the INOX Group's growth and diversification strategy in the renewable energy space, and helped develop an implementation plan to set up a significant renewable energy business.

Shri Deepak Asher has been a member of the Entertainment Committee of the Federation of Indian Chambers of Commerce and Industry, and the Founder President of the Multiplex Association of India. Shri Asher has been elected to this post continuously since the past 18 years. Shri Asher has been awarded the "Newsmaker of the Year Award" and the "Lifetime Achievement Award" for his contribution to the Indian cinema exhibition industry.

Shri Deepak Asher has been recognized by the Institute of Chartered Accountants of India for enhancing the brand image of the Institute. Shri Asher has also appeared in a global compilation of "Who's Who in the World" for his professional accomplishments.

Independent Directors

Shri Shailendra Swarup
Independent Director

Shri Shailendra Swarup is a law graduate and a Senior Advocate. He is practicing in the High Court and Supreme Court of India, at New Delhi. He has around 44 years of experience in handling various legal matters. He is also on the Board of several professionally managed companies. Shri Swarup was a member of the Task Force on Corporate Governance constituted by the confederation of Indian Industry under the Chairmanship of Shri Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr. AS Ganguly.

Ms Vanita Bhargava
Independent Director

Ms Vanita Bhargava is a Commerce and Law graduate of Delhi University and partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms Vanita Bhargava has 17 years' of experience as practicing advocate at Supreme Court, High Court, Company Law Board, National Green Tribunal, Mining Tribunal, Consumer Forums and its Appellate Authorities. Her Representative areas include Dispute Resolution, Domestic Tax, Environment, Indirect Tax, Infrastructure, Energy and Natural Resources, International Tax, Technology, Media and Telecom, Shareholder Dispute, Domestic and International Arbitration.

Our Governing Body – Board of Directors (Continued)

Profile of Directors (Continued)

Independent Directors

Shri Om Prakash Lohia
Independent Director

Shri Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He is a commerce graduate from Kolkata University and after graduation, joined the family textile business, which gave him management exposure in all disciplines of business management. Shri Lohia has been awarded Udyog Ratna award by the Madhya Pradesh Government in 2005.

Shri Shanti Prasad Jain
Independent Director

Shri Shanti Prasad Jain is a leading Chartered Accountant and practicing since 1963. He has specialized in taxation matters of various reputed companies and banks.

Shri Chandra Prakash Jain
Independent Director

Shri Chandra Prakash Jain is Chartered Accountant and is former Chairman and Managing Director of NTPC Limited. He was also the Chairman of the Standing Conference of Public Enterprises (SCOPE) for the period 2003-05.He has been a past member of Standing Technical Advisory Committee of the Reserve Bank of India, Audit Advisory Board of the Comptroller & Auditor General of India. He has in the past headed the Confederation of Indian Industries (CII's) National Committee on Energy. He is also a Member of Advisory Board of Axis Infrastructure Fund.

Whole-time Director

Shri Sanjay Borwankar
Whole-time Director

Shri Sanjay Sudhakar Borwankar is Chemical Engineer and MBA and has over 25 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.

Shri Sanath Kumar Mupiralla
Whole-time Director

Shri Sanathkumar Muppirala is Chemical Engineer and has over 33 Years in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & commissioning).

At GFCL, our focus revolves around maximizing stakeholder value by maintaining a strong balance sheet and an optimal capital structure.

We ensure availability of funds to meet our operating needs and strategic objectives to efficiently manage cost and sustain liquidity, thereby fulfilling our endeavours to accelerate growth and enable disciplined capital allocation.

Inputs for FY 2019-20

11
Equity share capital
(₹ in Crores)

1725
Debt Capital
(₹ in Crores)

Output achieved in FY 2019-20

Profit and Loss

2,606
Revenue from operations
(₹ in Crores)

17.23
Earnings per share
(in ₹)

553
EBITDA
(₹ in Crores)

189
PAT
(₹ in Crores)

Balance Sheet

3705
Net worth
(₹ in Crores)

0.47
Debt Equity ratio

10.36%
RoCE

337.27
Book value per share
(in ₹)

Shareholders Metrics

3142
Market capitalization as on 31st March 2020 (₹ in Crores)

Arrangement for demerger

In FY 2018-19, a scheme of arrangement was undertaken between Gujarat Fluorochemicals Limited ('GFL 1' or 'the demerged company') and Inox Fluorochemicals Limited ('GFL 2' or 'resulting company') for the demerger of the Chemical Business of GFL 1. It helped to segregate risk and return profiles for varied businesses, thereby providing investors an opportunity to judiciously weigh their options.

The demerger helped us to focus on core business growth, ensured better utilization of resources, strengthened our market position and enabled us to enhance value for our investors and stakeholders. On account of the scheme of arrangement, current year's performance has not been compared with our historic performance.

Strategies to enhance outcome

Focus on growth:
At GFCL, we focus on capitalizing opportunities to grow our market presence and product portfolio. This enables us to deliver long-term, sustainable returns for our shareholders.

Prudent working capital management:
Our relentless emphasis on effective and efficient management of working capital drives us to generate and maintain healthy cash flow. Efficient capital allocation also allows us to retain investor confidence, thereby driving our business expansion and growth plans.

Attractive returns:
We consider the adequacy of returns generated for our shareholder community an able measure of our financial success. We strive to offer attractive return on investments, in comparison to industry averages, to ensure sustained profits for our stakeholders.

Robust balance sheet:
We strive to maintain a strong and healthy balance sheet to efficiently fund our strategic priorities. We also aim to reduce debt and improve operating cash flow to further strengthen our balance sheet and successfully navigate uncertainties in our operating environment.

Continuous Cost optimization:
To ensure optimum utilization of our financial capital, it is imperative to ensure cost optimization across the organization. Accordingly, we undertake initiatives such as process automation, waste reduction and energy efficiency to boost productivity and effectively lower costs. It not only helps to increase our bottom line but, also creates better returns for our shareholders. Besides, to reduce our power costs, we are setting up captive wind power capacity to significantly reduce such expenses.

The continuous investments in state-of-the art manufacturing facilities is a key enabler for supporting our endeavour to produce and supply high quality, affordable and eco-friendly chemicals to customers across the globe.

With our focused approach to fluorine chemistry, our extensive reach across the globe and our superior standards of operational excellence, we remain a preferred supplier of Fluoropolymers, FluoroChemicals and Refrigerants.

Leveraging our expertise and experience in these segments, we cater to the needs of the modern world, enabling us to address the growing needs of our customers from the Automotive, Modern Architecture, Food Processing, Chemical Processing, Agrochemical and Pharmaceutical Industry.

Our scale

India's largest HCFC 22 refrigerant manufacturer in India

Amongst world's topmost integrated and technologically advanced fluoropolymer facilities at Dahej

Backward Integrated state-of-the-art technology plant for PTFE (Poly Tetra Fluoro Ethylene) and new fluoropolymers

Products exported to majority of the countries across the world

Significant investments to build multipurpose fluoro specialty intermediates plants aimed at increasing manufacturing capacity

4x in comparison to FY 2018-19

2 Manufacturing plants in India

Our Manufacturing units

1. Ranjitnagar

Ghogambha District, Gujarat

Set up in 1989

Products

Refrigerant ,
AHCL and
FluoroSpecialty Chemicals

2. Dahej

Bharuch District, Gujarat

Set up in 2007

Products

PTFE and

New Fluorpolymers

3. Morocco

Jbel Teremmi Hills, Morocco

Set up in 2011

Products

Acid grade fluorspar mining and beneficiation

Strategic advantage of Morocco plant

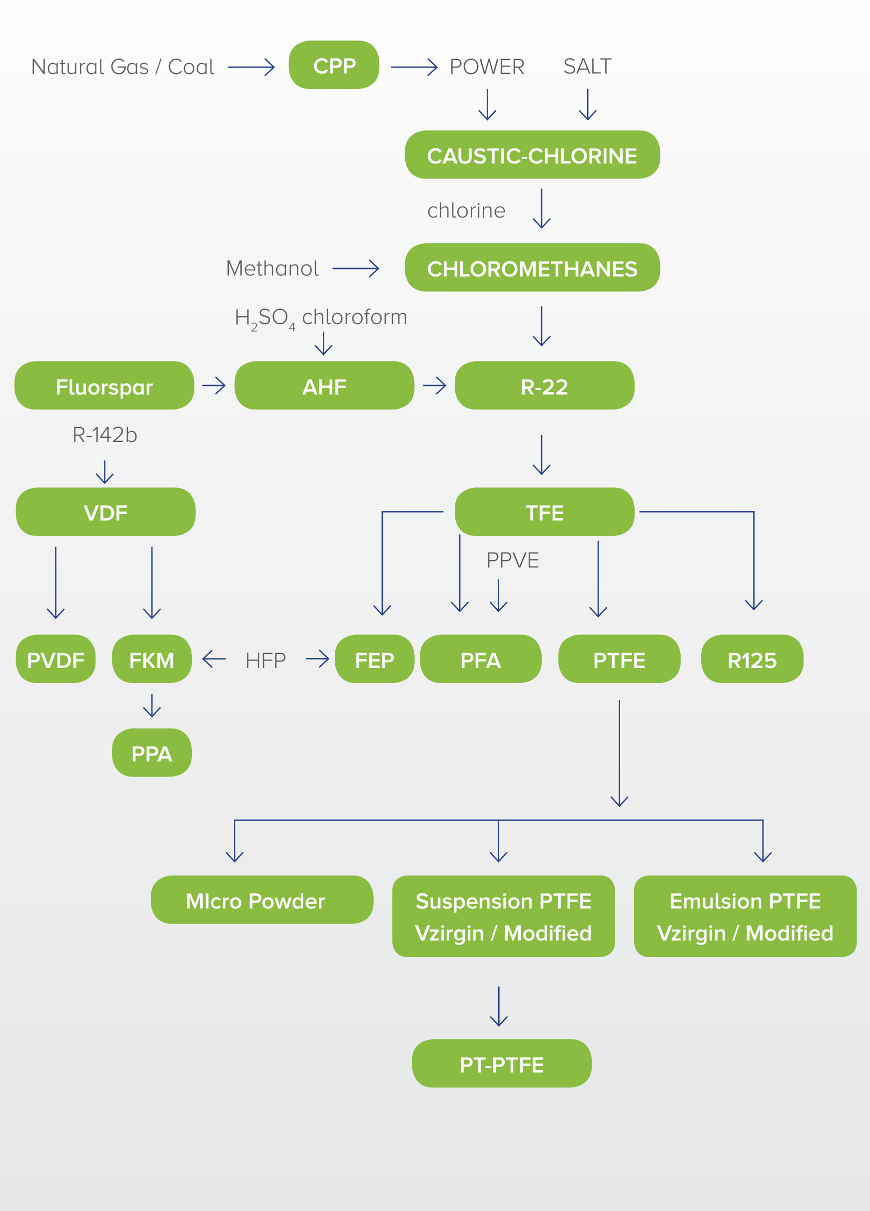
Our captive Fluorspar mine in Morocco is a joint venture between Gujarat Fluorochemicals Limited, India, and Global Mines Sarl, Morocco. The plant's strategic location in Morocco allows it to connect with EU markets and serve the rising demand in EU countries. Product from this plant is sold in Europe and is used in GFCL's plant in India as well. This plant produces Chemical grade Fluorspar used in manufacturing of Hydrofluoric Acid which is a key requirement for many pharmaceuticals and chemical products.

Fully integrated operations

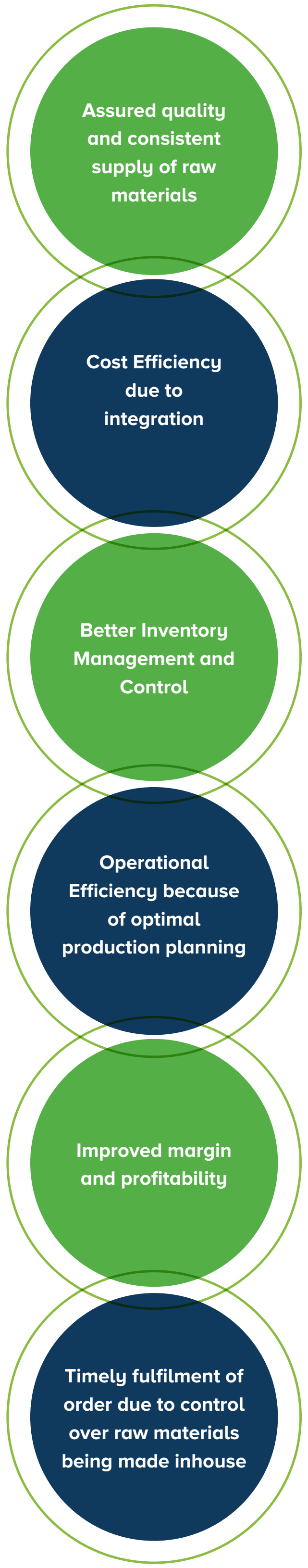
Besides being the country's largest manufacturer of chloromethanes, HCFC 22 refrigerant gases and PTFE, we have established a strong presence across our value chain through backward integration. Our strategic decision enabled GFCL to become one of the most efficient Fluoropolymer producers globally, offering a diverse range of Fluoropolymers including latest generation grades of Fluoroelastomers.

We produce HCFC22 from AHF and chloroform. AHF is made from fluorspar and Sulphuric Acid. Fluorspar is produced in Morocco and chloroform is made from Chlorine in our Chloromethane plant at Dahej. Our captive power plant is based on coal and natural Gas. Thus, from basic materials like salt, Sulphuric Acid, Methanol, coal and gas we have built our entire value chain.

Integrated Operations of GFL's Plants



Advantage of Backward Integration



Our Offerings

Fluoropolymers

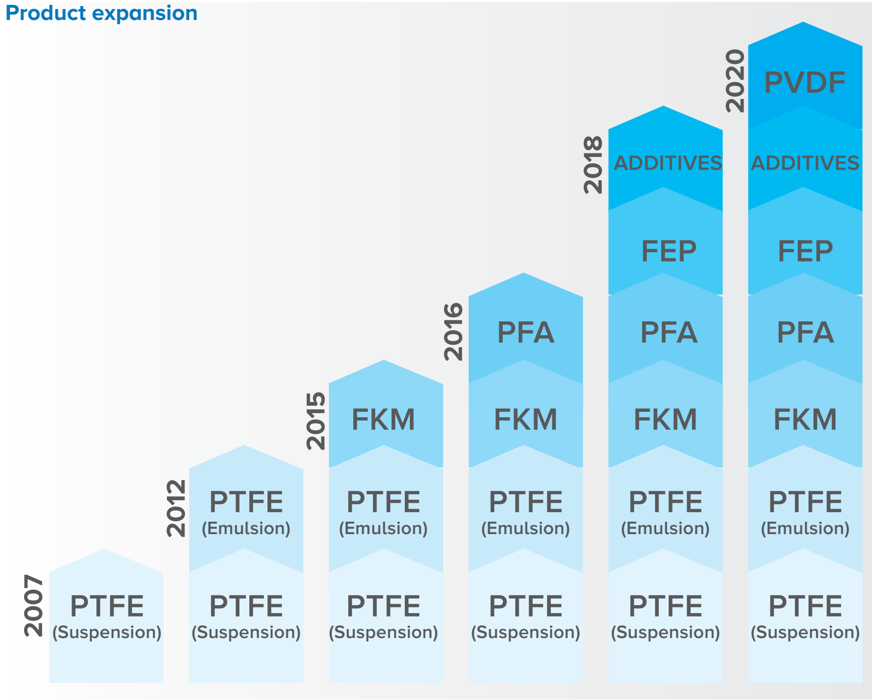
We are one of the leading producers of Fluropolymers in the world, delivering a diverse range of products suitable for our global clients belonging to sectors such as automotive, aerospace, semiconductors, electronics and common household appliances. Its unique non-adhesive and low friction properties along with the capacity to withstand extreme heat, harsh chemicals and difficult weather makes it a highly coveted product in the industry. Its superior electrical properties, in comparison to other polymers, also increases its market demand.

With a growing preference for our products globally, we continue to expand our offerings in other Fluoropolymer products as well. Our ability to rapidly meet evolving needs with innovative products enables us to capture a larger market share. Owing to our backward integrated facility, we have established a strong base in PTFE, FKM, FEP, PFA and PVDF, with our products being efficiently utilized in applications across 20 industries.

~11%

Of the global PTFE capacity accounted by our PTFE facility

Product expansion



Fluorospeciality

Our Fluorospeciality intermediates address the growing needs of global agrochemical and pharmaceutical industries. We strive to produce environment-friendly Fluorospeciality solutions that not only deliver long-lasting performance but, also reduces our ecological footprint. Over the past few years, we have stepped up efforts to develop Fluoro-intermediates through our in-house processes at our state-of-the-art R&D Centre in Ranjitnagar. It has also led to the successful development of several molecules for pharmaceutical and agro applications.

Refrigerants

We have retained our position as the largest manufacturer of HCFC 22 in India since our inception. We are a preferred supplier for leading OEMs & Service partners globally. Over the years, we have strived to deliver the finest quality products that meet the growing demands of the pharmaceutical, air conditioning and cold warehousing industry. To keep up with changing industry dynamics, we are strategically shifting from HCFC refrigerants to a new generation of 400 series blends.

Chemicals

We are a leading manufacturer of industrial and essential chemicals for sectors such as pharmaceutical, agrochemicals and plastics. We offer our customers an array of commodity chemicals including Caustic Soda Lye, Methylene Chloride, Hydrogen Gas, AHCL, HCL, H2SiF6 and H2SO4. Going forward, we aim to continuously improve capacity utilization while driving cost synergies.

Ensuring operational excellence

Our manufacturing facilities are designed to ensure operational excellence. It is not only capable of multi-product manufacturing, but also suitable for adapting to the needs of new and improved products. We also help to deliver various customer-led applications and have significantly invested in state-of-the-art manufacturing units to cater to the rising demand for products.

A comprehensive predictive and preventive maintenance and repair system has been established in all our plants to constantly evaluate and monitor the reliability of equipment, to ensure efficiency of our machines and to reduce plant downtime and operational disturbances, if any.

14%+

Reduction in plant downtime of major plants in FY 2019-20

Technology tailored to boost productivity

To remain relevant in an ever-evolving chemical industry, we, at GFCL, continuously invest in developing and utilizing cutting-edge technologies across our operations. We constantly strive to improve the productivity of our plants by leveraging automation through specialised Distributed Control System (DCS). All our key processes are controlled with advanced GE operator guidance system.

We strive to develop manufacturing facilities with minimal impact on the environment, a step towards ensuring a sustainable future for the coming generations. All our products are Perfluorooctanoic Acid (PFOA) free and are REACH (European Union Regulation) compliant utilising shorter chain, special surfactants with minimal health and environmental hazards.

Some of the technologies developed and deployed in our manufacturing facilities include:

- FEP grade polymer for high end applications for cable insulation & liners. The product has been approved by renowned customers in India, EU and the US.
- Investments for manufacturing different grades of micro powder using environment friendly processes.
- Automation of batch reactor dosing system of dispersion grade PTFE to achieve greater consistency of critical grades for demanding applications.
- Esterification facilities developed for manufacturing agrochemical and pharmaceutical intermediates.
- Halex facilities developed for manufacturing pharma intermediates
- Hydrogenation technology developed for manufacturing speciality products like difluoro benzyl amine and difluoro benzene
- In order to reduce dependence on import, substituents like 1, 3 DFB, 3,4 DFNB, Br EDFA products developed with in-house technology.
- GFCL is first company in India to develop technology for manufacturing Fipronil (Arochemical) intermediates.

Green Technology:

Innovation

- Product recovered from vent (R21/R23) by new technology
- Recovery of Surfactant from Waste water (Awarded by CII)
- Product recovery from Vent (R125) by innovative technology Improvements
- Wind power usage with grid power and captive power plant
- De- bottlenecking of TFE through process efficiency
- Improvement of COC of cooling towers (increased from 6 to 9 COC)

Inventory management

At GFCL, we have a robust inventory management system to ensure adequate stock and continuously meet diverse consumer demands. We undertake the following initiatives to improve our inventory turnover ratio:

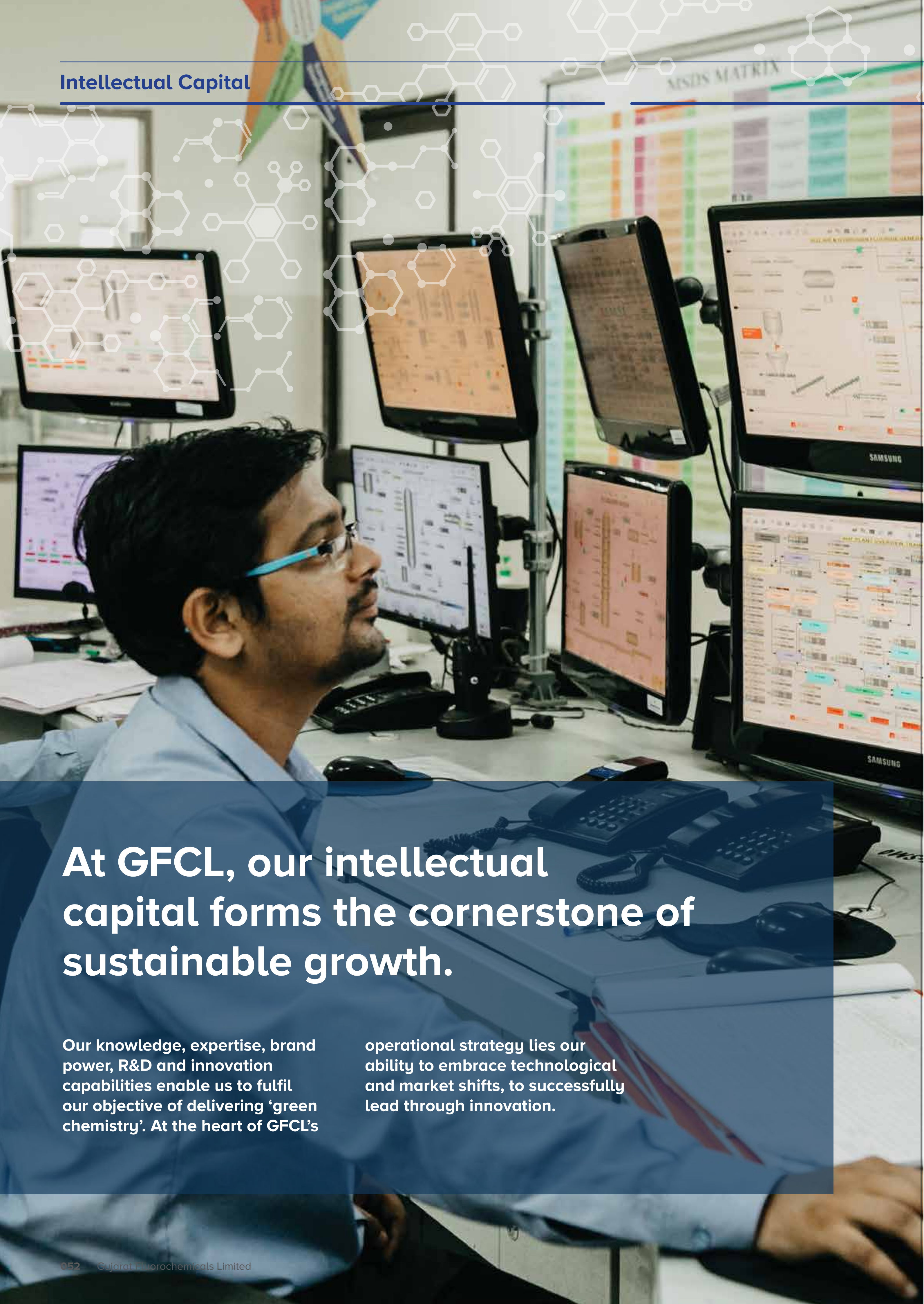
- Periodic review of new procurement against existing stock to avoid excess inventory holding
- Monthly MIS for plant/dept inventory status with a firm consumption plan
- Review of POs to check delivery schedule, ensuring availability of adequate stock
- Liquidation of obsolete and surplus inventory
- Procurement block for non-moving/ slow moving stock
- Implementation of VMI for single vendor stocks like bearings and belts
- Maintenance of minimum and maximum inventory level to ensure optimum inventory levels for all fast-moving items
- Centralized storage for all materials to ensure desired inventory, including storage of refurbished inventory to avoid new procurements

Process safety

Safety is a top priority and all Plants at GFCL and abide by safety and environmental norms. We practice all 14 Pillars of Process Safety Management. Given the nature of our business, our employees are exposed to hazardous chemicals during the course of our operations. We have established a strong process safety management system for extremely hazardous chemicals to prevent untoward incidents that could expose our employees and others to serious health hazards.

We evaluate the potential impact of every incident and take necessary actions in terms of process design, technology, process changes, operational & maintenance activities, non-routine activities & procedures, emergency preparedness plans & procedures and training programs to alleviate such risks.

At GFCL, we have developed the concept of plant safety and implemented routine checks for every plant, considering various key aspects of safety, health and environmental protection and have stipulated specific protection measures. We have also partnered with DuPont Safety Solution, a global leader in HSEF benchmarking, to further strengthen our process safety management. We are also in the process of implementing RESPONSIBLE CARE logo which is awarded by Indian Chemical Council.



At GFCL, our intellectual capital forms the cornerstone of sustainable growth.

Our knowledge, expertise, brand power, R&D and innovation capabilities enable us to fulfil our objective of delivering 'green chemistry'. At the heart of GFCL's operational strategy lies our ability to embrace technological and market shifts, to successfully lead through innovation.

Domain expertise

GFCL's extensive domain knowledge and over three decades of experience in Fluorine Chemistry, Fluoropolymers, Fluorospecialities, Refrigerants and Chemicals allows us to sustain our market leadership as one of the biggest suppliers of fluoropolymers in the world. A sustained focus on aggressively building Intellectual Property Rights (IPR) for new products, new grades and new processes in our R&D Centres, enhances our ability to deliver exceptional performance.

Our three decades of experience has resulted in building a strong foundation in the following areas:

1	2	3	4
Skills for efficient in-house product development	Introduction of new grades for varied product applications	Better process and quality control to achieve consistency and acceptability of products	Development of processes to ensure a sustainable future for our products

10
Patents filed

2
Ongoing IPR projects

3
Patent rights obtained for fluoropolymers

Brand Portfolio

From our humble beginning as the manufacturer and marketer of a single brand of refrigerants, REFRON, today we have established our presence with multiple brands like Inoflon, Fluonox, Inoflar, Inolub and Refron. Our brands resonate our values of quality, excellence, integrity, innovation and customer value to secure our position in key geographies across the world. We endeavour to be recognized as trusted partners leveraging our brand recall across sectors.

Our brands

INOFLAR™ FLUONOX® INOFLAR™

INOLUB™ Fluoropolymer Additives

Refron

Green Chemistry

During the year under review, we revamped GFCL's logo to reflect product growth and enhanced marketing efforts designed to meet changing customer expectations. Our new logo is synonymous with our brand identity, across all channels of physical and digital communications. Our commitment with "Value through Green Chemistry" reflects our capability to maximize value for customers while making sustainable contributions to society and the environment.

Green chemistry involves the design of chemical products and processes that reduce or eliminate the use or generation of hazardous substances. Green chemistry applies across the life cycle of a chemical product, including its design, manufacture, use, and ultimate disposal, (Definition cited by EPA, USA). With global environmental regulations becoming more stringent and end consumers' consumption pattern shifting towards commitment to sustainable products, it is imperative to strike a balance between sustainability and performance.

We are committed to 'Green Chemistry' and offer environment-friendly products by embracing sustainable technologies for safer products and developing processes that use greener alternatives. GFCL endeavours to align its processes with the principle number 4 of 12 principles of Green Chemistry - Design safer chemicals and products: Design chemical products that are fully effective yet have little or no toxicity.

New Product Innovation

Organic growth in the chemical industry is driven by innovation. We, at GFCL, have always concentrated on the ever-evolving needs of customers and have aimed at manufacturing advanced and innovative products that contribute towards future growth and business sustainability.

In recent times, due to the growing concerns about climate change, we have noticed a significant shift towards green chemistry and environment friendly products. To fulfil our commitment towards our customers, we continue to focus on new-age innovations that meet the demands of tomorrow.   Here's a list of innovative products developed by GFCL:

- Sustainable and eco-friendly surfactant system for polymerization of Fluoropolymers
- FEP grades for high speed cable extrusion
- Direct polymerized PTFE micropowder grade for lubricant and grease application
- High purity grade PFA (PFA 8003 HS) for semiconductor application
- PVDF moulding grades
- Polymer additives for Fluoroelastomers
- Superior quality PTFE micro powder & additives for printing ink, lubricant & coating applications
- Development of surfactant / emulsifier – currently undergoing trial
- Development of two important grades of PVDF polymer for tube, liner, valve & pump components
- Development of specialty chemicals like TFE-DMA,3,5-DCTFEA, PCTFE, IDURATE and indigenously developed specialty chemicals like V5, ISAN and DCTFMA

Focus on Research and Development

We leverage customer insight and our in-house research capabilities to create innovative and unique solutions. Our state-of-the-art R&D centre lies at the core of our operations, bridging the gap between market requirements and business needs. Our R&D team comprises of qualified researchers, scientists and product specialists, dedicated to develop customized solutions for our customers and design sustainable manufacturing technologies for us. To further augment our research activities, we collaborate with renowned educational and research institutes such as Indian Institute of Technology and Indian Institute of Chemical Technology.

Our in-house R&D capabilities also enable us to reduce our dependence on import of critical items. It also enables us to significantly contribute towards the government's initiative of 'Make in India' and its vision of 'Atmanirbhar Bharat' by providing new opportunities for employment and improving the importance of 'Made in India' products in the international market.

During the year under review, we have been focusing on developing new grades and products for meeting requirements in existing diverse applications such as in the automotive, aerospace, semiconductors, electrical and electronics, pharma & chemicals and medical sectors. Further, we are also focusing on developing products for emerging high growth applications, such as e-mobility, clean environment drive, high purity water, 5G data transmission, internet of things, solar PV modules, lithium batteries, high temperature auto wires and fuel cells, demand for which is anticipated to grow in the short-term.

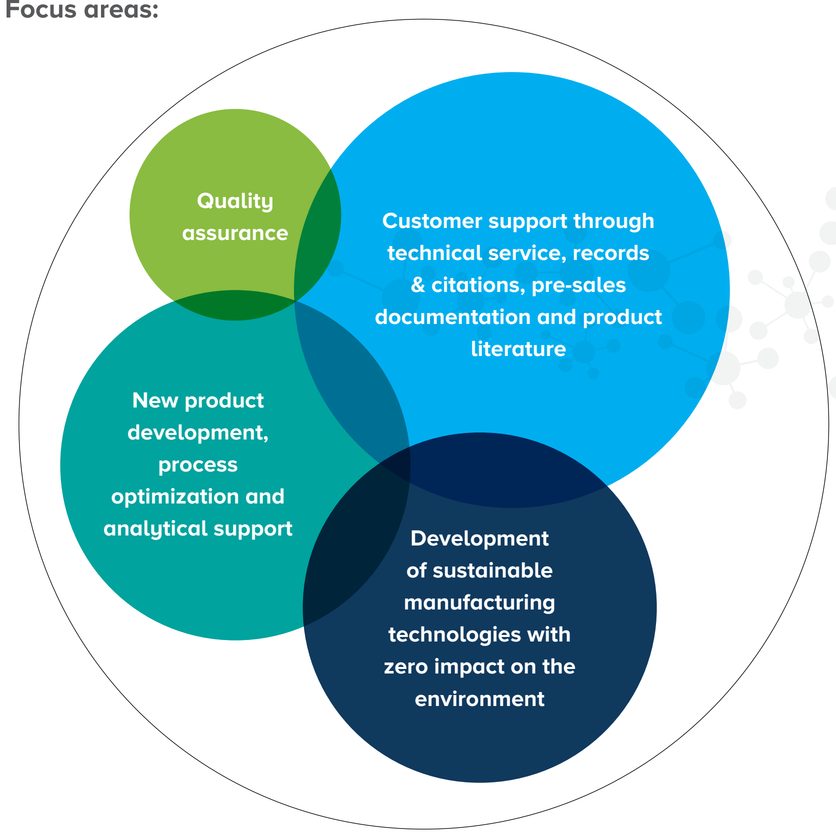
63

Members in the R&D team

> 10 years

Average Experience of R&D team

Focus areas:



Quality – our utmost priority

At GFCL, we recognize the importance of delivering the finest quality products and therefore, adhere to stringent quality standards throughout our operations. Our extensive quality control measures extend across manufacturing and packaging to handling & storage, transportation and delivery. This enable us to prioritize safety and quality across all processes and customer touch points.

Our dedicated quality and regulatory teams provide technical and market support for all regulatory affairs. Besides, our manufacturing facilities comply with the requirements of Integrated Management System (IMS), strictly following ISO 9001-2015: Quality management System, ISO 14001-2015: Environment Management System and ISO 45001-2018: Occupational health and Safety Assessment system standards.

We monitor and control quality of our products through following activities:

- **All batches are tested for all quality parameters by QA laboratories**
- **Daily production and quality review meeting**
- **Regular audit of manufacturing processes by QA**
- **Monthly performance review by senior management**
- **Deviations observed are analyzed for root cause and corrective actions are taken promptly**
- **Continuous upgradation of manufacturing processes by adopting latest technologies**
- **Feedback from customer visits/ audits are acted upon to make improvements**

Objectives to enhance quality standards

- Understand the requirements of domestic and international customers to offer technically and commercially competitive products that meet customer expectations
- Work towards achieving customer satisfaction through consistent product quality, timely delivery and effective communication
- Respond to customer feedback in the shortest possible time
- Achieve continuous improvement by adopting suitable practices for maintaining a safe and healthy environment and to meet Statutory and Regulatory requirements
- Consistently aim to identify and improve employee needs through adequate training to preserve the quality of operations

Certifications received by our manufacturing units

Dahej

45001:2018 | 9001:2015 | 14001:2015

Ranjit Nagar

9001:2015 | 14001:2015 | 14001:2018

Information Technology

At GFCL, we have adopted best-in-class Enterprise resource planning (SAP), Customer Relationship Management (Salesforce) and SCADA control operations to strengthen our business processes. These software enable us to ensure business scalability, integrity, reliability, accuracy and security of key information and data. Cyber security based email gateways, Firewall, Unified Threat Management system, end point security antivirus and data network encryption is also implemented which is ISO27001 compliant and certified.

Through the information and data available, we are able to make accurate and quick decisions on a real-time basis. Business decisions which are relevant to suppliers, partners, collaborators and customers are made through SAP generated information of purchase, sales, production, planning, marketing, plant maintenance, inventory position and tracking of incoming and outgoing material and export import functions. We ensure that these information are secured and quickly available through server generated reports and tracking mechanism. Various alerts are generated directly from servers for outgoing material, incoming material and various MIS reports which contain highly reliable information.

Further, through challenging times like the COVID-19 outbreak, wherein social distancing was the need of the hour, we leveraged our robust IT system to ensure smooth communication through web-conference, video conference, audio bridges and email. This enabled us to make quick decisions as well as ensure smooth business operations. We are also planning to upgrade our corporate information technology infrastructure by adding one more data center at Noida with deployment of high availability machines, next generation servers of HANA platform for SAP (ERP) and VDI infrastructure for all users and complete SOC and NOC facility as per standard data center norms. Further, we have planned to have BI reports and BI Dashboards for business process analysis.

Certificate

Standard: ISO/IEC 27001:2013
Certificate Registr. No.: 01 153 1937315

Certificate Holder: Gujarat Fluorochemicals Limited
3rd Floor, ABS Tower, Old Padra Road
Baroda
India

Scope: Information Security Management applies to data center
As per SOA ver. 01 dt. 30.10.2019

Proof has been furnished by means of an audit that the requirements of ISO/IEC 27001:2013 are met.

Validity: The certificate is valid from 2020-01-07 until 2023-01-06.

2020-01-13

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln

www.tuv.com

TÜVRheinland®
Precisely Right.

GFCL has earned a reputation as a people-centric organization and our human capital is pivotal to our success.

Our people are not just our greatest assets but, are key differentiating factors and play a vital role in ensuring long-term business growth. We seek to bring together people with diverse skill sets, views and backgrounds to inculcate an inclusive culture and offer a conducive environment to grow and fulfil professional aspirations.

Strategic Intent – Business & People

At GFCL, People capital is seen as a key driver of organizational success. We believe Company's growth cannot be delinked from employee growth. Our employees remain at the core of the Company's growth strategy. In the rapidly transforming business landscape, our growth strategies revolve around -

- Expanding Geographies
- Diversifying Product Offerings
- Establishing new product lines
- Improving Quality
- Enhancing Cost Competitiveness
- Reducing Delivery Time

To support the above growth strategies, People Capital ensures the four dimensions of organizational capability:

Sustainability - An organization's ability to continuously maintain the highest levels of performance against current performance standards in the face of evolving needs of business circumstances. Sustainability is achieved though high employee engagement, professional and leadership development, and effective succession planning.

Continuity – An ability to replicate high performance in existing employees, new hires, partners, and or sub-contractor, which is dependent on the organization's ability to clearly define success, develop reliable competency model, and robust performance management practices

Readiness - The capacity and capability of employees and organizations to exceed current performance standards as well as the potential to continuously develop the skills necessary to exceed future standards

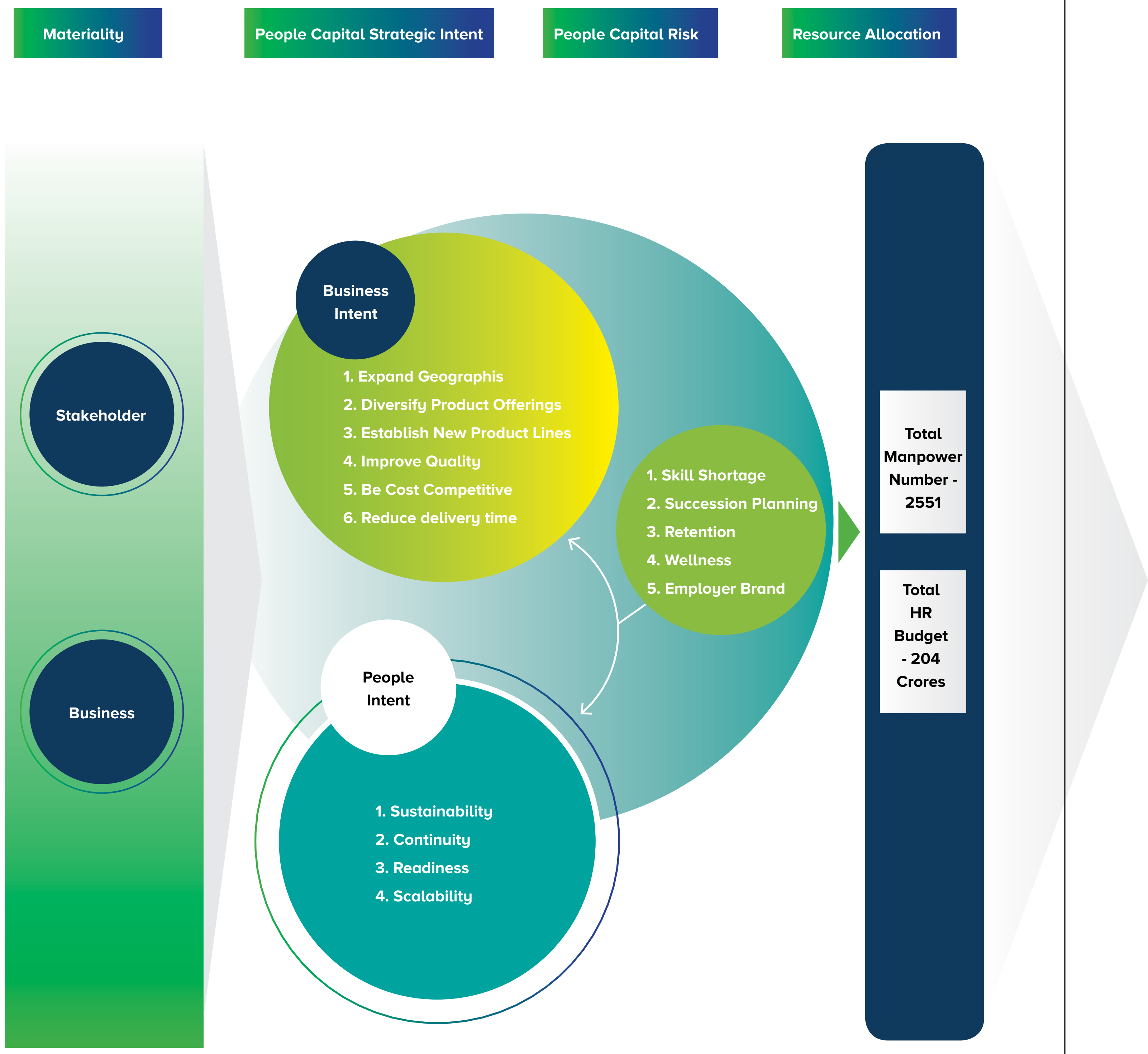
Scalability - The organization's ability to rapidly expand its performance by talent acquisition. Scalability is predicted on the organization's ability to anticipate or predict future needs, clearly define success against those needs and accurately identify the best resources. While doing so, we are guided by the Principles for Human Resource Management in GFCL. We believe that building and sustaining a "high - trust and high – collaboration" workplace is essential for business delivery based on these Principles which govern all our people capital practices.

HR RISK IDENTIFICATION

1. **Skill Shortage –** The presence of skilled employees allows an organization to fulfill its goals to compete, innovate and grow.
2. **Succession Planning for Leadership Positions –** Ensuring the availability of future leaders and a bench strength to support aggressive business growth.
3. **Retention of Critical Talent –** Building a fair, transparent and performance driven culture where continuous development and growth is ensured to retain talent.
4. **Employee Wellness –** Providing a safe and healthy workplace to maintain workforce productivity.
5. **Employer Brand Protection –** Nurture a work culture which encourages ethical behavior and builds the employer's brand.

7 Habits of Highly Effective People - Leadership Training

Business Model of Human Capital

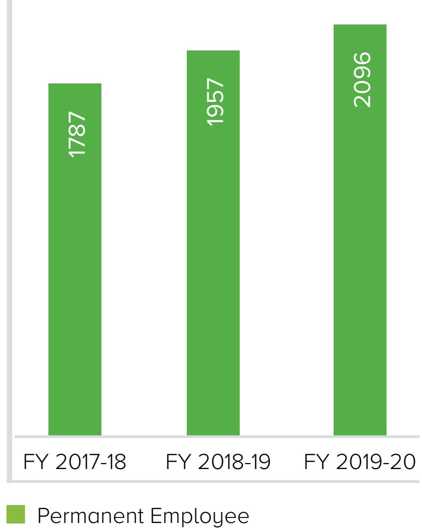


Inputs	Activities	Output	Outcomes
Citizenship - Ethical & Fair Labour Practices	SA8000 – Social Accountability Certification Relevant Policy roll out Ethics Line implementation	No of POSH issues - NIL Human Rights Violation -NIL	Visible Social Responsibility & Accountability ISO37001 Certification ISO26000 Adoption Assurance from External agency ISO27001 Certification
Sharpen the Saw - Continuous People Development	360 Degree Assessment and Individual Development Plan for GM & Above High Potential Identification and Career Planning based on P/P Matrix Introduction of E-learning	Training Mandays – 4068 General Manager & above covered in 360 degree process in manufacturing units - 92%	Improved Skill set Established Talent Pipeline
Engage4More - Building Team Spirit & Engagement	Fun Learning initiatives like Team Magic and Bioscope implemented Six Sigma and Quality Circle Teams formed Employee Celebrations- Family Day, Women's Day, Sports Day etc Prayas Suggestion Schemes implemented	Employee Satisfaction (E-SAT) Average Score – 4.03 out of 5 – Employee Participation – 75% Employee Effectiveness (EE2) Average Score – 4 out of 5 – Employee Participation – 77%	Reduced Attrition
Pulse - Proactive Employee Communication	Biannual Employee Newsletter Regular Skip level meetings and Stay Interviews Quarterly Town hall/CEO Talk Daily PHRRO (Plant Human Resource Relations Officer) Meets Annual Employee Satisfaction & Employee Engagement Survey	Suggestions Received – 762 HR Buddy queries resolved – 146	Harmonious Relations
Care - Employee Well being	Regular Wellness and Safety Trainings Regular Safety Meetings STOP Initiative Special leaves for Women Yoga session	Mandays on Safety Training – 966 Mandays of Contractor Training on Safety – 664 Safety meeting compliance – 92%	Reduced Incidence Rate
N_Liven - Rewards & Recognition	Spontaneous Recognition Scheme continued Annual Long Service Felicitation across Company	Long service awards recipient - 232 Spot on given – 1705	Improved Retention

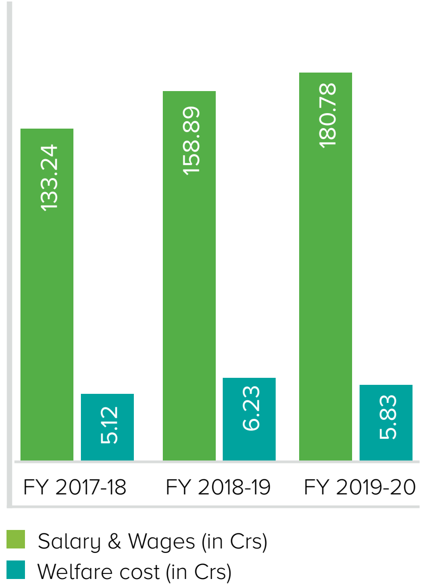
Resource Allocation

Human Capital Resource allocation pertaining to talent, funds and facilities ensure fulfilment strategic people goals. With the increase in product portfolio and business lines, human capital resources have also seen a proportionate increase.

Average deployment



To attract and retain talent, GFCL has always paid market driven wages and salaries and extends other unique employee welfare schemes.



Our facilities have been continuously improved. At Dahej, site saw a new canteen and a new administration block with improved facilities have been constructed. Further enhancement of People facilities in Ranjitnagar is also planned.

Training on GRI Standards Awareness at Baroda.

Citizenship - Ethical & Fair Labour Practices

GFCL understands the demand for good citizenship and the growing link between social impact and financial performance and believes that "business exists to deliver value to society.

UN Global Compact

Joining the UN Global Compact initiative is an example of our continued focus on citizenship as a strategic direction. GFCL has released its very first Communication of Progress (COP) report.

UN GLOBAL COMPACT
Network India

https://www.unglobalcompact.org/what-is

SA8000

Whether it is safety, health, environment, sustainability, quality or labour practices, we at GFCL aim to exceed our customer expectations. SA 8000 is the most accepted and respected International Certification on labour practices. The standard covers the social accountability aspects and encourages organizations to develop, maintain, and apply practices in the areas of Human Rights and Workers, Protection against child labour & Health & Safety.

The Company has received SA8000 certification for its manufacturing operations at Dahej and Ranjitnagar. In line with our code of ethics, social accountability & sustainability policy, SA8000 certification confirms our commitment to upholding the highest standards of ethics, social accountability and sustainable business development. The certification improves our standing internationally and it is appreciated by brands and industry leaders for its rigorous approach to ensuring the highest quality of social compliance across supply chains, without sacrificing business interests.

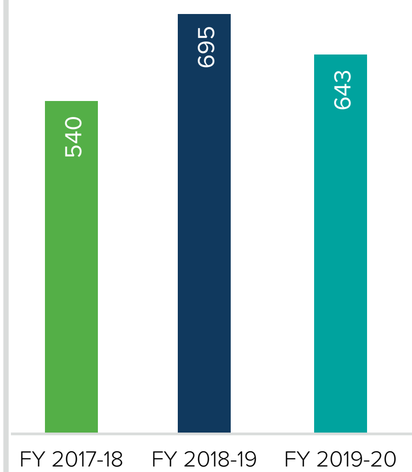
ETHICALLY CORRECT CERTIFIED COMPANY
SA 8000

Talent Acquisition

GFCL is an 'Equal Opportunity Employer' and makes no discrimination on the grounds of gender, sexual orientation, race, religion, caste, region and colour during its recruitment process, transfers, promotion or any matter related to employment and pro actively removes any barriers to equal opportunity. Our preference however, is to give preference to the sons of the soil.

The Company engages with campuses like HBTI (Kanpur), CIPET(Chennai), Punjab university(Chandigarh), GMRIT(Andhra Pradesh) and Manipal university(Jaipur) to recruit young talents who can make meaningful contributions to GFCL's success.

Number of Hiring per year

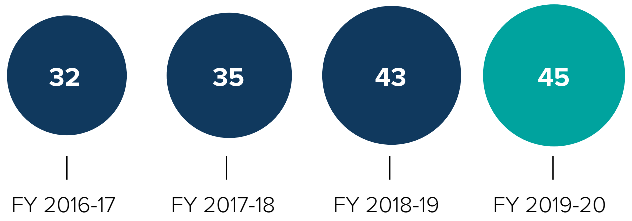


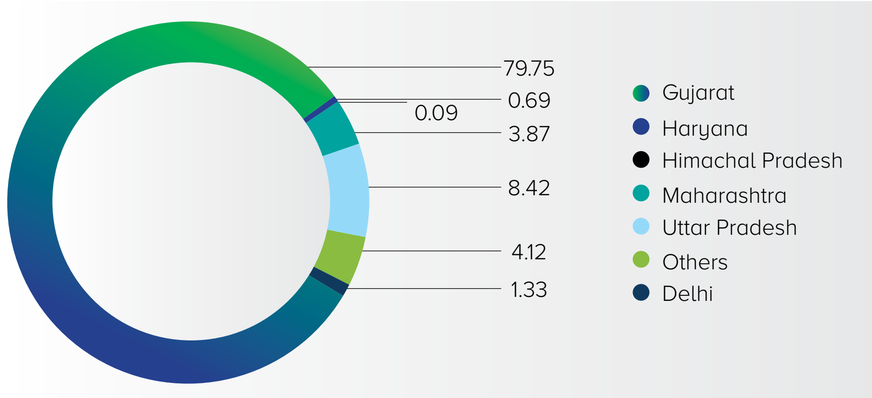
Diversity

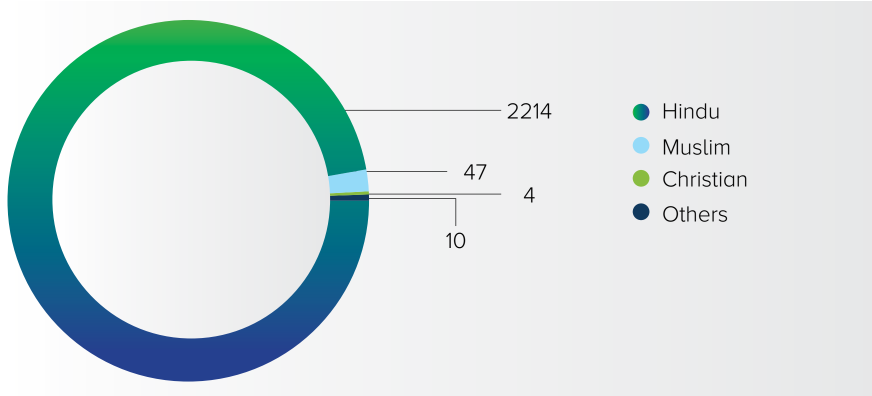
The company strives to empower its women employees and allows them to thrive professionally while ensuring the perfect work-life balance.

By signing the UN Women and UN Global Compact's Women's Empowerment Principles, GFCL exemplified its commitment to Gender Equality and Women Empowerment. The Company recognizes women's empowerment as an integral part of its People strategy which will benefit not only individuals but also society at large, contributing towards economic and social development. GFCL has participated in varied initiatives for promoting education, social entrepreneurship, and women empowerment. The number of female employees in our Company has been steadily increasing and we celebrate diversity at our workplace on International Women's Day and Mothers' Day by felicitating our women employees across locations.

Number of Female Employees







Independence day celebration

Ethics line and POSH (Prevention of Sexual Harassment) Committee

Various Social Accountability and Social Responsibility Policies and guidelines are in place to ensure that we conduct business ethically and in a manner that respects human rights and dignity of people. The following are the guidelines which all employees are required to follow:

- Prohibition of Child Labour
- Protection of Human Rights
- Prohibition of Forced & Bonded Labour
- Equal Opportunity, Gender Equality & Protection of Minority Rights
- Prohibition of Slavery & Human Rights Trafficking
- Anti Bribery & Anti Corruption & Fraud prevention

Suggestion and grievance boxes have been installed across our facilities, allowing employees to register complaints in this regard.

Compliance	Number of Complaints received
Sexual Harassment	Nil
Child Labour	Nil
Bonded Labour	Nil
Discrimination	Nil
Human Rights	Nil
Minority Rights violation	Nil

The company takes initiatives to drive human rights and fair labour practices across the value chain which includes contractors, service providers and all business associates. Continuous training and awareness programs are conducted for employees and contractors on social accountability, and responsibility.

Training	Percentage of employee covered
POSH	25
Social Accountability & Social Responsibility	75
Fair Business Practices	45
Cyber Security	43

Our Service providers are also trained on the aforementioned subjects and are required to give a declaration stating their compliance to the same..

Training	Percentage of Contractor/Labour covered
Social Accountability & Social Responsibility	56

Sharpen The Saw – Continuous Organizational Growth Requires Continuous Employee Development

Nurturing talent is a continuous commitment at GFCL - it involves attracting, training and ensuring employee growth.

Talent Management

Our talent management system is digitized and is integrated with the annual target setting and performance evaluation process. This ensures fairness & transparency helping us to build a culture of meritocracy. Our "Career Ladder" gives all a clear understanding on how and what will make an employee grow within in the Company.

Succession Planning

Succession planning is key to business continuity; accordingly, we have a robust succession planning process at GFCL. The Company believes in promoting homegrown talent, instead of recruiting talent from outside. Therefore, it assures employees' career progression and provides opportunities to grow.

Future leaders are identified through our Role – Competency Continuum (RC2) model which defines what we expect from our leaders, providing a well-defined framework of competencies required for ensuring business success and fulfiling our corporate strategies.

Nine Box grids are actively used during the talent review process. Based on this 9 box matrix, we identify high potential employees and undertake 'fast track career growth' for the HIPO. Each site has got Talent Review Committees which drives High Potential employees identification and their continuous nurturing. Every year, we identify high potential employees and groom them to be the leaders of tomorrow.

360 Degree Feedback Process

360 degree feedbacks are used as an assessment tool across the organization. Annual 360 degree feedback is taken by all Head of the Departments. Detailed Individual Development Plans are devised on the basis of such feedback. 80% of the employees of GM & above level have been covered in the 360 degree feedback process.

Behavioural & Technical Trainings

At GFCL, we believe that if we build a learning organization, performance will follow. We provide not just class room training, but our learning extends to experiential learning by way of special project assignments and on-the-job trainings. The Company is continuously upgrading its training infrastructure, methodologies and programs and makes significant investment in these areas.

7366

Behavioural Training (Total Man-hours)

10600

Technical Training (Total Man-hours)

Diwali Celebration at Varordara office

Engage4more - Building Team Spirit Through Employee Engagement

A challenging environment results in greater employee engagement, allowing people to lead by example and showcase discretionary talent. At GFCL, it fuels our growth and future success.

Employee Engagement

The Company believes that learning through fun-filled activities also helps employees retain information better because the process becomes enjoyable and memorable. With this consideration, 'Teamagic' workshop is conducted for the employees at the corporate level for imparting education through team games.

Moviemagic, uses movies for imparting leadership training, and it is a prevalent practice at GFCL.

Sports and other team building activities are also encouraged across the Company to build a team spirit and camaraderie. Tournaments like cricket, chess and carom are held round the year. Employees' also participate in city marathons and competitive cricket tournaments.

Vibrant Cricket Mahotsav 2019 - Winners

Employee Effectiveness (EE2) and Employee Satisfaction Survey (E-SAT)

The Company conducts Employee Effectiveness & Employee Satisfaction Survey bi-annually to get employee opinions, ideas which can be utilized to continuously innovate and upgrade its processes. The Company has introduced flexi timing, extended weekends and various employee friendly initiatives based on the survey feedback.

- Participation%
- Average Score

Employee Effectiveness (EE2)

76 | 4.02

Employee Satisfaction (E-SAT)

75 | 4.33

Quality Circle & Six Sigma

At GFCL, we believe in continuous improvement through employee participation. The Company nominates them for various competitions to showcase their talent. Our 16 Quality Circles and 6 sigma teams work relentlessly to derive people-centric solutions. People are given the platform to innovate. This culture of Inquiry and problem solving has allowed in GFCL employees to excel at work and in external forums.

Five Quality Circle Teams from Dahej participated in the Quality Circle Competition in Gujarat. Our teams won Gold and Silver medals at the State Level. Three teams, who qualified for the National level also won the Excellent Award among 1400 teams from across the country.

Celebrations

As a Company, we believe that fun @ Workplace improves teamwork, build trusting relationships and increase employee engagement. Across GFCL, we celebrate together. From festivals to conferences and ceremonies, the company never skips a day to celebrate an occasion whether its Independence day, International Women's Day Celebration, Diwali Puja, employee birthday celebration etc. Family day and annual sports day are few of the major celebrations across sites.

Diwali Celebrations at Corporate office, Noida

Pulse - Proactive Employee Communication

GFCL believes that Communication is the lifeline of an Organization. The company always endeavours for an open and transparent culture which empowers employees to communicate with the senior management about future plans, expectations and for that matter their grievances.

In-house Magazine

The Company's in-house communication channel, both digital and offline, allows employees to connect, bond, inspire, express and celebrate their achievements. Our bi-annual e-magazine allows information to flow across the Company and serves as a platform for an employee to gather more information about the organization.


GUJARAT FLUOROCHEMICALS LIMITED

Volume VI, Issue I, March, 2020

PULSE

Dear Colleagues,

Towards SUSTAINABLE Growth!!

Employees' Newsletter - Pulse

Prayas

Employees are encouraged to give workplace improvement suggestions through the "Prayas" platform – a employee suggestion scheme across sites. For GFCL, its employees are partners in its progress where the relationship is built on long term mutually gainful relationship build on trust and transparency. Total 762 suggestions were received from employees last year for improvement of processes across the organization. The best ideas generated, are put to practice and the employees are rewarded for the same.

Prayas

HR Buddy

HR buddy is an E-platform wherein employees can directly communicate with HR for any a grievance, a query or a suggestion. The turnaround time for response is 3 days. We have received 585 queries in last 3 years, out of which 551 has been resolved.

Employee Participation

In order to encourage employee involvement and participation, various committees are in place, wherein employees are empowered and delegated to take decisions. Meetings are held at prescribed intervals and matters relating to the area are discussed and resolved. These empowered committees having equal participation of management and staff, and help to take decisions related to cafeteria, transport, sports, culture etc.

Both, at Dahej & Ranjitnagar, there is a Social Performance Team which reviews, monitors and takes action related to Child labour, Forced Labour, Discrimination, Health & Safety, Remuneration, etc. Such social performance teams have an equal representation of Workmen and Management. Through these committees, 60% of our workforce is represented.

CEO Talk/Town hall & Skip Level Meetings

To be connected with the grass root, CEO Talk/Town halls and Skip Level meetings are conducted across locations. It provides a platform for leadership to communicate with employees on a monthly basis. This year we have conducted 8 Town Hall and 9 Skip level meetings across sites.

CEO Talk

Care – Employee Well Being

For GFCL “Safety is A Value-Not just A Priority” to be lived in all our endeavours. The Company is committed to ensuring the health and safety of its employees, contractors, customers and the public while meeting Company’s business needs. GFCL is certified under OHSAS 18001:2007, ISO 9001:2015, ISO 14001:2015, and ISO45001. In accordance with its provisions, the organization ensures adherence to the standards and regulatory norms, thereby providing a safe and healthy working environment.

Gujarat Fluorochemical Limited has taken up Responsible Care activities as one of its most important Management Pillars. Based on the core principle of “Safety in not only a priority but a value’ for the company, the Management has aggressively taken action based on the Responsible Codes pertaining to Pollution Prevention, Process Safety, Distribution, Employee Health and Safety, Community Awareness and Emergency Response, Product Stewardship and Security. Our Commitment to Responsible Care is part of the Company Sustainability Initiative to positively impact – Planet-People-Profit.

The Company pledged its commitment to the Responsible Care Guiding Principles on February, 2020.


ICC
Indian Chemical Council

UNDERTAKING
ON GUIDING PRINCIPLES

This Company is committed to support continuing efforts to improve the industry's responsible management of chemicals. We pledge to manage our business according to the Guiding Principles of Responsible Care initiative enclosed herewith.

Signature:	
Name:	Mr. Satish Kakade
Designation:	Chief Executive Officer (CEO)
Company:	Gujarat Fluorochemicals Ltd.
Address:	Inox Towers, 17, Sector 16 A, Noida (UP)
Email Address:	satish.kakade@gfl.co.in
Web.Address:	www.gfl.co.in
Date	19.02.2020

Commitment to Responsible Care

Over the years, EHS excellence has been extensively promoted as a part of company’s culture. It is also clearly reflected in Company policies on sustainability, EHS, responsible care, climate change and green supply chain. GFCL advocates Environment, Health and Safety (EHS) as a line function and responsibility. Employees, supervisors and managers are directly responsible for ensuring their own safety and the safety of colleagues, thereby promoting a safe and healthy workplace and protecting the neighbouring communities. A well-documented procedure for Hazard Identification and Risk Analysis (HIRA), which is prepared routinely to execute an action plan and minimize risk to acceptable levels. The HSEF team continually makes improvements in safety & security through analysis of feedback and incident reporting. The Company conducts external audits including process safety audits and audit on site emergency preparedness. Cross-site audits to strengthen the implementation of our HSEF systems are also conducted across the sites.

To further augment the safety systems in the Plant and to build a strong safety culture, GFCL, Dahej has signed a long term contract with DuPont Sustainable Solutions (DSS). Using an Integrated HSE Framework, DSS will help plants to integrate processes, technology, governance, mindsets and behaviours, culture and capabilities to mitigate risk and create safer, more productive work environments.

Safety Committee

The Company also has an established safety committee at the department, plant and divisional levels. The goal of a safety committee is to create and nurture a culture of safety. These committees frequently meet to provide the necessary guidance on EHS matters to operations and brings together workers and employers through regularly scheduled meetings where safety issues are addressed.

This committee has 16 members and regularly discusses new points/ issues related to HSEF, reviews meeting and past Incidents/Accidents.

Occupational Health Centre

All the manufacturing sites are equipped with an Occupational Health Centre (OHC) which is accessible to the employees and business associates. The Company runs a comprehensive health assessment program in the manufacturing sites, wherein the occupational health of employees is assessed on a periodic basis.

All our employees and contractors undergo pre-employment and periodic health assessments to ensure good health. The system is based on recognised risk management system standards. We have received OHSAS 18001 certification for all our manufacturing sites in India. All employees and contractors underwent health check up and there were no cases related to Occupational Health & Safety.

Medical Schemes

The company Medical insurance scheme voluntarily covers all employees and their immediate families under a group medical scheme. Employees are also covered under an accident insurance scheme.

Medical Insurance

2154 Number of employees covered

Insurance Claim amount

₹ 1,41,51,594

Claims 494

Accident Insurance

2289 Number of employees covered

Insurance Claim amount

₹ 96431

Claims 04

Safety Initiatives

The top management has to be convinced of the economic benefits of OHS initiatives and convert their “chalta hai” attitude to that of a “can do”. The OH&S management program should include proactive measures like near miss reporting, accident investigations, risk assessment, auditing for compliance, emergency management programs, mock drills, benchmarking with leading companies in the field of OH&S, using inherently safe technologies, training and reliability programs. To ensure safety, a management system for establishment of clear roles and responsibilities for implementation of OHS initiatives is required. The management system is also required to set up a program for OHS with clear goals and strategies for meeting these objectives.

Initiatives taken in Year 2019-2020 is mentioned below:


Handling & Operating Chlorine Emergency Kit


Fire Safety Training at Dahej

Special initiatives related to process safety and spill prevention/ management

The major objective of process safety management (PSM) of highly hazardous chemicals is to prevent unwanted release of hazardous chemicals, especially into locations that could expose employees and others to serious hazards. An effective process safety management program requires a systematic approach to evaluating the whole chemical process. Using this approach, the process design, process technology, process changes, operational and maintenance activities and procedures, non routine activities and procedures, emergency preparedness plans and procedures, training programs, and other elements that affect the process are considered in the evaluation.

1. Process Safety Information
   - Hazards of Chemicals Used in the Process
   - Technology involved in the Process
   - Equipment used for the Process
2. Employee Involvement
3. Process Hazard Analysis
4. Operating Procedures
5. Employee Training
6. Contractors
7. Pre-Startup Safety Review
8. Mechanical Integrity of Equipment
   - Process Defenses
   - Written Procedures
   - Inspection and Testing
   - Quality Assurance
6. Non routine Work Authorizations
7. Managing Change
8. Incident Investigation
9. Emergency Preparedness
10. Compliance Audits
    - Planning
    - Staffing
    - Conducting the Audit
    - Evaluation and Corrective Action

Our Process safety standards provide the framework for the safe construction and operation of our plants as well as the protection of people and the environment. Our experts have developed a plant safety concept and implementation check for every plant, considering key aspects of safety, health and environmental protection – from conception to implementation – and stipulates specific protection measures. We have hired DuPont Safety Solution (Global leader in HSEF benchmarking) for process safety management

When planning and preparing for potential problems related to chemical spills, the hazards associated with all chemicals must be assessed. The following chemical properties must be taken into consideration before preparing for possible chemical spills:

- flammability,
- reactivity to air or water,
- corrosion, and
- High toxicity

Spill response procedures should include elements such as:

- A listing of appropriate protective clothing, safety equipment, and cleanup materials required for spill cleanup (gloves, respirators, etc.) and an explanation of their proper use.
- appropriate evacuation zones and procedures;
- availability of fire suppression equipment;
- disposal containers for spill cleanup materials; and
- The first aid procedures that might be required.

Safety Training

Training is integral to our PSM standard. We are regularly training our employees about work place safety elements and process safety elements and providing regular training on first aid and emergency response team. We are also providing behavior based safety training at regular intervals

Training Types Are:

- L1 Level –Induction Training
- L2 Training – Plant Related Training
- L3 Training- Job Related Training

Contractor Safety Meeting

At the heart of a successful business lies a strong safety culture. And, just like other areas of operations, GFCL makes use of the data available to continuously improve health and safety standards, employing a range of Key Performance Indicators (KPIs) to track specific objectives like.

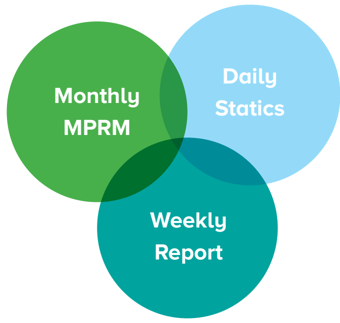
- To bring about behavioural change among employees and display visible leadership qualities, to take SO Rounds & CFSA Rounds every week.
- Training & development

Our safety is measured through following safety performance matrices:

Compliance	2017-18	2018-19	2019-20
Fatalities	0	0	0
Lost Time Accident	2	7	10
First Aid cases	16	82	94
Restricted work	0	0	2
Incidence rate	0.09	0.73	0.13
Frequency Rate	0.44	0.77	1.22

The positive reporting culture allows for a larger number of incidents, including minor and near misses, to be analyzed for identification of potential trends or patterns that could help to mitigate risks to the health and safety at our sites and at off-site locations. This information is reported to the management on a monthly basis and discussed in Yearly meetings.

These are:



Contractor Training at Ranjitnagar

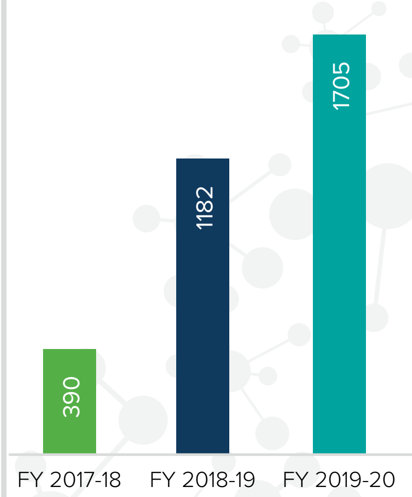
N-Liven - Rewards & Recognition:

At GFCL, Rewards & Recognition is a major thrust area for Employee Encouragement. We constantly try to establish a culture of appreciation.

Spot-On

Through our "SpotOn" program, GFCL catches people doing the right things and recognizes them on the Spot. The Company also encourages employees to recognize peers through the "Cheer the Peer" programme. Spontaneous recognition and appreciation by the leadership allows employees to be more productive and engaged, enabling them to successfully fulfil organizational objectives.

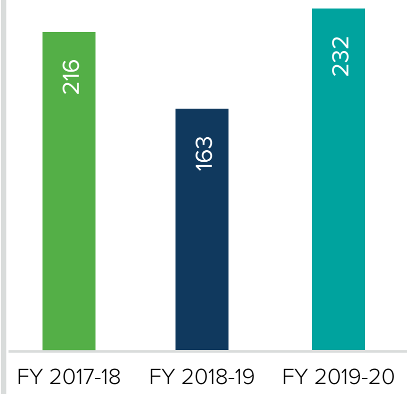
Number of Spot on awarded



Long Service

Employees spend more than one third of their professional life in the service of the employer they work for. Rewarding Loyalty and Commitment by recognizing those who have dedicated their careers to GFCL a proof of our loyalty towards people who have added value to the company. To commemorate their commitment, Long Service Felicitation programme is organized across the Company.

Number of Long service awardees

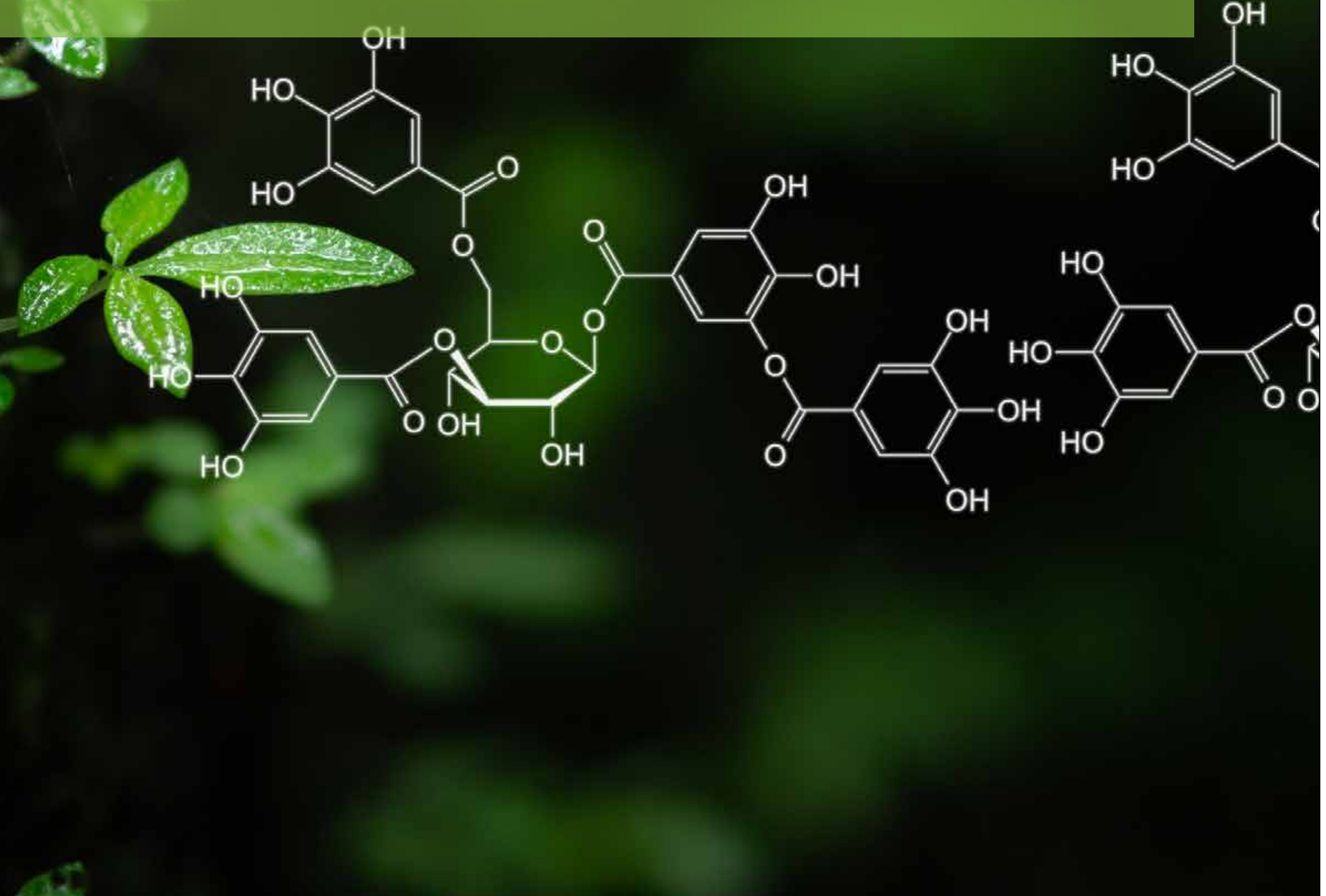


Long Service Award winners

Spot on at manufacturing site

At GFCL, we are guided by the realization that our operations, directly or indirectly, have a considerable impact on the environment.

Therefore, we remain committed to reduce the ecological burden by adopting responsible and sustainable methods to develop an environmentally viable business model. We measure the environmental impact on the basis of three key pillars of sustainability - People, Planet and Profit – to effectively communicate, implement and monitor our endeavours regularly.



Advocating sustainable practices

At GFCL, we advocate efficient utilization of natural resources such as energy, water, packaging and production materials. Our environmental protection and natural resource conservation philosophy revolves around the belief that nature is a precious endowment to humanity. As a result, our practices are guided by internal policies, applicable external standards and are benchmarked against global practices.

Our sustainability goals are interwoven in the way we do business, covering every aspect of our value chain. We have also collaborated with United Nations Global Compact (UNGC) and Science Based Targets Initiative (SBTI) to promote our inclusive efforts towards sustainability.

We address critical environmental issues through the following initiatives:

- Energy optimization and reduction in carbon emission
- Increasing renewable energy consumption
- Enhancing water use efficiency
- Proper waste recycling and management

Energy Management

At GFCL, we acknowledge the possible environmental, social, political and economic implication of climate change as a crucial issue. Since our business activities, especially our manufacturing units, are energy intensive, we strive to contain and reduce our carbon footprint in a technically and economically feasible manner. We also significantly invest in the development of sustainable technologies through our in-house research and development efforts.

We constantly monitor and report various KPIs for energy consumption, energy cost and share of renewable energy in the total energy mix. Our total energy consumption during the year under review was 684369478 kWh. We continue to invest in increasing the usage of clean energy to fulfil our objective of reducing dependence on non-renewable sources of energy.

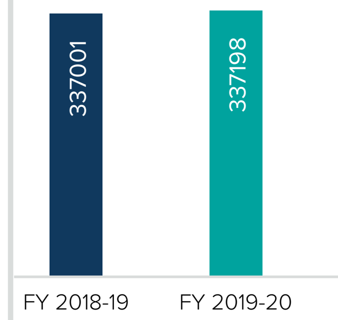
11.5%
Reduction in purchased electricity in FY 2019-20

12%
Total wind power consumption in FY 2019-20 at Dahej unit

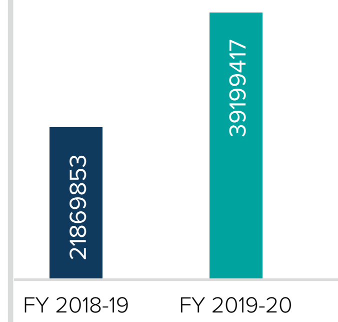
~35%
Increase in power generation in FY 2019-20

262063598
Increase in power generation in FY 2019-20 (in kWh)

Coal Consumption (in MT)



Natural Gas Consumption (in SCM)



Energy saving initiatives and outcomes achieved:

Initiatives	Outcomes in FY 2019-20
Replacement of Ammonia Vapor Absorption Machine (AVAM) by Vapor Compression Systems	Substantial cost saving of ₹ **77.3 lacs** per annum, for steam and power
S&A Cooling Tower's CW Pump - P812C main driving motor replacement From existing 90 KW/2900 rpm to 55 KW/1440 rpm	Power savings of **353 MW** per annum
TFE1 Utilities' (-35) DegC Primary Pump's Impellers Trimming Viz. P805C for Pumping Energy Optimization	Power savings of **98 MW** per annum
Stoppage of TFE-3 Utilities (-35) DegC Brine supply to 8 & 9th Reactors and additional loading of TFE-1 Utilities (-35) DegC Brine system, to serve the purpose of energy conservation due to reduced throughput of Polymer Complex	Power savings of **2932 MW** per annum
Meeting plant's (-35) DegC Brine system demand by operating of 1 no (-35) DegC & 1 (-15) DegC chillers, instead of two (-35) DegC chillers, to save power	Power savings of **183 Kwh** in **TFE-2** Utilities
TFE-2 Utilities' (-35) DegC Primary Pump's Impeller Trimming Viz. P805A & P805B	Power savings of **218 MW** per annum
Replacement of CEP (Condensate Extraction Pump) Pump of STG-1 with High Efficiency Pump to save Operational Power	Power savings of **67 MW** per annum
Installation & Commissioning of VFD at Boiler-2 PA (Primary Air) Fan-1 to save power	Power savings of **126 MW** per annum
Installation & Commissioning of bigger size CST (Condensate Transfer) Pump for DM (De-Mineralized) Water pre-heating & stoppage of 1 no. pump to save power through Pumping Energy Optimization	Power savings of **142 MW** per annum
Optimization of Service Air Usage at Ash Handling System to save Air Compressor Power	Power savings of **58 MW** per annum
Stoppage of C-4214 Column Feeding pump by feeding of Crude R-21 directly from C-4224 bottom to C-4214 by Pressure Difference at A&H Process	Power savings of **70 MW** per annum
Replacement of HPMV Well Glass 125 W Electrical lights with LED Well Glass Fitting (45 Watt, Qty-110), and replacement of HPMV Helogen lights with 100W LED lights	Power savings of **38945 KWH** per annum
Motor replacement of 90KW chilled water Compressor X-201C to 132 KW	Power savings of **140000 KWH** per annum

Initiatives	Outcomes in FY 2019-20
New Energy efficient Motor installed in P-215A/B (30KW), L106 (15KW), SFD Fan of Coal Boiler (7.5KW), Active load. old conventional motors with efficiency of ~85% was replaced.	Power savings of **18000 KWH**
Energy Efficient Motor Replacement in X-201D	**Power savings of 24000 KWH**
Energy saving through increased production & behavioural changes	**Power savings of 2843012 KWH**
Maintaining near to unity Power factor with the addition of APFC Panel /additional Capacitor banks with increased Load to recieve cost rebate from MGVCL	**Cost saving of 16.51 Lac per annum**
Traded 6368640 KWH through GEB Power Trading Initiatives in 2019	**Cost savings through trading ₹ 56 Lacs**

Water Management

Water is extensively consumed across our operations for varied purposes ranging from cleaning and cooling equipment and facilities to steam generation and employee usage. Surface or ground water is the primary source of water for us. But, rapidly declining groundwater levels is a cause of concern and at GFCL, we recognize that water is a scare resource and must be utilized responsibly. In keeping with our endeavours to ensure optimum use of water, we undertake various initiatives aimed at conserving and harvesting water.

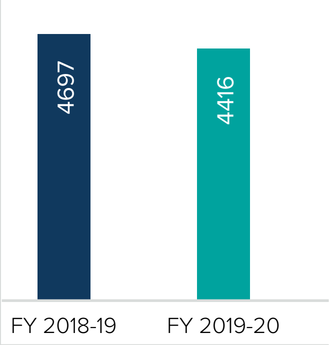
Initiatives to save water and its outcomes in FY 2019-20

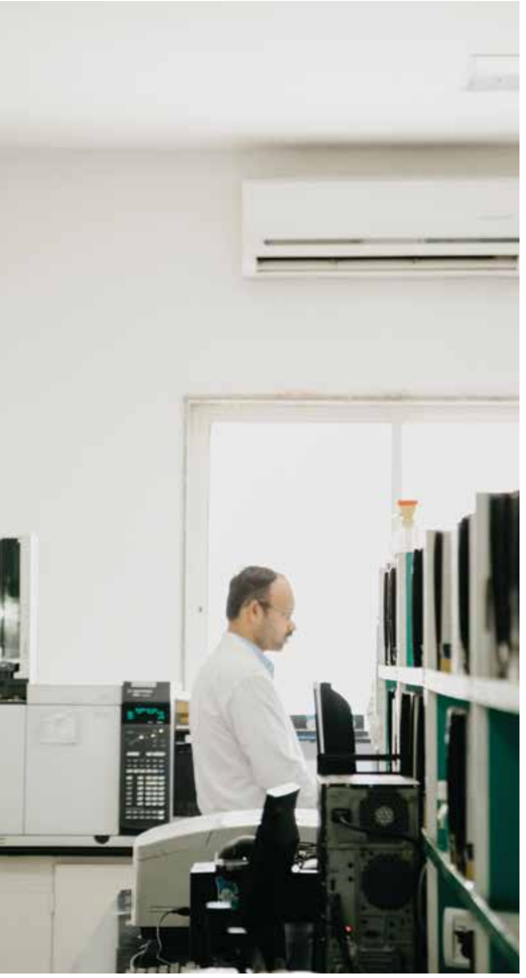
Initiatives	Outcomes in FY 2019-20
Overall Increase in Cycle of Concentrations (CoC) of Cooling Water at identified Cooling Towers	**Helps to save treated water**
De-Ionization Water Treatment Plants to recover water from UF & RO rejects at cooling towers, to facilitate optimum water consumption across processes	**Water savings from pt. no. 1 and pt. no. 2 by 2719 KLD**
Increased throughput of Effluent Recycling Systems (ERS) and utilization of treated water for most of the Cooling Towers	**Total water saving of 3136 KLD**
Replacement of Honeycomb PVC fills to improve efficiency of Cooling Towers of S&A/PTFE cooling towers	**Cooling efficiency of circulating cooling water was drastically improved**
Reduction in Steam consumption from 1.15 to 1.14 Mt/Mt of NaOH	**Steam savings of 0.01 Mt/Mt of NaOH through better insulation**
Use of Condensate water for regeneration of Caustic washing / Water washing columns instead of fresh DI water in TFE-2 plant (Steam saving by heating DI water upto 65 DegC)	**Steam savings of 175 MT per annum**
Installation & Commissioning of Boiler's blow down Flash Steam Recovery	**Steam savings of 2436 MT per annum**

4362473 M³

Surface water withdrawn in FY 2019-20 (6% YoY reduction)

Total water consumption (in million Ltr)





Conservation of Processed Water through Membrane Separation Process – Best practice at GFCL

The initiative was designed and developed to cater to the additional requirements for processed water as well as to reduce effluent discharge to Common Effluent Treatment Plant (C-ETP) at Gujarat Industrial Developmental Corporation (GIDC), Dahej. It not only reduced raw water procurement from GIDC basin of Dahej, but also initiated substantial cost savings from raw water procurement charges.

How it works

At GFCL's Effluent Treatment Plant, effluents from plants are collected through various pipelines and stored in overhead collection cum equalization tanks. It is then processed at various streams, based on its total dissolved solids (TDS), chemical oxidation demand (COD) and total organic carbon (TOC) contents.

Based on the aforesaid parameters, we have bifurcated the incoming effluent into two major streams Viz. HIGH TDS (H-TDS) Stream & LOW TDS (L-TDS) Stream. High TDS streams are further bifurcated into micro level HIGH-HIGH TDS (HH-TDS) stream. For treatment of high-high TDS streams, a separate facility has been installed, which is also used for treating REJECT water from the Effluent Recycling System, through the Membrane Separation process.

With these efforts, ~4000 KL effluent is bifurcated in the following way:

Total Incoming Effluent Quantity from the various plants / day to ETP
4000 KL

Total Quantity of LOW TDS effluent receipt / day at ETP
2165 KL

Total Quantity of HIGH-HIGH TDS effluent receipt / day at ETP
200 KL

Total Quantity of HIGH TDS effluent receipt / day at ETP
1635 KL

Therefore, the Effluent Recycling System has been installed to treat 2165 KLD of Low TDS effluent to generate around 1800 KLD of processed water which can be used in critical cooling towers and other processes at GFCL Dahej complex. It helped to save around 1800 KLD raw water from GIDC.

Outcomes achieved

Time bound installation and commissioning of Effluent Recycling System has resulted in 80% capacity recovery, based on our incoming L-TDS effluents from all plants.

Benefits of Effluent Recycling System

Effluent Recycling System is a Best Practice because of the following direct benefits to the organization:

- Recycling / In-house generation of 1800 KLD Processed / Raw water from effluents
- Reduction of ~1800 – 2100 KLD effluent discharge to C-ETP of GIDC, Dahej
- Cost savings on account of reduction in Raw Water procurement charges & savings incurred from water cess charges
- Optimum utilization of natural resources, a key requirement for any industrial entity to establish outstanding CSR leadership
- Savings on treatment / pumping cost of processed water from centralized Pumping Station in common utilities
- Overall reduction of effluent discharge by 40%

Waste management

Given the nature of our business, a significant portion of the waste generated within our facilities is classified as hazardous waste. At GFCL, we remain committed to responsibly handle waste, as per the laws of the land. We initiate effective measures for waste reduction, waste recycling and utilization of alternative methods for waste treatment. Our endeavour is to reduce waste while finding ways to maximize recycling efforts.

100%
Of non-hazardous waste recycled in Ranjitnagar unit

98.56%
Of hazardous waste recycled in Ranjitnagar unit

Summary of waste generated and method of disposal

Name of waste disposed	Method of disposal/Reused	Units	FY 2018-19	FY 2019-20
Non-Hazardous waste				
Non-Hazardous Waste	Recycling and/or selling	MT	3717	2955
Fly Ash	Recycling	MT	24583	22599
Hazardous waste				
Solid Waste	Landfill	MT	314	1485
Process Waste	Incineration	MT	171	683
Process Waste sent to Co-Processing	Other	MT	140	2532
Used Oil	Recycling and/or selling to Registered Refiners	MT	40	32
By Products	Recycling	MT	86314	97415
Total		**MT**	**87369.87**	**101958.71**

Our Commitment to Climate Change

Setting a target for greenhouse gas emission in tune with climate science is a proven way to future-proof growth. We strive to make environmental reporting and risk management a routine business action and drive disclosure, insight and action towards a sustainable economy. GFCL joined the growing group of leading companies that are setting emissions reduction targets in line with what climate science says is necessary. By doing so, we recognize the crucial role we can play as part of the business community in minimizing the risk climate change poses to the future of our planet.

By signing the SBTi Commitment we have dedicated ourselves to development of a science-based emission reduction target that is in line with the requirements of SBTI.

SCIENCE BASED TARGETS

We also declare our Carbon - Details in the CDP website. We have started measuring Scope-1, Scope-2, and Scope-3 emission data

CDP DRIVING SUSTAINABLE ECONOMIES

To ensure sustainable business growth, building and maintaining healthy relationships with stakeholders is crucial.

At GFCL, we realize our responsibility as a corporate citizen and continuously strive to add value through our endeavours to generate trust in our products and solutions. We also realize, there is an inseparable link between sustained growth, productive relationships with key stakeholders and the contribution we make to benefit communities and society at large. Thus, we remain committed to build mutually beneficial relationships with our stakeholders including customers, suppliers, government & regulatory bodies.

Catering to customers globally

We serve customers in more than 75 countries across the globe including Europe and USA, catering to clients in varied industries and sectors. At GFCL, our customers enable us to retain our market leadership and therefore, we consider customer satisfaction a prime responsibility and a key priority. To effectively understand their concerns and needs, we regularly conduct market research to develop sustainable solutions designed to exceed expectations. We leverage our deep domain knowledge, skills and competencies to formulate solutions for some of the most challenging and demanding applications, all with an objective to fulfil customer requirements.

Industries we serve

- Pharmaceutical and Chemical Processing
- Electrical and Telecommunication
- Automotive Equipment
- Houseware & Architecture
- Fabric Industry
- Agriculture

Enhancing visibility

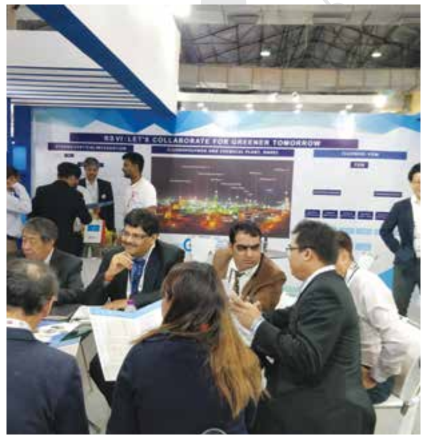
To enhance engagement with customers and improve visibility of our products, we participated in various events, expos and workshops to showcase our latest developments and innovations. It helped us to expand our network farther, to reach patrons in domestic and international markets.

During the year under review, we participated in Ankleshwar Industrial Expo, India Rubber Expo 2019, Chemtech World Expo, Launch Event of P-TFE, CII-5G Convergence Summit, K-Fair, Germany, Wire and Cable Exhibition, Vinachem Expo 2019 and CPHI& P-MEC India 2019.

We also organized a customer meet at our Dahej unit in Gujarat to directly engage with our Indian customers, as we showcased our strengths and assets to foster stronger bonds, enhance trust and establish credibility of our capabilities.

63

Participants attended the event



Other measures adopted to enhance brand visibilities:

In order to streamline our branding efforts, we undertook following initiatives to manifest our brand image:

- **Logo change:** GFCL changed its logo in 2019 to reflect growth in product lines and improvement of marketing network to meet rising customer expectations. We have changed our existing logo to a new design, which will be the central element of our brand identity across all channels of physical and digital communications. This logo will be adopted across all entities including international and wholly owned subsidiaries.
- **New tagline:** During the year, we have introduced a new tagline i.e. 'Value through Green Chemistry'. It represents the value creation for clients and society with a focus on environment-friendly products that touch millions of lives It also depicts our enthusiasm to promote green initiatives and deliver safe products.
- **Corporate Website revamp:** We revamped our corporate website to feature all aspects of businesses, products, people and processes. The website has been revamped accordance with the new brand guidelines.
- **Brand Mandate:** We have also introduced a Corporate Identity Manual consisting of rules and directions for maintaining a consistent identity across all touchpoints with external and internal stakeholders. It lays the groundwork for bringing all marketing efforts in-line with its basic design principles covering aesthetics, balance and symmetry.

Customer Feedback and Satisfaction Survey

To enable business success, customer feedback is extremely vital. It offers valuable insight about customer expectations and determines the value of our product in the market. Every year, we take customer feedbacks through a specially designed feedback form which is reviewed during the annual audit.

During the year under review, we also launched a software, 'salesforce.com', to measure customer satisfaction and handle queries. It empowers our customers to easily communicate their needs, attract attention to issues and helps to find assistance. Our on-ground marketing team also updates customer feedback on Salesforce.com, enabling us to resolve issues efficiently.

Customer queries are resolved by concerned product managers in the GFRC team. Depending on the gravity of the situation, our representatives visit offices or workshops to troubleshoot problems. Apart from conducting surveys, frequent customer visits are initiated to receive feedbacks regarding product and service quality.

98

Customer satisfaction score

Customer Recognition

GFCL was honored with FNOK's Gold level Supplier Excellence Award for 2018

We were felicitated with The Best Support - Delivery Award by Godrej at Global Partners Meet

Engagement through Social Media

In an era of digitization, we have successfully established a strong relationship with our customers over social media platforms. We communicate our brand values, promote our products and engage with customers through varied social media platforms like LinkedIn, Facebook, Twitter and YouTube. We also undertake Integrated Marketing Communication (IMC) to enable consistent engagement with customers across regions and sectors.

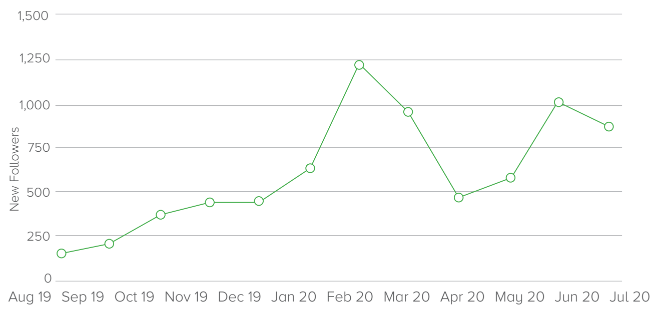
Our social media handles and focus area:

Platform Name	Principal Audience	Focus
LinkedIn	Professionals, Industry leaders, Business partners & thought leaders.	B2B branding, Employer branding, Product promotions, Company updates, Industry News & Influencer marketing
Facebook	Students, Employees & Professionals, Community	Company updates, Sustainability, Our People.
Twitter	Influencers, Activists & Lobbyists	Industry News, Social causes influencing markets, environment, health and safety
YouTube	General	User engagement through visual stories

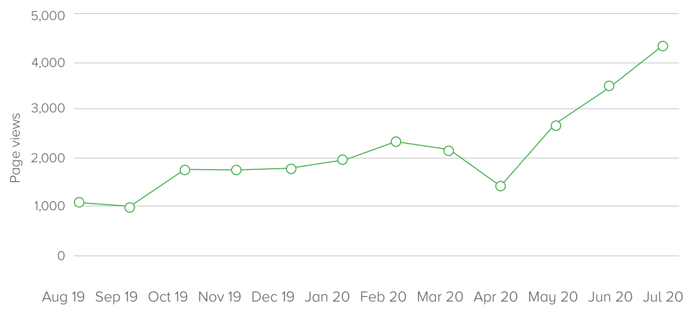
12,617

Followers on LinkedIn as on July 2020

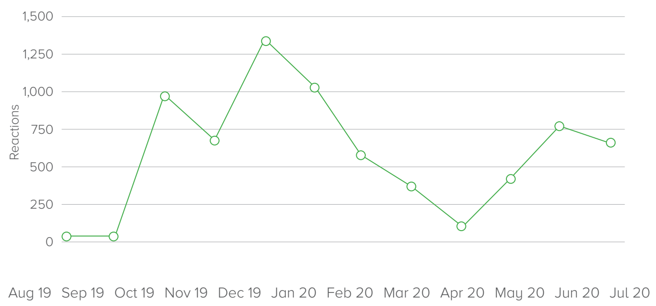
LinkedIn Follower metrics Trend (12 months):



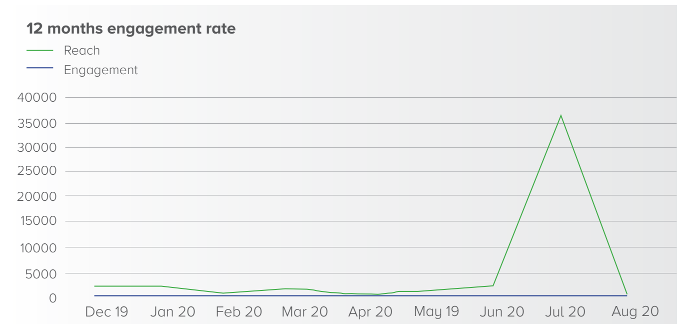
LinkedIn Page Visitor Metrics Trend (12 months)



LinkedIn Reaction Trend (12 months)



Facebook Page Visitor Metrics Trend (12 months)



Suppliers and distributors

For GFCL, its Vendors, Suppliers and other business partners are 'Partners in Progress" and we believe in building a long term mutually gainful relationship. Our Sustainable Procurement Policy and Code of Conduct for the Suppliers, Vendors and Third Parties, sets out how we will conduct our business and sets our expectations from our business partners and forms the foundation of this trustworthy relationship. More than 100 supply chain partners have already signed a declaration committing their adherence to company policies.

GFCL is committed to align all its procurement processes and practices and has adopted ISO 20400 Sustainable Procurement Standard to build strong, long-term relationships with suppliers. Abiding by environmental, social and ethical codes of conduct form an important part of the Procurement process and it helps to build a competitive advantage for the company as well as its business partners. To ensure conformity to ISO20400 standards, we have also opted for a third party audit.

GFCL partnered with DQS to implement the DQS-NEXT Supplier Audit Management Platform for its Business partners. This platform will be progressively used to cover all existing suppliers and review their sustainability performance. In future, same platform will be used to evaluate new suppliers and vendors. Till date 50 major suppliers have been evaluated using this Platform.

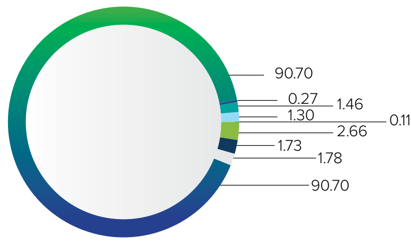
GFCL has introduced Sustainability Awareness Webinars for its business partners. It helps to strengthen their sustainability performance and creates awareness about the process. 186 Business partners have attended the programme so far.

Regular Contractor Safety meets are also organized in our Plants.

We have also integrated our logistics systems through a GPS vehicle tracking system. It will help to track vehicles and ensure safe driving practices and safe handling of materials across the supply chain. The system will also assure prompt emergency response, in the event of on-road incidents.

Keeping in view the Government of India's call for "Make in India" and "Atmanirbhar Bharat", GFCL has continuously explored possibilities to work with indigenous suppliers. Today, more than 90% of our suppliers are located in India.

Region wise share in %



- Africa
- India
- China
- Middle East
- East Europe
- North America
- Far East
- West Europe

Government and regulatory bodies

At GFCL, we partner with key government agencies and industry bodies to elevate standards for sustainable practices and actively advocate positive change in various sectors. Our proactive approach to maintain healthy relationships with government and industry bodies has enabled us to align our policies as per standard regulations. Further, to abide by a changing regulatory landscape, we have installed a system driven regulatory compliance tool, Vision 360 of BSR, to enable stringent adherence to stipulated norms.

At present, we are an active member of various trade associations including:

- IMC Chamber Of Commerce and Industry
- Corporate Membership of Asian Polymer Association (APA)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Federation of Gujarat Industries (FGI)
- Baroda Management Association (BMA)
- Confederation of Indian Industry (CII)
- PHD Chamber Of Commerce & Industry
- National Safety Council (NSC)
- British Safety Council (India) BSC
- Indian Chemical Council
- United Nations Global Compact
- SBTi
- Suschem
- Gujarat Employers Organisation
- Panchmahal Industrial Association
- Baroda Productivity Council
- Achillus

168

Acts covered in Vision 360

168

Categories of Acts covered by Vision 360

₹ 357 crores

Contributed to exchequer in FY 2019-20

Function of 'Vision 360' - Statutory Compliances monitoring tool

- Vision 360 is installed on our server and all Compliance Owners and Escalators need to access it to enter and approve compliances mapped against their name in the System Master.
- All the applicable acts, laws, regulations and category, with the name of compliance owners and escalators, department, designation, location etc., are captured by the Master data fed in the System Master.
- A system generated email is sent to all compliance owners and escalators in advance, intimidating them about due dates mapped against their names in the System Master.
- All owners and escalators are required to enter and approve their compliance status in Vision 360, on or before the due date.
- In case of failure, a system generated email is sent to escalator 3 along with a copy to compliance owners and escalator.
- The Company Secretary generates a summary of compliances every month and sends it to the Directors. The compliance report is also submitted on a quarterly basis during board meetings.

Shareholders and Investors

At GFCL, we believe that investor relations play a critical role in supporting the financial community. By formally communicating with our shareholders, analysts and investors, we foster transparency, trust and accountability. We engage and communicate with our investors and shareholders through investor presentations, annual reports and conference calls. To resolve investor complaints quickly and efficiently, we have also created an 'Investor Grievance Mechanism'.

Our track record of delivering financial objectives regularly bears testimony to our value creation model. Backed by our strong R&D, manufacturing capabilities and operational excellence, we continue to deliver sustained results for our shareholders.

3

Grievances lodged by the investors/ shareholders and resolved in FY 2019-20

100%

Grievances solved or addressed during the year under review

2.34%

ROE in FY 2019-20

12500

Total number of shareholders

Institutional Engagement

At GFCL, we believe business success is largely dependent on finding the right match for a particular profile. As a result, we strive to engage with various institutions within the country to appoint talented individuals through campus recruitments. We feel relationships are not built in a day, and reaching out only during recruitments does not create a lasting bond. Therefore, we don't just aspire to whet student appetite for interviews, but also think about creating lifelong impressions on young and impressionable minds, with an aim to leave an indelible mark on campuses we visit.

During the year under review, we have engaged with institutions like HBTI (Kanpur), CIPET (Chennai), Panjab University (Chandigarh), GMRIT (Andhra Pradesh) and Manipal University (Jaipur) for Campus Interviews, Guest Lectures, summer internships and have also organized industrial visits to our plants.

Campus Recruitment Drive by GFL

Social Capital

We believe that businesses play a crucial role in economic growth and sustainable transformation of a country. At GFCL, we remain committed to drive holistic changes within communities. As a result, our corporate social responsibilities are not just designed to meet statutory compliances but, are aimed at positively impacting millions of lives, to deliver prolonged and tenable returns and outcomes. We believe that an integrated CSR approach benefits both, the organization as well as the community.

Our journey

We started our operation in 1987, in a remote village of Gujarat - Ranjitnagar in Ghogomba district. The area was primarily surrounded by agricultural land and the villagers eyed us with suspicion, despite our environment conscious and sensitive approach towards the natural ecosystem. We continued to adopt modern technology to reduce our environmental impact and benefit the community at large. To alleviate concerns, we aimed to build a bridge between the community and our operations.

It led to our first community developements activities in 2007, essentially keeping philanthropy at the core. Initially, we supported the community with one-off infrastructure projects, participated in social ceremonies and offered financial assistance for agriculture and animal husbandry. In doing so, we realised that to implement community development in its real sense, we need to go beyond these activities. Thereafter, we identified education and health as our next areas of intervention.

Over the years, we continued to expand our CSR portfolio, adopting schools and organizing health and wellness initiatives to ensure sustainable development of people. We continued to develop local school infrastructure and focused on health and hygiene in communities. In the past decade, GFCL has adopted an objective and scientific approach and has initiated 'Social Need Analysis', which now forms the basis of all CSR activities at GFCL.

₹2.19 Crores
Invested in FY 2019-20

177424
Beneficiaries in FY 2019-20

53
Villages across 3 towns covered

Our CSR focus areas:

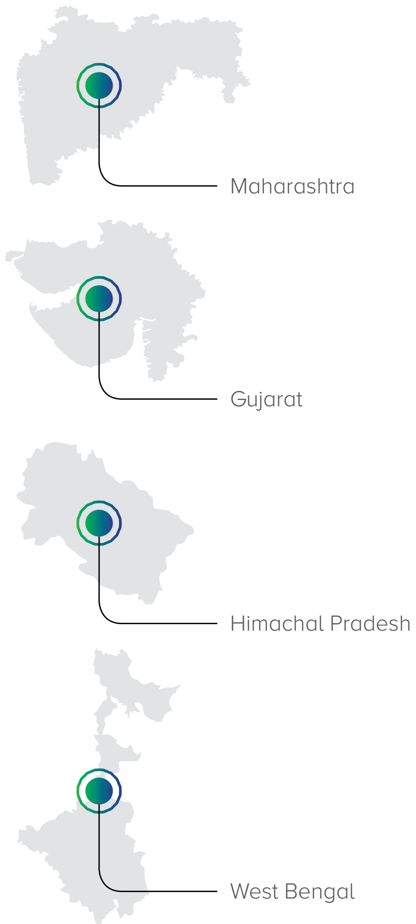
- Education
- Agriculture
- Water management
- Plantation and forestry
- Healthcare
- Animal health

Our Principles

Our CSR model is based on the following principles –

- **Community Participation** – All our projects are identified and implemented in collaboration with the public, local panchayats and mutual contribution of people
- **Self-Sustenance** – The programs are self-sustaining - be it skill development or environmental protection, and
- **Strategic partnership building** – We partner with specialised agencies to ensure effective and efficient implementation of our projects

Our reach



Governance framework

We, at GFCL, are at the brink of a global transformation. The international community, through the United Nations, has set in motion a historic plan – 17 Sustainable Development Goals (SDG) – that aims to build a more prosperous, more equal, and more secure world by the year 2030. The Government of India is strongly committed to the 2030 Agenda. For the Corporate world to contribute to the SDG, the United Nations Global Compact was formed. It's a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals. GFCL is one of the very few large chemical companies who are signatories and is committed to the UNGC principles. Our CSR focus revolves around the SDG goals and UNGC principles.

The Company has adopted and has applied the ISO26000 standards to implement Social Responsibility and Accountability within the organization. For all its Social Responsibility activities, the company is guided by the ISO26000 standards.

Last year, GFCL engaged Deutsch Quality System (DQS), a leading Management System Certification, Assessment & Training organization, headquartered in Germany for conducting a third party assurance assurance audit to ensure the Company's compliance to ISO26000 standards.

Highlights for FY 2019-20

Agriculture

At GFCL, we have deputed agricultural experts to educate and help farmers to understand modern agricultural techniques and encourage adoption of yield improvement methodologies. Pilot plot areas have been assigned for demonstrations and farmers are supported for appropriate seed and fertiliser selection. Regular classroom sessions are also conducted to improve agricultural practices.

2755
Beneficiaries in FY 2019-20

Animal Health

We have engaged the services of a Veterinary expert to ensure the health and wellness of cattle. Local cattle owners are also offered guidance about proper care and remedy of various issues. We also regularly organize animal health camps and have adopted a dairy project in the District Panchmahals. The program began with the participation of 10 women, who used to regularly sell milk at our centre. Slowly, the numbers rose to more than 250 women and the milk is now processed and sold in the centre itself.

1938
Cattle owners, 410 cows, 600 Bedfellows and 350 Goats benefitted in FY 2019-20

Healthcare

As a part of our healthcare intervention, we regularly organise health camps in our areas of operation. We also undertake health education and awareness programs on a regular basis. Further, we have taken up Women's health and hygiene as a priority and continuously aim to increase awareness and improve practices related to menstrual hygiene. We have installed Sanitary Napkin disposers in all schools in the vicinity of our Ranjitnagar plant, across 5 villages.

GFCL has also implemented a Mobile Health Unit recently, around our Ranjitnagar plant. Our endeavour is to improve the quality of life by promoting preventive measures and providing treatment for various disease. Through our mobile health unit, we provide preliminary health check-up for nearby residents, especially women, children and senior citizens. This has enabled us to bring quality healthcare services to their door-step and has improved access to timely treatment and quality healthcare.

Mobile health unit around our Ranjitnagar plant

300

Cataract operations in our eye camp

500

Senior citizen received spectacles

21448

People benefitted

Education

We support various school in and around our facilities in Ranjitnagar and Dahej, where regular investments are carried out to improve infrastructure by adding classrooms, building toilets, setting up RO water systems, providing free stationery, uniform and scholarships for students. We also sponsor teachers to further enhance the quality of education in these schools.

55

Schools covered

37538

Children benefitted

Skill development

At GFCL, we undertake a range of initiatives to promote women empowerment and gender equality within communities. We believe, women empowerment not only helps us to make progress on Goal 5 of SDG, but also contributes towards poverty alleviation and sustainable economic growth.
We have initiated sewing classes for women and it has delivered encouraging results. Advance courses are also being designed to ensure skill development. We have also initiated candle and agarbatti making classes as a part of our skill and entrepreneurship development program.

37538

Women benefitted

Distribution of books and stationery

Water management

Access to clean water has always been a priority at GFCL. Recently, areas around our Ranjitnagar facility witnessed water scarcity, especially during the summer months. We conducted a detailed water table study by an expert agency to initiate actionable plans. In the initial phase, all water inlets and rain water channels have been cleaned through 'shraam daan' by villagers. This helped to restore water at the reservoir in Nathkua village, which dried up in the last five years. In fact, the water table which was at 170 feet, has already come up to about 70 feet. To further bring the level up to 30 feet, construction of dams and reverse boring activities have been planned. Besides, water bodies have been built or repaired and wells have been disinfected with public-private cooperation. A water tank to hold water from the Narmada River is also under construction in Jitpura village

28010

People benefitted

Tree Plantation and forestry

With rising pollution levels and growing concerns about climate change, creation of green belts have become vital. As part of our environment protection initiative, afforestation is one of the most important focus areas of our CSR activities. We have undertaken a major afforestation project in Ranjitnagar village and the panchayat has allocated land to plant around 10,000 trees.

2000

Trees planted as on 31st March 2020

Awards

Second Runner Up - IMC (Chamber of Commerce & Industry) RBNQA – MQH Best Practices Competition 2.0

'Par Excellence', award in the first category at National Convention on Quality Concepts- 2019

Certificates

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

SA 8000

IATF 16949

ISO 27001

ISO 37001

Authorized Economic Operator-T2 Certificate

Management Discussion and Analysis

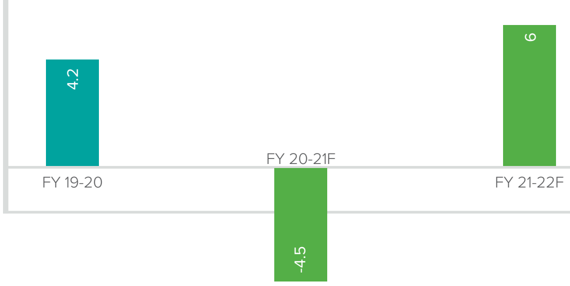
Indian Economy Review

The Indian economy followed a growth trajectory for the last 6 years, but witnessed a decline in its GDP growth rate in FY19-20. The GDP growth is expected to decline and settle at 4.2% for FY 19-20 as compared to 6.8% for FY 18-19 . The declining growth can be attributed to slower demand growth, weak investment, credit issues, currency fluctuations and rising inflation. Further, weak performance in the manufacturing sector, which accounts for 40% of IIP, affected the economy. The GVA of manufacturing sector also contracted at 2% in FY 2019-20, in comparison to 6.9% in FY 2018-19.

The Government has taken a slew of measures to revamp the financial sector, address the Non-Banking Financial Company (NBFCs) crisis, reduce stress in real estate and speed up the resolution process under Insolvency and Bankruptcy Code (IBC). This led to increased liquidity in the market and favourable investor confidence fostered spending by consumers. Further, Gross Fixed Capital Formation (GFCF) at current prices is estimated at ₹ 57.42 Lakh Crores in FY 19-20, against ₹ 55.70 Lakh Crores in FY 18-19. At constant (2011-12) prices, the GFCF is estimated at ₹ 45.93 Lakh Crores in FY 2019-20, against ₹ 45.48 Lakh Crores in FY 18-19.

The recent slowdown could result in some fiscal slippage from the Government and ongoing structural issues are expected to weigh on India's medium- and long-term growth potential. The growth outlook for the Indian economy has been slashed to -4.5% for FY 20-21 following the grim economic situation amidst the CoVID-19 outbreak1. With a lockdown imposed across the country, job loss is rampant due to minimal or close to zero manufacturing or service output in the country. But, demand is expected to grow as and when the lockdown is fully lifted and economic activity is anticipated to rebound with strong demand for products and services across the Country. It is also likely to improve opportunities for work, resulting in the growth of the economy. To further strengthen the economy, Government's proposed fiscal and economic reforms will help to improve the country's economic health and push the GDP to 6% for FY 21-22[1].

GDP Growth Rate of India (%)



(Source: IMF World Economic Outlook June 2020)

[1] IMF World Economic Outlook June 2020

Industry Overview

Fluoropolymers Landscape

Fluoropolymers are fluorocarbon-based polymers, consisting of multiple strong carbon-fluorine bonds and are highly resistant to acids, solvents, and bases. Fluoropolymers are widely used in semiconductors, automotive, aircraft, fabrics, IT and other common household appliances. It is a low friction, non-adhesive, chemical, weather, and heat resistant element, with superior electrical properties.

Electronics and electrical is the largest end-user industry for Fluoropolymers, where they are preferred for usage in cable and wire insulation, jacketing, lithium ion batteries, and semi fabrication. Technological advancement has led to the demand for products with superior tensile strength and high thermal stability and Fluoropolymers are therefore preferred around the world due to its useful properties.

Fluoropolymers are also used in coatings for all weather apparel and non-stick cookware. It is widely used in chemical plants and semiconductor parts due to its ability to withstand severe conditions without the need for regular maintenance. It therefore, helps to improve productivity of things. The excellent performance of Fluoropolymers in extreme conditions and its usage in demanding applications act as a major driver for the Indian as well as global Fluoropolymer market.

The high performance fluoropolymers market has been segmented into North America, Europe, Asia Pacific, Middle East & Africa and Latin America, in terms of region. APAC dominates the market due to the increasing demand for its wide applications in different end use industries. One of the major reasons for this high demand in APAC is due to the huge demand of vehicles in the region. North America accounts for the second-largest share in the market. The global high performance fluoropolymer market size is forecast to reach $5 billion by 2025, growing at a CAGR of 7% during 2020-2025[2].

PTFE Landscape

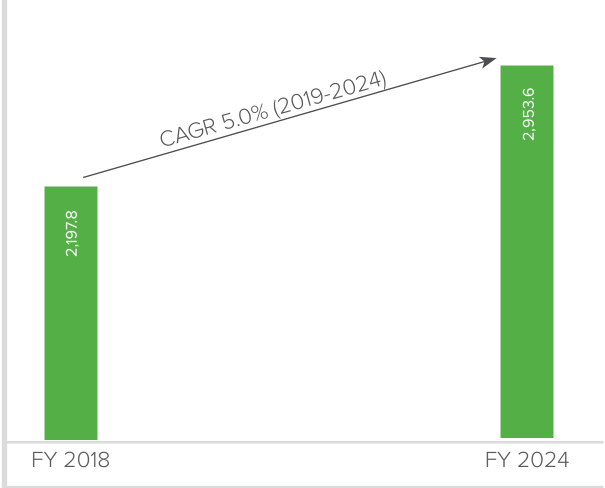
Polytetrafluoroethylene (PTFE) is a rapidly growing Fluoropolymer formed by polymerization of monomer tetrafluoroethylene (TFE) in the presence of an initiator. It is also combined with other materials such as glass fibre, carbon and graphite to improve its mechanical properties. It is found in numerous products ranging from flexible foam and elastomers to rigid foam and solid composition material. PTFE can be characterized by distinguishing qualities like extreme chemical inertness, optimum dielectric properties, heat resistance capability and low frictional co-efficient.

APAC is the largest and the fastest growing market and China and India continue to grow at a brisk pace due to industrial expansion activities.

PTFE exhibits excellent chemical & thermal resistance, very low coefficient of friction, and high electrical insulation. It is used in a wide range of applications such as semiconductors, automotive components, electrical appliances, and non-stick frying pans. Additionally, PTFE is also less costly as compared to other types of HPF, which has resulted in driving its demand.

The PTFE global market is expected to reach US$ 2953.6 million, growing at a CAGR of 5% from 2019-2024[3]. Increased preference for non-stick cookware and rising demand for PTFE in electrical and electronics industry is likely to augur growth in this segment. APAC is the largest and the fastest growing market and China and India continue to grow at a brisk pace due to industrial expansion activities. In 2018, the demand for PTFE in India stood at approximately 5 kilo-tonnes and it is expected to witness a healthy growth in the coming years. Its market in India is expected to grow at a CAGR of 7.2% from 2019-2027[4]. The use of PTFE in multiple industries along with its increased usage in the medical industry is anticipated to open new avenues of growth for this industry.

Global Market Size of PTFE Industry ($ in million)



(Source: Market Research Report on PTFE industry)

[2]https://www.industryarc.com/Research/High-Performance-Fluoropolymers-Market-Research-500240
[3]Market Research Report on PTFE industry
[4]Research and Market report on PTFE industry

Company Overview

Gujarat Fluorochemicals Ltd (GFCL) is one of the leading producers of Fluoropolymers, Fluorospecialities, Chemicals and Refrigerants in India. A part of the Inox Group of Companies, a group with exposure to diverse sectors such as industrial gases, renewable energy, entertainment, speciality chemicals, engineering plastics, refrigerants and cryogenic engineering.

Since its inception in 1989 with India's largest refrigerant manufacturing unit, GFCL today is an established player with three manufacturing facilities in India, offices in Europe and USA, and a worldwide marketing network. With one of the largest fully integrated facilities in India, GFCL has a diverse portfolio of products including PTFE, PFA, FEP, FKM, PVDF and Fluoropolymer Additives.

GFCL's state-of-the-art facilities and strong R&D capabilities enables the Company to meet the highest quality standards while meeting regulatory compliances to efficiently fulfil the requirements of its global clientele.

The Company has received the permission (is acquired permission the right phrase?) during FY19-20 to demerge its chemical business from GFL Limited (earlier known as Gujarat Fluorochemicals Limited) and now operates as an independent company, Gujarat Fluorochemicals Ltd (earlier known as Inox Fluorochemicals Limited), which focuses on chemicals.

Key Strengths

- GFCL derives strength from its expertise in Fluorine Chemistry, vertical integration from natural minerals to Fluoropolymers and its ability to provide cost competitive products.

With one of the largest fully integrated facilities in India, GFCL has a diverse portfolio of products including PTFE, PFA, FEP, FKM, PVDF and Fluoropolymer Additives.

- The Company has a strong R&D centre, enabling it to provide best quality products that meet regulatory compliances, to fulfil the requirements of its global clientele.
- GFCL's modern manufacturing facility, well equipped Quality Assurance Lab & Research centre, coupled with its global reach have enabled the Company to become a preferred supplier for quality conscious markets.
- The Company constantly invests in state-of-the-art manufacturing technologies, while employing eco-friendly and sustainable techniques.
- The Company's constant commitment to deliver exceptional performance drives it to successfully meet customer expectations.

Process Development Capabilities

- DSIR approved Research and Development (R&D)centre at GFCL Dahej unit.
- Fluorospecialty Research and Development centre at GFCL Ranjitnagar unit.
- Multipurpose pilot plant facility for Fluorospecialty at GFCL Ranjitnagar unit.
- Multipurpose Fluorospecialty product plants with Quality Assurance (QA) lab at GFCL Ranjitnagar unit.
- More than 90 scientists and technical team dedicated for R&D and pilot plant.
- Fluorospecialty R&D centre has required facilities to conduct research related to Hastelloy-c Autoclave, Inconel 825 Autoclave, Cooling water supply and many more.

Product Portfolio

Refrigerants

GFCL is a leading manufacturer & exporter of refrigerant gases R-12 & R-22. GFCL's products are marketed under the "REFRON" brand. The Company has built a sound reputation worldwide as a reliable supplier of refrigerants, abiding by internationally accepted quality norms to supply refrigerant gases in bulk as well as in disposable cylinders. The Company's products cater to

GFCL is the only refrigerant gas producer with a 100% export oriented unit for manufacturing disposable cylinders of various capacities

varied needs and are widely used in refrigerators, air-conditioners and as propellants for aerosols and as blowing agents for Polyurethane Foam production. GFCL is the only refrigerant gas producer with a 100% export oriented unit for manufacturing disposable cylinders of various capacities, as per international standards, especially for the export markets. The manufacturing unit is equipped with state-of-the –art facilities and is accredited to international DOT 39 & EN standards.

Chemicals

GFCL's Chemical Division combines chemistry and innovation with the principle of sustainability to address diverse industry needs. GFCL has a well-established portfolio of chemicals catering to a broad range of industries. The chemical business segment of GFCL comprises of Caustic.

Soda Lye, Methylene Chloride, Hydrogen Gas, AHCL, HCL and H2SO4. GFCL's chemical complex at Dahej Gujarat includes 110000 tpa caustic soda/chlorine plant, 87500 tpa Chloromethane plant and a combined coal and gas based captive power plant with a capacity of around 90 MW.

Fluoropolymers

GFCL operates a world-class Polytetrafluoroethylene (Fluoropolymers) resin manufacturing facility at Dahej, India. The plant produces a variety of Suspension and Emulsion Fluoropolymers resins. GFCL markets Fluoropolymers resin under the brand name INOFLON to meet the requirements of demanding applications that need to operate under high temperature and extensive chemical pressure, most commonly found in industries like Automotive, Aerospace, Oil and Gas, Food and Pharmaceutical.

The Company has 2 manufacturing plants in Gujarat with modern & backward-integrated PTFE manufacturing facilities. Manufacturing processes are controlled by modern DCS systems and technologically advanced hardware to consistently deliver quality products. Both the units in Gujarat are ISO certified.

Fluorospecialty Business

GFCL has unique building blocks, capabilities and facilities to develop and custom manufacture Fluorospecialty products and intermediates catering to Agrochemical, Pharmaceutical, Electronic and Polymer Industries. The Company has a dedicated Fluorospecialty Analytical cell with best-in- class equipment. Some of them are listed below

- Gas Chromatography (GC) with FID/HS – 11
- High performance liquid Chromatography (HPCL) – 3
- FTIR Spectroscopy – 1
- UV Spectrophotometer – 2
- GC MS
- Fluoro-ionometer -2
- Karl Fischer – 2
- 19F/H1/C13 NMR 300 MHz
- Auto titrator – 2
- pH Meter
- Melting Point apparatus

Joint Ventures and foreign subsidiaries

Gujarat Fluorochemicals Americas LLC, a subsidiary of GFCL, is engaged in processing and marketing PTFE products manufactured by GFCL in North and Latin America. Another foreign subsidiary, Gujarat Fluorochemicals GmbH is involved in trading as well as import and export, processing, distribution, marketing and storage of polymers and organic and inorganic compounds, especially Poly Tetra Fluoro Ethylene (PTFE grades). It also provides after sales services and technical support to its German and EU customers.

Manufacturing Facilities

Please refer to Manufactured Capital of the Integrated Section for details.

Financial Highlights

Standalone

(Figures in ₹ Lakhs)	FY 2019-20	FY 2018-19	YoY Change (in %)
Revenue from Operation	2,49,639	2,73,055	-9
EBITDA	52,448	85,319	-39
PBT	32,302	64,238	-50
PAT	18,995	1,24,618	-85
Networth	3,69,242	3,50,456	5

Revenue Mix

(Amount ₹ in Lakhs)

	FY 2019-20	FY 2018-19
Caustic Soda	35200	46100
Chloromethane	30400	35100
Refrigerants	43900	49100
PTFE	92700	111800
Others	45000	30300

Key Ratios on Standalone basis

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

Ratios	FY 2019-20	FY 2018-19	Reason for change in ratio by 25% and above in FY 2019-20 compared to FY 2018-19
Debtors Turnover (no. of days)	3.85	4.50	N.A.
Inventory Turnover (no. of days)	2.27	3.01	Decrease in the year end sales due to COVID-19 related lock-down, has increased inventories in hand as on 31st March,2020, adversely impacting Company's turnover.
Interest Coverage Ratio (in times)	4.44	12.68	Increase in debt due to funding of capital expenditure and lower EBIT due to reduction of sale price across segment
Current Ratio (in times)	1.05	1.19	N.A.
Debt Equity Ratio (in times)	0.46	0.26	Increase in debt due to funding of capital expenditure
Operating Profit Margin	12%	24%	Margins are under pressure due to reduction in sales price across segment due to general Economic slowdown & specially due to slump in Auto and Pharma sector.
EBITDA Margin	21%	31%	
PAT Margin (Before earlier year taxation)	7%	15%	
Return on Net Worth	5%	12%	Return has lower down due to reduction in EBIDTA/ PAT margin and increase in borrowing.

Human Resources

GFCL believes that overall employee development will help it to grow and achieve excellence in business operations. The Company significantly contributes towards training and skill development programs for employees, thereby improving confidence, loyalty and team spirit. GFCL also follows a Skill Will model which identifies and nurtures talent to groom future leaders for the organization. The Company believes in transparency and follows an open door policy, allowing employees to offer suggestions for organizational improvement.

Please refer to Human Capital of the Integrated Section for more details.

Risk Management and Internal Controls

Please refer to Risk Management of the Integrated Section for more details.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Gujarat Fluorochemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in it's entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Gujarat Fluorochemicals Limited's Annual Report, 2019-20.

Gujarat Fluorochemicals Limited

(Earlier known as Inox Fluorochemicals Limited
(CIN L24304GJ2018PLC105479)

Registered Office: Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal
Telephone +91 2678 248153, **Fax** +91 2678 248153
Website: www.gfl.co.in; **Email:** bvdesai@gfl.co.in

Notice of Second Annual General Meeting

To,
The Member(s),
Gujarat Fluorochemicals Limited
Earlier known as Inox Fluorochemicals Limited

NOTICE is hereby given that the **02nd (Second) Annual General Meeting** of Members of Gujarat Fluorochemicals Limited (Earlier known as Inox Fluorochemicals Limited) ('Company') will be held on **Friday, the 25th September, 2020**, at **3:00 PM**, through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt

a. Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020, the reports of the Board of Directors and Auditors thereon; and

b. Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the report of the Auditors thereon.

2. Re-Appointment of Shri Devendra Kumar Jain (DIN00029782) as Director of the Company

To appoint a Director in place of Shri Devendra Kumar Jain (DIN00029782) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Shri Sanjay Sudhakar Borwankar (DIN: 08640818) as Director and Whole-time Director of the Company

To consider and, if, thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Shri Sanjay Sudhakar Borwankar (DIN: 08640818) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 15th February, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom Nomination and Remuneration Committee has given recommendation for appointment as Director of the Company be and is hereby appointed as Director of the Company.

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Sanjay Sudhakar Borwankar (DIN: 08640818) , be and is hereby appointed, as Whole-time Director of the Company for a period of one year commencing from 15th February, 2020 on a remuneration of ₹ 95 Lakhs per annum (the remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company), subject to the same not exceeding limits specified under Schedule V of the Companies Act, 2013 or any statutory modification (s) thereof.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Re-appointment of Shri Sanath Kumar Muppirala (DIN: 08425540) as Whole-time Director of the Company

To consider and, if, thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Sanath Kumar Muppirala (DIN: 08425540), be and is hereby re-appointed, as Whole-time Director of the Company for a further period of one year commencing from 28th April, 2020 on a remuneration of ₹ 120 lakhs per annum (the remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company), subject to the same not exceeding limits specified under Schedule V of the Companies Act, 2013 or any statutory modification (s) thereof.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. **Continuation of Directorship of Shri Devendra Kumar Jain (DIN:00029782) as Non-executive Director of the Company**

To consider and, if, thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and other applicable regulations, if any, of the Listing Regulations, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the continuation of Directorship of Shri Devendra Kumar Jain (DIN:00029782) whose age is over 75 years, as Non-Executive Director of the Company be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. **Continuation of Directorship of Shri Shanti Prashad Jain (DIN: 00023379) as Non-Executive and Independent Director of the Company**

To consider and, if, thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and other applicable regulations of the Listing Regulations, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the continuation of Directorship of Shri Shanti Prashad Jain (DIN: 00023379) whose age is above 75 years, as Non-Executive and Independent Director of the Company be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

7. **Continuation of Directorship of Shri Shailendra Swarup (DIN: 00167799) as Non-Executive and Independent Director of the Company**

To consider and, if, thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and other applicable regulations of the Listing Regulations, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the continuation of Directorship of Shri Shailendra Swarup (DIN: 00167799) whose age is above 75 years, as Non-Executive and Independent Director of the Company be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

8. **Continuation of Directorship of Shri Chandra Prakash Jain (DIN: 00011964) as Non-Executive and Independent Director of the Company**

To consider and, if, thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") and other applicable regulations of the Listing Regulations, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the continuation of Directorship of Shri Chandra Prakash Jain (DIN: 00011964) who will attain age is above 75 years in the Financial Year 2020-21, as Non-Executive and Independent Director of the Company be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

9. **Approval of payment of remuneration to Shri Devendra Kumar Jain, Non-Executive Director of the Company for the Financial Year 2019-20 which is in excess of fifty percent of the total remuneration to all Non-Executive Directors of the Company for the Financial Year 2019-20**

To consider and, if, thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant Regulation 17 (6) (ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations) and any other applicable provisions of the Listing Regulations, the consent of the Members of the Company be and is hereby accorded for payment of Commission of ₹ 417.46 Lakhs (Rupees Four Crores Seventeen Lakhs Forty Six Thousands Only) to Shri Devendra Kumar Jain, Non-executive Director of the Company, for the Financial Year 2019-2020 which is in excess of fifty percent of total remuneration paid to all Non-Executive Directors for the Financial Year 2019-20.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolution."

10. Ratification of approval of payment of remuneration to the Cost Auditor of the Company

To consider and, if, thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 4,00,000 (Rupees Four lakhs Only) exclusive of taxes and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s. Kailash Sankhlecha & Associates, Cost Auditor (Membership No. M / 12055) of the Company for conducting the audit of the cost records of the Company for the Financial Year ending on 31st March, 2021, be and is hereby ratified and confirmed."

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

11. Approval of Material Related Party Transactions:

To consider and, if, thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company in respect of contract(s)/ arrangement(s)/ transaction(s) entered into by the Company with Inox Wind Limited (IWL), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1) (zb) of the Listing Regulations, for purchase of Wind Turbine Generators for the Captive Power Plant Project of the Company up to a maximum aggregate value of ₹ 73163.82 (Rupees Seven Hundred Thirty One Crores Sixty Three Lakhs and Eighty Two Thousand only), which is in the ordinary course of business of the Company and at arm's length basis.

RESOLVED FURTHER THAT the Board of Directors or Managing Director be and is hereby authorized to negotiate and finalize the terms and conditions of the above contract(s)/ arrangement(s)/ transaction(s) with IWL within the aforesaid limits."

By order of the Board of Directors

Date: 30th July,2020
Place: Vadodara

Bhavin Desai
Company Secretary

NOTES:

1. In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made there under on account of the threat posed by Covid-19" and General Circular No. 20/ 2020 dated 5th May 2020, in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" ("SEBI Circular") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, 25th September 2020, at 3:30 pm (IST) through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through remote electronic voting process ("e-Voting").

2. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 4 to 10 of the accompanying Notice, are considered to be unavoidable by the Board in view of the prescribed compliance requirements under the Companies Act,2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations,2015 and hence, form part of this Notice.

3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE. HOWEVER, THE CORPORATE MEMBERS CAN APPOINT REPRESENTATIVES UNDER SECTION 113 OF**

THE COMPANIES ACT,2013 AND SEND THE NECESSARY DOCUMENTS TO THE COMPANY.

4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') with respect to the Special Business to be transacted at the Meeting set out in the Notice and the information as required to be provided under the Secretarial Standard – 2 / Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of Director being appointed/re-appointed is annexed hereto.

5. SEBI has decided that Securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. 05th December, 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

6. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Annual Report for Financial Year 2019- 2020 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their email address registered with the Registrar and Share Transfer Agents.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.

8. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

9. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

    1. **Process for those shareholders whose email ids are not registered:**

        a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

        b) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE VOTING ARE AS UNDER:

(i) The voting period begins on 22nd September,2020 at 9.00 a.m. and ends on 24th September,2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote during the Meeting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company. OR Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE ANNUAL GENEERAL MEETING (AGM) ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the Meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the Meeting is available only to the members participating in the Meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.

2. Members are encouraged to join the Meeting through Laptops/Personal Computers for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id).

6. Shareholders who would like to express their views/have questions may send their questions in advance 7 days prior to Meeting mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

12. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. Link Intime India Private Limited, Unit: Gujarat Fluorochemicals Limited, C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.

13. **Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance at its Office at Second Floor, ABS Towers, Old Padra Road, Vadodara 390 007, so as to enable the Company to keep the information ready.**

14. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

15. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for inspection by the Members of the Company at the Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 01.00

p.m. upto the date of the Annual General Meeting and copies thereof shall also be available for inspection in physical form at the Office of the Company situated at Second Floor, ABS Towers, Old Padra Road, Vadodara – 390 007, Gujarat and also at the Meeting.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

At the Meeting of the Board of Directors of the Company held on 14th February, 2020, the Directors had appointed Shri Sanjay Sudhakar Borwankar (DIN: 08640818) as an Additional Director of the Company with effect from 15th February, 2020. As per the provisions of Section 161 of the Companies Act, 2013 (Act), Shri Sanjay Sudhakar Borwankar holds office as an Additional Director up to the date of this Annual General Meeting and is eligible for appointment as Director of the Company.

The matter regarding appointment of Shri Sanjay Sudhakar Borwankar as a Whole-time Director of the Company was placed before the Nomination and Remuneration Committee at its Meeting held on 14th February, 2020 and it has recommended his appointment. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

Shri Sanjay Sudhakar Borwankar has given a declaration to the Board that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. In the opinion of the Board, he fulfils the conditions specified in the Act and Rules framed there under for his appointment.

In terms of Section 161 of the Act, the appointment of Shri Sanjay Sudhakar Borwankar as Director is being placed before the Members for their approval. Further, in compliance of Sections 196, 197, 203 read with Schedule V of the Act and Rules framed there under, the appointment of Shri Sanjay Sudhakar Borwankar as Whole-time Director of the Company for a period of one year with effect 15th February, 2020 is being placed before the Members for their approval.

Brief resume of Shri Sanjay Sudhakar Borwankar, nature of his experience in specific functional areas and other information as required to be provided under the Secretarial Standard – 2 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of appointment of Shri Sanjay Sudhakar Borwankar, are annexed with the Notice.

Shri Sanjay Sudhakar Borwankar is interested in the resolution set out respectively at Item No 3 of the Notice with regard to his appointment. The relatives of Shri Sanjay Sudhakar Borwankar may be deemed to be interested in the resolution set out respectively at Item No 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Directors recommend the Resolution as stated at Item No 3 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 4

National Company Law Board Tribunal has approved Scheme of Arrangement of the Company vide its order dated 04th July,2019. Pursuant to para 4.1.13 of the Scheme of Arrangement between GFL Limited (earlier known as Gujarat Fluorochemicals Limited) and Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) and its Shareholders, the benefits of any and all corporate approvals as may have already been taken by GFL Limited (the Demerged Company) with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185, 186, 188, etc; of the Act read with the rules and regulations made there under, shall stand vested in Gujarat Fluorochemicals Limited (the Resulting Company) and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by Gujarat Fluorochemicals Limited (the Resulting Company). In view of the Scheme becoming effective from 16th July, 2019, approvals given by the Shareholders of GFL Limited for chemical business undertaking were considered approval taken by Gujarat Fluorochemicals Limited from the appointed date for the Scheme i.e. 1st April, 2019 with respect to the provisions of the Companies Act,2013 and all Rules made thereunder.

In view of the above, the Members of the Company had approved continuation of appointment of Shri Sanath Kumar Muppirala (DIN: 08425540) as a Whole-Time Director of the Company for a period of one year from 28th April, 2019 to 27th April, 2020. It is desirable that the Company should continue to avail the services of Shri Sanath Kumar Muppirala as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Shri Sanath Kumar Muppirala as Whole-time Director was placed before the Nomination and Remuneration Committee of the Company at its Meeting held on 14th February, 2020 and it has recommended his re-appointment. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

In compliance of Section 196, 197,203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Shri Sanath Kumar Muppirala as Whole-time Director of the Company for a period of one year with effect from 28th April, 2020 is being placed before the Members for their approval.

Brief resume of Shri Sanath Kumar Muppirala, nature of his experience in specific functional areas and other information as required to be provided under the Secretarial Standard – 2 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of appointment of Shri Sanath Kumar Muppirala, are annexed with the Notice.

Shri Sanath Kumar Muppirala is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. The relatives of Shri Sanath Kumar Muppirala may be deemed interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Directors recommend the Resolution as stated at Item No. 4 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item no. 5 to 8

As per Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from 1 April, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment.

Shri Devendra Kumar Jain (DIN: 00029782) whose age in above 75 years was appointed as the Non-executive Director of the Company under Section 152 of the Companies Act, 2013 at the First Annual General Meeting of the Company held on 06th August,2019. Also, at the said Meeting Shri Shanti Prashad Jain (DIN: 00023379) and Shri Shailendra Swarup (DIN: 00167799) whose age is above 75 years and Shri Chandra Prakash Jain (DIN 00011964) who will complete 75 years in the Financial Year 2020-21 were appointed as Non-Executive and Independent Directors of the Company under Section 149 and 152 of the Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under and pursuant to Regulation 17 of Listing Regulations to hold office as Non-Executive and Independent Director for a term of 5 (five) consecutive years on the Board of the Company with effect from 06th December, 2018 to 05th December, 2023.

The Board, based on the performance evaluation of Shri Devendra Kumar Jain, Shri Shanti Prashad Jain , Shri Shailendra Swarup and Shri Chandra Prakash Jain and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, their continued association would be beneficial to the Company and it is desirable to continue to avail their services as Non-Executive Directors of the Company. In compliance with the provisions the Listing Regulations, your Directors recommend continued association of all these Non-Executive Directors of the Company until expiry of their terms of office as Directors of the Company.

Brief resume of Shri Devendra Kumar Jain, Shri Shanti Prashad Jain, Shri Shailendra Swarup and Shri Chandra Prakash Jain, nature of their experience in specific functional areas and other information as required to be provided under the Secretarial Standard – 2 on General Meetings / Regulation 26 (4) and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of continuation of their appointment, are annexed with the Notice.

Shri Devendra Kumar Jain, Shri Shanti Prashad Jain, Shri Shailendra Swarup and Shri Chandra Prakash Jain are interested in the resolutions set out respectively at Item Nos. 5, 6, 7 and 8 of the Notice with regard to their respective appointments. The relatives of Shri Devendra Kumar Jain, Shri Shanti Prashad Jain, Shri Shailendra Swarup and Shri Chandra Prakash Jain may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company. Further, Shri Pavan Jain and Shri Vivek Jain being relatives of Shri Devendra Kumar Jain are interested in the resolution of continuation of appointment of Shri Devendra Kumar Jain as Non- Executive Director of the Company

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Directors recommend the Resolution as stated at Item Nos. 5, 6 and 7 of the Notice for approval of the Members by way of a Special Resolution.

Item No. 9

National Company Law Board Tribunal has approved Scheme of Arrangement of the Company vide its order dated 04th July,2019. Pursuant to para 4.1.13 of the Scheme of Arrangement between GFL Limited (earlier known as Gujarat Fluorochemicals Limited) and Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) and its Shareholders, the benefits of any and all corporate approvals as may have already been taken by GFL Limited (the Demerged Company) with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185, 186, 188 etc; of the Act read with the rules and regulations made there under, shall stand vested in Gujarat Fluorochemicals Limited (the Resulting Company) and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by Gujarat Fluorochemicals Limited (the Resulting Company). In view of the Scheme becoming effective from 16th July, 2019, approvals given by the Members of GFL Limited for chemical business undertaking were considered approval taken by Gujarat Fluorochemicals Limited from the appointed date for the Scheme i.e. 1st April, 2019 with respect to the provisions of the Companies Act,2013 and all Rules made thereunder.

In view of the above, the Members of the Company at their First Annual General Meeting held on 06th August, 2019 had approved continuation of payment of remuneration @ 1% on Net Profits of the Company as permitted under Section 197 of the Companies Act, 2013 to Shri Devendra Kumar Jain, Non-Executive Director of the Company. Accordingly, remuneration of ₹ 4,08,88,232 is to be paid to him for the Financial Year 2019-20. Further, Regulation 17 (6) (ca) of the Listing Regulations, inter alia provides that the approval of the Members by way of Special Resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

Accordingly, the details of remuneration paid to Non-Executive Directors for Financial Year 2019-2020 is as under:

Remuneration to Non-Executive Director for FY 2019-2020

Amount (₹ in Lakhs)

	Sitting Fees for Audit Committee and Board Meetings	Remuneration	Total of Sitting Fees and Remuneration	% of Total Remuneration paid to All Non-executive Directors
Shri Devendra Kumar Jain	1.80	417.46	419.26	68.23
Shri Pavan Kumar Jain	0.50	0.00	0.50	0.08
Shri Deepak Ranjit Asher	3.00	180.00 (Professional Fees)	183.00	29.78
Shri Shailendra Swarup	2.20	0.00	2.20	0.36
Shri Om Prakash Lohia	o.00	0.00	0.00	0.00
Shri Shanti Prashad Jain	3.70	0.00	3.70	0.60
Ms Vanita Bhargava	3.30	0.00	3.30	0.54
Shri Chandra Prakash Jain	2.30	0.00	2.30	0.37
Shri Rajagopalan Doraiswamy	0.20	0.00	0.20	0.03
Total	**17.00**	**597.46**	**614.46**	**100.00**

Since the total remuneration of Shri Devendra Kumar Jain for the Financial Year 2019-2020 exceeds the limit of 50% of the total annual remuneration payable to all Non-Executive Directors of the Company, the approval for Resolution at Item No. 8 of the Notice is sought by way of a Special Resolution for payment of remuneration to Shri Devendra Kumar Jain for the Financial Year 2019-2020.

Shri Devendra Kumar Jain and his relatives shall be deemed concerned or interested in resolution set out at Item No. 8 of the Notice to the extent of the remuneration that may be received by him. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval of the Members by way of Special Resolution.

Item No. 10

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Directors recommend the Resolution as stated at Item No. 9 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 11

Regulation 23 (4) Of Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) states that if aggregate value of transactions with related party exceeds 10% of the consolidated turnover of the Company, the approval of Members is required by way of Special Resolution. The Company has entered into contract/ agreement/transaction with Inox Wind Limited, which is its Related Party, for purchase of Wind Turbine Generators (WTG) to set up Captive Power Plant to meet its increasing power requirements. The transaction with IWL is in the ordinary course of business and on arm's length basis. The aggregate value of transaction with Inox Wind Limited is exceeding ceiling limit prescribed in the Listing Regulations and hence, the approval for Resolution at Item No. 10 of the Notice is sought by way of a Special Resolution.

Shri Devendra Kumar Jain, Shri Pavan Jain, Shri Vivek Jain and their relatives shall be deemed to be concerned or interested in resolution set out at Item No. 10 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Directors recommend the Resolution as stated at Item No. 10 of the Notice for approval of the Members by way of an Ordinary Resolution.

1. **Information as required to be provided under the Secretarial Standard – 2 / Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of Director being appointed/re-appointed**

Name of Director	Shri Sanjay Sudhakar Borwankar	Shri Sanath Kumar Muppirala	Shri Devendra Kumar Jain	Shri Shailendra Swarup	Shri Shanti Prashad Jain	Shri Chandra Prakash Jain
Brief Resume	Shri Sanjay Sudhakar Borwankar is Chemical Engineer and has expertise in management of operations of various plants.	Shri Sanathkumar Muppirala is Chemicals Engineer and has expertise in various petrochemical plants.	Shri Devendra Kumar Jain has over 60 years of rich experience in business management and international trade.	Shri Shailendra Swarup is a Senior Advocate practising at the High Court and Supreme Court of India.	Shri Shanti Prashad Jain is a leading Chartered Accountant practising in taxation matters.	Shri Chandra Prakash Jain is Chartered Accountant and Diploma in Advance Management
Date of Birth and Age	3rd November, 1967, 52 Years	04th Jan 1963, 57 years	2nd March, 1929, 91 years	20th November, 1944, 75 years	1st February, 1940, 80 years	3rd March,1946 74 years
Date of first appointment on the Board	15th February, 2020	06th December,2018	06th December,2018	06th December,2018	06th December,2018	06th December,2018
Directors Identification Number	08640818	08425540	00029782	00167799	00023379	00011964
Qualification	B. Tech Chemical from LIT, Nagpur and Masters in Business Administration (MBA) from Welingkar Institute of Management, Mumbai	B.Tech. Chemical Engineer from S.V. University, Tirupati, Kharagpur	Graduate in History (Hons)	LL.B.	Fellow Chartered Accountant	Fellow Chartered Accountant
Experience / Expertise in Specific Functional Area	Shri Sanjay Sudhakar Borwankar has over 25 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.	Shri Sanathkumar Muppirala has over 33 Years in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & Commissioning.	Shri Devendra Kumar Jain has over 60 years of rich experience in business management and international trade.	Shri Shailendra Swarup is a Senior Advocate practising at the High Court and Supreme Court of India. He has over 44 years of experience in handling various legal matters	Shri Shanti Prashad Jain is a leading Chartered Accountant and practicing since 1963. He has specialized in taxation matters of various reputed companies and banks.	Shri Chandra Prakash Jain is Chartered Accountant and is former Chairman and Managing Director of NTPC Limited. He was also the Chairman of the Standing Conference of Public Enterprises (SCOPE) for the period 2003-05.He has been a past member of Standing Technical Advisory Committee of the Reserve Bank of India, Audit Advisory Board of the Comptroller & Auditor General of India. He has in the past headed the Confederation of Indian Industries (CII's) National Committee on Energy. He is also a Member of Advisory Board of Axis Infrastructure Fund.

Name of Director	Shri Sanjay Sudhakar Borwankar	Shri Sanath Kumar Muppirala	Shri Devendra Kumar Jain	Shri Shailendra Swarup	Shri Shanti Prashad Jain	Shri Chandra Prakash Jain
Directorship held in other Companies	Nil	Nil	1. Inox Leasing and Finance Limited 2. Inox India Private Limited 3. Devansh Gases Private Limited 4. Rajni Farms Private Limited 5. GFL Limited 6. Inox Wind Energy Limited	1. The India Thermit Corporation Limited 2. Subros Limited 3. Bengal & Assam Company Limited 4. Vis Legis Consult Private Limited 5. Jagran Prakashan Limited 6. Sterling Tools Limited 7. Kangaroo Properties Private Limited 8. Dev Valley Devcon Private Limited 9. JK Paper Limited 10. Inox Infrastructure Limited 11. GFL Limited	1. Ashok Vihar Club 2. Inox Wind Limited 3. Inox Wind Infrastructure Services Limited 4. Inox Renewables Limited 5. Inox Infrastructure Limited 6. SP Securities Limited 7. GFL Limited 8. Inox Wind Energy Limited	1. AVU Enterprises Private Limited
Membership / Chairmanship of other Companies	Nil	Nil	**GFL Limited** • Stakeholder's Relationship Committee, Member • Committee of Directors for Operations, Chairman • BRR Committee, Chairman • Scheme Committee of BOD, Chairman • Risk Committee, Chairman **Inox Leasing and Finance Limited** • CSR Committee, Chairman	**GFL Limited** • Audit Committee , Member **Inox Infrastructure Limited** • Audit Committee , Member • NR Committee, Member **Jagran Prakashan** • Audit Committee , Member	**GFL Limited** • Audit Committee, Chairman • CSR Committee, Chairman • NR Committee, Chairman • Stakeholder's Relationship Committee, Member **Inox Wind Limited** • Audit Committee, Chairman • Stakeholders Relationship Committee, Chairman • CSR Committee, Member • NR Committee, Member **Inox Wind Infrastructure Services Limited** • Audit Committee, Chairman • NR Committee, Member **Inox Renewables Limited** • Audit Committee, Chairman • CSR Committee, Member • NR Committee, Chairman **Inox Infrastructure Limited** • Audit Committee, Chairman • NR Committee, Chairman	Nil

Name of Director	Shri Sanjay Sudhakar Borwankar	Shri Sanath Kumar Muppirala	Shri Devendra Kumar Jain	Shri Shailendra Swarup	Shri Shanti Prashad Jain	Shri Chandra Prakash Jain
The Number of Meeting of the Board Attended during the year	0	2	8	7	8	8
Remuneration last drawn including sitting fees (₹ In Lakhs)	8.55	72.33	419.26	2.20	3.70	2.30
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	Relative of Shri Pavan Jain and Shri Vivek Jain, Directors of the Company.	None	None	None
Shareholding in the Company	Nil	Nil	20,100 shares	10,000 shares	1,000 shares	Nil
Summary of the Performance Evaluation Report	Not applicable	Not applicable	Not applicable	Feedback received from the Directors reflected highly satisfactory performance.	Feedback received from the Directors reflected highly satisfactory performance.	Feedback received from the Directors reflected highly satisfactory performance.

By order of the Board of Directors

Bhavin Desai
Company Secretary

Date: 30th July,2020
Place: Vadodara

Board's Report

The Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") for demerger of the Chemical Business Undertaking of the demerged company into the resulting company was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July, 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April, 2019. The name of the Company was changed from Inox Fluorochemicals Limited to Gujarat Fluorochemicals Limited w.e.f. 26th July, 2019.The shares of the Company were listed on the stock exchanges w.e.f. 16th October, 2019.

To,
The Member(s),
Gujarat Fluorochemicals Limited
(Earlier known as Inox Fluorochemicals Limited)

Your Directors take pleasure in presenting to you their Second Annual Report of your Company together with Audited Financial Statements for the Financial Year ended on 31st March, 2020.

1. Financial Performance

The financial performance of your Company for the Financial Year ended 31st March, 2020 is highlighted below:

Amount (₹ in Lakhs)

Sr. no.	Particulars	Consolidated		Standalone	
		2,019-20	2,018-19	2,019-20	2,018-19
I.	Revenue from Operations	2,60,637	2,72,927	2,49,639	2,73,055
II.	Other Income	21,628	8,597	22,127	8,386
III.	Total Revenue (I+II)	2,82,265	2,81,524	2,71,766	2,81,441
IV.	Less Total Expenses	2,46,452	2,16,159	2,36,859	2,16,379
V.	Share of Loss of joint venture	(*)	(12.19)	-	-
VI.	Profit before exceptional items (III-IV+V)	35,813	65,353	34,907	65,062
VII.	Exceptional Items	(2,604)	(824)	(2,604)	(824)
VIII.	Profit before tax (VI+ VII)	33,209	64,529	32,303	64,238
IX.	Total Tax Expenses	14,278	(60,080)	13,308	(60,380)
X.	**Profit/(Loss) for the period (VIII-IX)**	**18,931**	**1,24,608**	**18,995**	**1,24,618**
XI.	Other comprehensive income	855	134	(209)	(110)
XII.	**Total Comprehensive Income (X+XI)**	**19,786**	**1,24,742**	**18,786**	**1,24,508**
	Attributable to				
	Owners of the Company	20,540	1,24,985	-	-
	Non-controlling Interest	(754)	(244)	-	-

*Figure is less than ₹ 1 lakh.

The figures of the profit and loss account of the demerged Chemical Business Undertaking vested in the Company are regrouped or recomputed for the entire Financial Year 2018-19. Detailed analysis of the Financial and Operational Performance of the Company has been given in the Management Discussion and Analysis forming part of this Annual Report.

2. Consolidated Financial Statements

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2019-20 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements approved by the Board of Directors of the Company and its joint venture and management of the foreign subsidiary companies.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report. The Audited Standalone and Consolidated Financial Statements for the Financial Year 2019-20 shall be laid before the Annual General Meeting for approval of the Members of the Company.

3. Scheme of Arrangement

During the Financial Year under review, The Hon'ble National Company Law Board Tribunal, Ahmedabad Bench (NCLT) vide its order dated 04th July, 2019 has approved a Scheme of Arrangement between the Company (Resulting Company) and GFL Limited (Demerged Company) for transfer of Chemical Business Undertaking of Demerged Company to the Resulting Company. In view of the said order, the Demerged Company has transferred all Assets and Liabilities pertaining to Chemical Business Undertaking to the Resulting Company with effect from 1st April, 2019.

4. Actions arising out of approval of the Scheme of Arrangement

During the Financial Year under review, pursuant to NCLT order and Scheme of Arrangement referred to in Para 3 above, the Company has taken following actions:

Change of name of the Company

Pursuant to NCLT Order referred to Para 3 above, the name of the Company is changed from Inox Fluorochemicals Limited to Gujarat Fluorochemicals Limited with effect from 26th July, 2019.

Increase in Authorised Capital of the Company

The Authorized Capital of the Company was increased from ₹ 1,00,000 to ₹ 20,00,00,000 divided into 20,00,00,000 Equity Shares of Re 1 each pursuant to the NCLT Order referred to in Para 3 above, by way of an Ordinary Resolution passed at the Extra Ordinary General Meeting held on 05th July , 2019.

Allotment of Shares and increase in Paid-up Capital of the Company

The Company has issued and allotted 10,98,50,ooo equity shares having face value of Re 1 each as fully paid-up to the Shareholders of GFL Limited (Demerged Company) for every 1 (One) Equity Share of face value of Re. 1 each fully paid up held in the Demerged Company.

Listing of Shares

10,98,50,000 equity shares of Re 1 each of the Company were listed on BSE Limited and National Stock Exchange of India Limited with effect from 16th October, 2019.

5. Dividend

Your Directors, after considering various external factors that may have an impact on the business as well as internal factors such as the long-term growth strategy of the Company, have not recommended any dividend for the Financial Year ended 31st March, 2020.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and details of the same have been uploaded on the Company's website www.gfl.co.in. and is annexed to this report as **Annexure A**

6. Transfer to Reserves

During the Financial Year under review, Hon'ble National Company Law Board Tribunal, Ahmedabad Bench vide its order dated 04th July, 2019 has approved a Scheme of Arrangement between the Company (Resulting Company) and GFL Limited (Demerged Company) for transfer of Chemical Business Undertaking from the Demerged Company to the Resultant Company with effect from 01st April,2019. In view of the said order, the Demerged Company has transferred all Assets and Liabilities pertaining to Chemical Business Undertakings to the Company with effect from 01st April,2019. Therefore, on account of the said transfer, the Company has accounted for transfer of various Reserves in its Books of Account including ₹ 3,20,000 lakhs on account of the General Reserve.

7. Directors and Key Managerial Personnel

Directors

Appointments / Re-appointments:

The following Directors are proposed for appointments / re-appointments at the Second Annual General Meeting of the Company:

- Appointment of Shri Sanjay Borwankar (DIN: 08640818) as Whole time Director of the Company and approve payment of remuneration to him.
- Re-appointment of Shri Sanath Kumar Muppirala (DIN: 08425540) as Whole-time Director of the Company and approve payment of remuneration to him.
- Re-appointment of Shri Devendra Kumar Jain (DIN: 00029782) who retires by rotation and being eligible, offers himself for re-appointment.

Necessary Resolutions in respect of Directors seeking re-appointment and their brief resume pursuant to Clause 36 of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

The following Directors have resigned during the Financial Year 2019-20:

- Shri Anand Bhusari resigned as Whole Time Director of the Company with effect from 28th April, 2019 due to his personal reasons.
- Shri Rajagopalan Doraiswami resigned as Non-Executive Independent Director of the Company with effect from 25th September, 2019 due to his personal reasons.

- Shri Dinesh Kumar Sachdeva resigned as Whole-time Director of the Company with effect from 15th February, 2020 due to his pre occupations.

Key Managerial Personnel

The services of the following Key Managerial Personnel are transferred to the Company in terms of Para 1.7 of the Scheme of Arrangement referred to in Para 3 above with effect from 1st August, 2019:

- Shri Vivek Jain – Managing Director and Chief Executive Officer
- Mr. Manoj Agrawal – Chief Financial Officer
- Mr. Bhavin Desai – Company Secretary and Compliance Officer

8. Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is uploaded on the Company's website www.gfl.co.in. Salient features and objectives of the Policy are as follows:

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by Nomination and Remuneration Committee and recommend to the Board their appointment and removal.

b. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

c. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

9. Declaration of Independence

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149 (7) of the Companies Act, 2013 and Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

10. Familiarisation Programme for Independent Directors

The details of Familiarisation Programme for Independent Directors are given in the Corporate Governance Report of the Company at Annexure G to this Report.

11. Performance Evaluation

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a Whole, Committees of Board, Individual Directors and Chairperson of the Company, fulfillment of the independence criteria and independence of Independent Directors from the Management for the Financial Year 2019-20. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 14th February, 2020 had noted that the Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

12. Meetings of the Board

During the year under review, the Board met eight times and details of Board Meetings held are given in the Corporate Governance Report at Annexure G to this Report. The intervening gap between the two Meetings was within the time limit prescribed under Section 173 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

13. Directors' Responsibility Statement as per Sub-Section (5) of Section 134 of The Companies Act, 2013

To the best of their knowledge and belief and according to the information and explanations obtained by your Directors, they make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

i. in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2020, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

ii. the Directors had 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 Profit of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis;

v. the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls were adequate and were operating effectively and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Significant and Material Orders passed by The Regulators or Courts or Tribunals Impacting The Going Concern Status and Company's operations in future

Except details given in Para 3 above, there are no orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

15. Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements of the Company. For details, please refer to Note no 8, 9, 38, 46 and 49 of the Standalone Financial Statements of the Company.

16. Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the year under review with Related Parties are approved by the Audit Committee and/or Board, as per the provisions of Section 188 of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations. During the Financial Year under review, the Company had not entered into any contract / arrangement / transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions review except as stated at Item No 11 of the Notice of Second Annual General Meeting seeking approval of the Shareholders by way of Ordinary Resolution under the Regulation 23 of the Listing Regulations.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: http://www.gfl.co.in/pdf/GFL%20-%20Related%20 Party%20Transaction%20Policy.pdf

All transactions entered with Related Parties for the year under review were on arm's length basis and hence, disclosure in Form AOC -2 is not required to be annexed to this report.

17. Deposits

The Company has not accepted any deposits covered under Chapter V of the Act.

18. Subsidiaries and Joint Ventures

A separate statement containing the salient features of financial statements of all Subsidiaries, Associates and Joint Ventures of the Company forms a part of Consolidated Financial Statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with Section 136 of the Companies Act, 2013, the Financial Statements of the subsidiaries, joint ventures, associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said Fnancial Statements may write to the Company Secretary at the Registered Office of the Company. The Financial Statements including the Consolidated Financial Statements, Financial Statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company www.gfl.co.in. The Company has formulated a policy for determining material subsidiaries. The Policy may be accessed on the website of the Company www.gfl.co.in.

The Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company is annexed to this report in Form no AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure B**.

19. Internal Financial Controls

The Company has adequate Internal Financial Controls commensurate with its size and nature of its business. The Board has reviewed Internal Financial Controls of the Company and the Audit Committee monitors the same in consultation with Internal Auditors of the Company. One of the Internal Auditors of the Company also tests the internal controls independently.

20. Vigil Mechanism

As per the provisions of Section 177(9) of the Act read with Regulation 22(1) of the Listing Regulations, the Company is required to establish an effective vigil mechanism for Directors and Employees to report improper acts or genuine concerns or any leak or suspect leak of Unpublished Price Sensitive Information. The Company has accordingly establish a Vigil Mechanism and "Whistle Blower Policy" for all its Employees and Directors to report improper acts. The details of the said mechanism and policy are available on the Company's website www.gfl.co.in.

21. Independent Auditor's Report

There are no reservations, modifications or adverse remarks in the Independent Auditor's Report. The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 134 (3) (f) of the Companies Act, 2013.

22. Independent Auditors

Members at their 1st Annual General Meeting held on 6th August, 2019 had appointed M/s Patankar and Associates, Chartered Accountants, Pune as Independent Auditors of the Company from the conclusion of 1st Annual General Meeting until conclusion of 6th Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 06th August,2019.

23. Cost Auditor

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited by a Cost Accountant in practice who shall be appointed by the Board. In view of the above, the Company has appointed M/s Kailash Sankhlecha & Associates to audit the cost audit records maintained by the Company for Financial Year 2019-20 on a remuneration of ₹ 4,00,000/-. As required under the referred Section of the Companies Act, 2013 and relevant Rules, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s Kailash Sankhlecha & Associates, Cost Auditors is included at Item No. 10_of the Notice convening the Annual General Meeting. The Cost Audit Report for the Financial Year 2018-19 submitted by M/s Kailash Sankhlecha & Associates was filed with Ministry of Corporate Affairs on 24th December, 2019 as per the statutory requirements.

24. Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2013, the Company has appointed M/s Samdani Shah & Kabra, a firm of Practising Company Secretaries to conduct Secretarial Audit of the Company.

The Secretarial Audit Report given by M/s Samdani Shah & Kabra for the Financial Year 2019-20, is annexed herewith as **Annexure C** in Form no. MR-3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Company has complied with the applicable provisions of the Secretarial Standards.

25. Management Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations read with para B of Schedule V is presented in a separate Section forming part of this Annual Report.

26. Corporate Governance Report

Pursuant to Regulation 34 read with Para C of Schedule V of Listing Regulations, the Corporate Governance Report of the Company for the year under review and the Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report as **Annexure G**.

In compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from the Managing Director and Chief Financial Officer of the Company, who are responsible for the finance function, was placed before the Board.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is annexed as a part of the Corporate Governance Report.

27. Business Responsibility Report

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company www.gfl.co.in

28. Extract of Annual Return

In terms of Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2013, the extract of Annual Return as provided in Form no. MGT -9 is annexed to this report as **Annexure D**.

29. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this report as **Annexure E**.

30. Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure F**.

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the said rule is annexed to this report.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

31. Corporate Social Responsibility Activities

The provisions of Section 135 (5) of the Companies Act, 2013 which requires Company to spend 2% of average net profits of last three financial years on CSR activities is not applicable to the Company as the Company had no profit in its first Financial Year 2018-19.

The Company has constituted its Corporate Social Responsibility (CSR) Committee, which comprises of Shri Shanti Prashad Jain, Chairman and Independent Director, Shri Vivek Jain, Managing Director and Shri Deepak Asher, Non-Independent Director of the Company. The CSR Policy adopted by the Company is disclosed on the website of the Company which can be viewed at https://gfl.co.in/assets/pdf/gfcl_csr_policy_13082019.pdf

32. Safety, Health and Environment

Safety, health and environment are of prime concern to the Company and necessary efforts were made in this direction in line with the safety, health and environment policy laid down by the Company. The Company has achieved certification of ISO: 14001:2004 (Environment Management System), ISO 18001:2007 (Occupational Health and Safety Management System) and ISO 9001:2008 (Quality Management System) for its Ranjitnagar and Dahej Unit. Health of employees is being regularly monitored and environment has been maintained as per statutory requirements. Please refer to Nature Capital section of the Integrated Annual Report for more details.

33. Insurance

The Company's property and assets have been adequately insured.

34. Risk Management

The Company has Enterprise Risk Management (ERM) Framework of the Company which is derived from COSO ERM – Aligning Risk with Strategy and Performance 2016 (Draft) framework established by committee of sponsoring organizations. According to this, Enterprise Risk Management is "The culture, capabilities, and practices, integrated with strategy-setting and its execution, that organizations rely on to manage risk in creating, preserving, and realizing value". The Company has, therefore, adopted Residual risk approach and the Board of Directors have at its Meeting held on 29th June,2020 approved revised Risk Reporting and its Monitoring system. In the Board's view, one of the Internal Auditors of the Company have reviewed ERM and reported that there are no material or additional risks identified which may threaten the existence of the Company. Please refer to Risk Management section of the Integrated Annual Report for more details.

35. Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

36. Information Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And 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 Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has formed an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2019-20.

No. of Complaints Received	Nil
No. of Complaints disposed of	Not Applicable

Hence, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this report.

38. Acknowledgement

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By order of the Board of Directors

Place: New Delhi
Date: 30th July, 2020

Devendra Kumar Jain
Chairman

Annexure A

Dividend Distribution Policy

1. Preface

The Board of Directors ("Board") of Gujarat Fluorochemicals Limited ("Company") has adopted this Dividend Distribution Policy ("Policy") in terms of Regulation 43A of Securities and Exchange Board. of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") This Policy will regulate the process of declaration of Dividend as per the provisions of the Companies Act, 2013 ("Act") read with the relevant Rules made thereunder and also the internal policy of the Company for utilisation of retained earnings for future growth of the Company.

2. Objective of the Policy

The objective of this Policy is to define the procedure, parameters and the factors which the Board may consider at the time of taking the decision for declaration of Interim Dividend or recommendation of Final Dividend and to maintain a balance between appropriately rewarding its Members with cash Dividend and the amount of Profit to be retained for the further growth of the Company.

Any deviation from this Policy, when deemed necessary in the interests of the Company, along with the rationale for such deviation, will be disclosed in the Annual Report by the Board.

3. Definitions

"Act" means The Companies Act, 2013.

"Articles of Association" means Articles of Association of the Company.

"Board" means the Board of Directors of the Company.

"Company" means Gujarat Fluorochemicals Limited ("GFL").

"Dividend" includes Interim and Final Dividend.

"Financial Year" means the period starting on 1st day of April and ending on the 31st day of March every year in respect whereof Financial Statements of the Company are made up.

"Financial Statements" include:

(i) Balance Sheet as at the end of the Financial Year;

(ii) Profit and Loss Account for the Financial Year;

(iii) Cash Flow Statement for the Financial Year;

"Free Reserves" means such Reserves which, as per the latest audited Balance Sheet of the Company, are available for distribution as Dividend.

"Member" in relation to a Company means every person holding shares of the Company and whose name is entered as a Beneficial Owner in the records of a Depository.

"Paid-up Share Capital" or "Share Capital Paid-up" means such aggregate amount of money credited as paid-up in respect of shares of the Company.

"Profit" means Profit for the Financial Year arrived at after providing for Depreciation in accordance with Schedule II to the Act.

"Rules" mean The Companies (Declaration and Payment of Dividend) Rules, 2014.

"Share" means a share in the Share Capital of the Company.

4. Category of Dividend

The Act provides for two categories of Dividend viz. Interim and Final.

a) Interim Dividend

The Interim Dividend can be declared by the Board one or more times during any Financial Year at its complete discretion in line with this Policy.

Process for approval of Payment of Interim Dividend

The Board may declare and pay Interim Dividend for any Financial Year in line with this Policy, out of surplus in the Profit and Loss Account and out of Profits of the Financial Year based on its quarterly or half yearly Standalone Financial Statements for the period for which such Interim Dividend is sought to be declared.

b) Final Dividend

The Board may recommend Final Dividend for any Financial Year out of surplus in the Profit and Loss Account of the Financial Year based on its Annual Standalone Financial Statements to be approved by the Members at its General Meeting. The Final Dividend can be paid after approval of the Members at the General Meeting.

Process for approval of Payment of Final Dividend

The Board may recommend Final Dividend for any Financial Year in line with this Policy, out of the Profits for the Financial Year arrived at after providing for depreciation in accordance with Schedule II to the Act or out of Profit of any previous Financial Year/s after providing for depreciation in accordance with Schedule II to the Act and remaining undistributed or out of both.

5. Circumstances under which the Members of the Company may or may not expect Dividend

Members may expect Dividend in case the Company has adequate Profit for distribution of Dividend and the Dividend is recommended or declared by the Board in terms of this Policy.

Members may not expect Dividend under following circumstances:

The Company has no Profit or inadequate Profit;

The Company has Profit but the Board decides to retain its Profit for future growth.

6. Factors and Parameters to be considered by the Board

The decision of the Board regarding recommendation and / or declaration of Dividend is a crucial one as it determines the amount of Profit to be distributed amongst the Members and the amount of Profit to be retained for its future growth. However, the Board will take this decision based on the following factors and financial parameters:

Internal Factors

- Profits available during any Financial Year;
- Present and future capital requirements of the Company;
- Long term strategies of the Group and its capital requirements;
- Covenants and restriction, if any, in the agreements with the lenders of the Company from

Time to time;

- Brand / Business acquisition prospects being considered or likely to be considered;
- Capital expenditure planned or likely to be planned for its existing businesses;
- Board's opinion about sustainability of the Profit of the Company;
- Any other factor as deemed fit by the Board.

External Factors

- Any adverse Economic situations in the Country and across the Globe;
- Capital Market Legislation;
- Money market conditions;
- Changes in Tax Laws from time to time;
- Changes in Government Policies;
- Changes and outlook in market, prices, demand and supply position of the principal products of the Company.

Financial Parameters

- Profit earned during the Financial Year, and expected to be earned in the foreseeable future;
- Overall financial condition of the Company and its cash flow position;
- Estimated volatility of future earnings;
- The cost of fund raised externally.

7. Dividend Pay-out

The Company will endeavour to distribute appropriate level of its Profits earned out of its business activities in form of Dividend to its Members after taking into account, the factors and financial parameters enumerated in this Policy. However, all efforts will be made to maintain a Dividend Pay-out as per the historic trends of the Company.

8. Retained Earnings Utilisation

Considering the factors and financial parameters above, the Board may at its discretion choose to retain Profits of the Company to be used for:

- Company's Investment needs for future growth;
- Building of Net Worth of the Company by creating Reserves;
- Issue of Bonus Shares; or
- Future Dividend pay-outs.

9. This Policy shall not apply to:

- Determination and declaring Dividend on Preference shares, if any, as the same will be as per the terms approved by the Shareholders at the time of Issue of Preference Shares.
- Utilization of Profits of the Company for Issue of Bonus Shares to the Shareholders of the Company.
- Distribution of cash for the Buyback of Equity shares of the Company.

10. Provisions in regard to various class of shares

The Company has presently only one class of shares i.e. Equity Shares. If and when the Company issues any other class of shares, this Policy will be modified accordingly.

11. Communication of this Policy

This Policy shall be posted on the website of the Company and published in the Annual Report of the Company as required under the Listing Regulations.

12. Amendment

The Board shall have the right to amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. However, in case of any change in the Policy, such changes along with the rationale for the same shall be disclosed in the Annual Report of the Company and the same shall also be put up on the Company's website.

Annexure B

Statement containing salient features of the financial statement of subsidiaries / joint venture

Part A – Subsidiaries

(₹ in Lakhs)

	Gujarat Fluorochemicals Americas LLC	Gujarat Fluorochemicals Singapore Pte Limited	GFL GM Fluorspar (SA)	Gujarat Fluorochemicals GmbH
Sr. No	1	2	3	4
The date since when the subsidiary was acquired	02/09/2009	25/07/2011	15/08/2011	19/08/2013
Reporting period, if different from the holding Company				
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	USD @ 75.55	USD @ 75.55	MAD 7.45	EURO @82.90
Share Capital	1012.28	7,671.48	1349.96	21.82
Reserves and Surplus	3,539.46	1,673.46	(5,461.59)	2,626.22
Total Assets	13,891.92	9,356.65	14,341.15	15,386.62
Total Liabilities	9340.18	11.71	18452.78	12,738.58
Investments		991.54		
Turnover	32,413.39	218.02	4,846.45	24,644.84
Profit/(Loss) before taxation	1,103.51	205.52	(2,675.77)	1,076.82
Provision for taxation	252.11	23.22	21.67	367.45
Profit/(Loss) after taxation	851.40	182.30	(2,697.44)	709.37
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100.00	100.00	74.00 held by GFL Singapore PTE Limited	100.00

Name of subsidiaries which are yet to commence operations: Nil

Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B – Joint Ventures

Statement related Joint Ventures

(₹ in Lakhs)

Sr no	Particulars	Swarnim Gujarat Fluorspar Private Limited	Swarnim Gujarat Fluorspar Private Limited
1	Latest Audited Balance Sheet date	31st March, 2020	31st March, 2019
2	Shares of Associates/Joint Ventures held by the Company on the year end		
	Number	11,82,500	11,82,500
	Amount of investment in Associates/ Joint Venture	118.25	118.25
	Extended holding %	49.47*	49.47*
3	Description of how there is significant influence		
4	Reason why the associate/joint venture is not consolidated	NA	NA
5	Net worth attributable to Shareholding as per latest balance sheet	87.84	88.33
6	Profit/Loss for the year		
	considered in consolidation	(0.49)	(12.19)
	Not considered in consolidation	-	-

*As per JV agreement, GFL needs to hold 25% of the total equity capital of SGFPL. In view the fact that GMDC is yet to contribute its equity participation by way of its assets value which is under review, GFL's equity contribution has gone up temporarily due subscription to the additional equity in SGFPL.

Name of associates or joint ventures which are yet to commence operations: Swarnim Gujarat Fluorspar Private Limited

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

Annexure C

Secretarial Audit Report

For the Financial Year ended March 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The Members,
Gujarat Fluorochemicals Limited
(Formerly known as Inox Fluorochemicals Limited)
Survey No 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghamba,
District Panchmahal - 389 380,
Gujarat, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Fluorochemicals Limited (the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 (the period under review), 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:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Period under review, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

   (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

   We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:-

   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   c. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

   d. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulations, 2013;

vi. Other sector specific laws as follows:

   a. Ozone Depleting Substances (Regulation and Control) Rules, 2000;

   b. The Indian Boilers Act, 1923 (Amended 2007);

   c. The Chemicals Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;

We have also examined compliance with the applicable clauses / regulations of the following:

(i) All applicable and approved Secretarial Standards as issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that;

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

B. Adequate notice is given to all the 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 clarification on the Agenda items before the meeting and for meaningful participation at the meeting;

C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;

D. There are adequate systems and processes in the Company commensurate with the size and Operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;

E. During the period under review, the Hon'ble National Company Law Tribunal, Ahmedabad Bench has, vide its order dated July 04, 2019, sanctioned the Scheme of Arrangement between GFL Limited (Formerly known as Gujarat Fluorochemicals Limited) ('The Demerged Company' or 'GFL 1') and Gujarat Fluorochemicals Limited (Formerly known as Inox Fluorochemicals Limited) ('The Resulting Company' or 'GFL 2') and their respective Shareholders ('Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, 1 (one) fully paid up Equity Share of face value of Re. 1 (one only) each of the Resulting Company are issued and allotted as fully paid up for every 1 (one) Equity Share of face value of Re. 1 (one only) each fully paid up held in the Demerged Company and whole of the Chemical Business Undertaking and related activities have been transferred to the Resulting Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863
UDIN: F003677B000407291

Place: Vadodara,
Date: July 01, 2020

This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.

Appendix A

The Members,
Gujarat Fluorochemicals Limited
(Formerly known as Inox Fluorochemicals Limited)
Survey No 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghamba,
District Panchmahal - 389 380,
Gujarat, India.

Our Secretarial Audit Report of even date is to be read along with this letter.

i. Maintenance of secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.

ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. We have conducted the Secretarial Audit (some part), for the period under review, through Virtual verification of Documents, Records, etc., as made available to us by the Company, due to the Covid19 pandemic situation.

iv. Wherever required, we have obtained the management representation about the compliance of laws, Rules and Regulations, happening of events etc.

v. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863

UDIN: F003677B000407291

Place: Vadodara,
Date: July 01, 2020

Annexure D

Extract of Annual Return

as on the Financial Year ended on 31st March, 2020

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

I. Registration and Other Details

i.	Corporate Identification Number	:	L24304GJ2018PLC105479
ii.	Registration Date	:	6th December, 2018
iii.	Name of the Company	:	Gujarat Fluorochemicals Limited (Earlier known as Inox Fluorochemicals Limited)
iv.	Category/Sub-Category of the Company	:	Commercial and Industrial Undertaking
v.	Address of the Registered Office and Contact Details	:	Survey No 16/3, 26 and 27 Ranjitnagar 389380 Taluka Ghoghamba District Panchmahal Gujarat Tel: +91 2678 248153 Fax: +91 2678 248153
vi.	Whether listed company yes or no	:	Yes
vii.	Name, Address and Contact Details of Registrar and Share Transfer Agents, if any	:	Link Intime India Private Limited B-102 & 103, Shangrila Complex, 1st Floor Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 Tel: +91 265 2356794 Fax: +91 265 2356791

II. Principal Business Acitivites of The Company

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

Sr no	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Refrigerant Gases	24111	18.00%
2	Caustic Soda (Caustic Soda Lye & Flakes)	24111	14.00%
3	Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	24111	12.00%
4	Poly Tetrafluoroethylene (PTFE)	24111	37.00%
5	Other Products	24111	19.00%

III. Particulars of Holding and Subsidiary Companies

Sr no	CIN/GIN	Holding/subsidiary/ associate	% of shares held	Applicable Section
1	U65910MH1995PLC085703 Inox Leasing and Finance Limited, 69, Jolly Maker Chambers II, Nariman Point, Mumbai – 400021	Holding	52.58	2 (46)
2	201117579Z Gujarat Fluorochemicals Singapore Pte Limited 158 Cecil Street, #11-01, Singapore - 069545	Foreign Subsidiary	100.00	2 (87)
3	801165985 Gujarat Fluorochemicals Americas LLC, USA 1212 Corporate Dr., Suite-540, Irving, TX 75038	Foreign Subsidiary	100.00	2 (87)
4	HRB 128868 Gujarat Fluorochemicals, GmbH Regus Centre Watermark 14th Floor Überseeallee 10, 20457 Hamburg	Foreign Subsidiary	100.00	2 (87)
5	404026907 GFL GM Fluorspar SA 435, Boulevard IBN Tachefine, 3rd floor, Casablanca, Morocco	Step-down Foreign Subsidiary	74.00 held by GFL Singapore Pte Limited	2 (87)

IV. Shareholding Pattern (Equity Share Capital Break up as a percentage of Total Equity)

i. Category-wise Shareholding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019	Shareholding at the end of the year - 2020				% Change during the year
			Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**	1,00,000 Equity Shares of Re 1 each issued and allotted to GFL Limited (Holding Company) at the time of incorporation of the Company were cancelled pursuant to the Scheme, details of which are given in the para 3 of the Board's Report. During the Year under review, the Company has issued and allotted 10,98,50,000 equity shares having face value of Re 1 each as fully paid-up to the Shareholders of GFL Limited (Demerged Company) in the ratio of 1:1 as per the Scheme, details of which are given in the para 3 of this Board's Report.					Not Applicable
[1]	**Indian**						
(a)	Individuals / Hindu Undivided Family		130300	0	130300	0.1186	
(b)	Central Government / State Government(s)		0	0	0	0	
(c)	Financial Institutions / Banks		0	0	0	0	
(d)	Any Other (Specify)			0			
	Bodies Corporate		74977606	0	74977606	68.2545	
	Sub Total (A)(1)		**75107906**	**0**	**75107906**	**68.3732**	
[2]	**Foreign**			0			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	
(b)	Government		0	0	0	0	
(c)	Institutions		0	0	0	0	
(d)	Foreign Portfolio Investor		0	0	0	0	
(e)	Any Other (Specify)			0			
	Sub Total (A)(2)		**0**	**0**	**0**	**0**	
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)		**75107906**	**0**	**75107906**	**68.3732**	
(B)	**Public Shareholding**			0			
[1]	**Institutions**			0			
(a)	Mutual Funds / UTI		6358656	0	6358656	5.7885	
(b)	Venture Capital Funds		0	0	0	0	
(c)	Alternate Investment Funds		0	0	0	0.0000	
(d)	Foreign Venture Capital Investors		0	0	0	0	
(e)	Foreign Portfolio Investor		4959983	0	4959983	4.5152	
(f)	Financial Institutions / Banks		284989	2000	286989	0.2613	
(g)	Insurance Companies		1039703	0	1039703	0.9465	
(h)	Provident Funds/ Pension Funds		0	0	0	0	
(i)	Any Other (Specify)			0			
	Sub Total (B)(1)		**12643331**	**2000**	**12645331**	**11.5115**	

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019	Shareholding at the end of the year - 2020				% Change during the year
			Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India			0			
	Central Government / State Government(s)		100	0	100	0.0001	
	Sub Total (B)(2)		**100**	**0**	**100**	**0.0001**	
[3]	**Non-Institutions**			0			
(a)	Individuals			0			
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.		5950287	784500	6734787	5.0024	
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh		7435560	0	7435560	1.2604	
(b)	NBFCs registered with RBI		9000	0	9000	0.0082	
(d)	Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	
(e)	Any Other (Specify)			0			
(i)	IEPF		376003	0	376003	0.3423	
(ii)	Trusts		0	0	0	0.0000	
(iii)	Foreign Nationals		334	0	334	0.0003	
(iv)	Hindu Undivided Family		235375	0	235375	0.2143	
(v)	Non Resident Indians (Non Repat)		283712	121000	404712	0.3684	
(vi)	Non Resident Indians (Repat)		163451	2000	165451	0.1506	
(vii)	Clearing Member		8217	0	8217	0.0075	
(viii)	Bodies Corporate		6701224	26000	6727224	6.1240	
	Sub Total (B)(3)		**21163163**	**933500**	**22096663**	**22.2175**	
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)		**33806594**	**935500**	**34742094**	**33.7291**	
	Total (A)+(B)		**108914500**	**935500**	**109850000**	**100**	
(C)	**Non Promoter - Non Public**			0			
[1]	Custodian/DR Holder		0	0	0	0	
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	
	Total (A)+(B)+(C)		**108914500**	**935500**	**109850000**	**100**	

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding as on 07th August, 2019			Shareholding as on 31st March, 2020			% change in shareholding during the year
		No.of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No.of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	
1	Inox Leasing And Finance Ltd	57715310	52.5401	0.0000	57764316	52.5847	0.0000	0.0446
2	Devansh Trademart Llp	6662360	6.0650	0.0000	6662360	6.0650	0.0000	0.0000
3	Siddhapavan Trading Llp	5576440	5.0764	0.0000	5576440	5.0764	0.0000	0.0000
4	Inox Chemicals Llp	2955230	2.6902	0.0000	2955230	2.6902	0.0000	0.0000
5	Siddho Mal Trading Llp	2019260	1.8382	0.0000	2019260	1.8382	0.0000	0.0000
6	Devendra Kumar Jain	20100	0.0183	0.0000	20100	0.0183	0.0000	0.0000
7	Pavan Kumar Jain	20100	0.0183	0.0000	20100	0.0183	0.0000	0.0000
8	Vivek Kumar Jain	20100	0.0183	0.0000	20100	0.0183	0.0000	0.0000
9	Siddharth Jain	20000	0.0182	0.0000	20000	0.0182	0.0000	0.0000
10	Devansh Jain	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
11	Hem Kumari	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
12	Kapoor Chand Jain	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
13	Nandita Jain	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
14	Nayantara Jain	10000	0.0091	0.0000	10000	0.0091	0.0000	0.0000
	Total	**75058900**	**68.3285**	**0.0000**	**75107906**	**68.3731**	**0.0000**	**0.0446**

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

Sr No	Name & Type of Transaction	Shareholding at as On 07th August, 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No of shares held	% of total shares of the company	Date of transaction	No. Of shares	No of shares held	% of total shares of the company
1	Inox Leasing and Finance Ltd	57715310	52.5401			57715310	52.5401
	at the end of the year			31 Dec 19	49006	57764316	52.5847
2	Devansh Trademart Llp	6662360	6.0650			6662360	6.0650
	at the end of the year					6662360	6.0650
3	Siddhapavan Trading Llp	5576440	5.0764			5576440	5.0764
	at the end of the year					5576440	5.0764
4	Inox Chemicals Llp	2955230	2.6902			2955230	2.6902
	at the end of the year					2955230	2.6902
5	Siddho Mal Trading Llp	2019260	1.8382			2019260	1.8382
	at the end of the year					2019260	1.8382
6	Pavan Kumar Jain	20100	0.0183			20100	0.0183
	at the end of the year					20100	0.0183
7	Vivek kumar Jain	20100	0.0183			20100	0.0183
	at the end of the year					20100	0.0183
8	Devendra Kumar Jain	20100	0.0183			20100	0.0183
	at the end of the year					20100	0.0183
9	Siddharth Jain	20000	0.0182			20000	0.0182
	at the end of the year					20000	0.0182
10	Devansh Jain	10000	0.0091			10000	0.0091
	at the end of the year					10000	0.0091
11	Nayantara Jain	10000	0.0091			10000	0.0091
	at the end of the year					10000	0.0091
12	Kapoor Chand Jain	10000	0.0091			10000	0.0091
	at the end of the year					10000	0.0091
13	Nandita Jain	10000	0.0091			10000	0.0091
	at the end of the year					10000	0.0091
14	Hem Kumari	10000	0.0091			10000	0.0091
	at the end of theyear					10000	0.0091

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

Sr No	Name & type of transaction	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 2020	
		No of shares held	% of total shares of the company	Date of transaction	Increase/ decrease	No of shares	No of shares held	% of total shares of the company
1	Meenu Bhanshali	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	5495182	5495182	5.0024
	At the end of the year						5495182	5.0024
2	Hdfc Trustee Company	0	0.0000				0	0.0000
	Ltd - A/C Hdfc Mid – Cap			16 Aug 2019	Purchase	4700005	4700005	4.2786
	opportunities Fund							
	At the end of the year						4700005	4.2786

Sr No	Name & type of transaction	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 2020	
		No of shares held	% of total shares of the company	Date of transaction	Increase/ decrease	No of shares	No of shares held	% of total shares of the company
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Midcap Fund	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	1297192	1297192	1.1809
				18 Oct 2019	Sale	(392692)	904500	0.8234
				25 Oct 2019	Purchase	400000	1304500	1.1875
				22 Nov 2019	Purchase	75000	1379500	1.2558
				06 Dec 2019	Purchase	14120	1393620	1.2687
				13 Dec 2019	Purchase	15089	1408709	1.2824
				20 Dec 2019	Purchase	13851	1422560	1.2950
				27 Dec 2019	Purchase	18900	1441460	1.3122
				31 Dec 2019	Purchase	8540	1450000	1.3200
				03 Jan 2020	Purchase	6300	1456300	1.3257
				10 Jan 2020	Purchase	18700	1475000	1.3427
				17 Jan 2020	Purchase	15000	1490000	1.3564
				24 Jan 2020	Purchase	4500	1494500	1.3605
				31 Jan 2020	Purchase	27670	1522170	1.3857
				07 Feb 2020	Purchase	27830	1550000	1.4110
				21 Feb 2020	Purchase	10000	1560000	1.4201
				28 Feb 2020	Purchase	13000	1573000	1.4320
				06 Mar 2020	Purchase	18000	1591000	1.4483
				13 Mar 2020	Purchase	4325	1595325	1.4523
				20 Mar 2020	Purchase	9787	1605112	1.4612
				27 Mar 2020	Purchase	14388	1619500	1.4743
	At the end of the year						1619500	1.4743
4	Vallabh Bhanshali	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	1384580	1384580	1.2604
	At the end of the year						1384580	1.2604
5	Blue Diamond Properties Private Limited	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	1219251	1219251	1.1099
				06 Dec 2019	Purchase	27800	1247051	1.1352
	At the end of the year						1247051	1.1352
6	Fil investments(Mauritius) Ltd	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	1243605	1243605	1.1321
							1243605	1.1321
7	Reliance Nippon Life Insurance Co Limited	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	757976	757976	0.6900
				18 Oct 2019	Sale	(23)	757953	0.6900
				25 Oct 2019	Purchase	247426	1005379	0.9152
				01 Nov 2019	Purchase	2200	1007579	0.9172
				08 Nov 2019	Purchase	9995	1017574	0.9263
				15 Nov 2019	Purchase	50500	1068074	0.9723
				22 Nov 2019	Sale	(371)	1067703	0.9720
				06 Dec 2019	Purchase	2000	1069703	0.9738
				31 Jan 2020	Sale	(30000)	1039703	0.9465
	At the end of the year						1039703	0.9465
8	Hotz Industries Ltd	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	571442	571442	0.5202
				18 Oct 2019	Purchase	9097	580539	0.5285
				25 Oct 2019	Sale	(346)	580193	0.5282
				10 Jan 2020	Purchase	2450	582643	0.5304
				17 Jan 2020	Purchase	9400	592043	0.5390

Sr No	Name & type of transaction	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Shareholding at the end of the year - 2020	
		No of shares held	% of total shares of the company	Date of transaction	Increase/ decrease	No of shares	No of shares held	% of total shares of the company
				24 Jan 2020	Sale	(50)	591993	0.5389
				31 Jan 2020	Sale	(1065)	590928	0.5379
				07 Feb 2020	Sale	(3426)	587502	0.5348
				14 Feb 2020	Sale	(662)	586840	0.5342
	At the end of the year						586840	0.5342
9	Gandhi Securities & Investment Pvt. Ltd.	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	423175	423175	0.3852
				18 Oct 2019	Sale	(35)	423140	0.3852
				25 Oct 2019	Purchase	250	423390	0.3854
				01 Nov 2019	Purchase	1850	425240	0.3871
				08 Nov 2019	Purchase	1053	426293	0.3881
				15 Nov 2019	Purchase	2749	429042	0.3906
				22 Nov 2019	Purchase	7500	436542	0.3974
				06 Dec 2019	Purchase	2000	438542	0.3992
				13 Dec 2019	Sale	(1500)	437042	0.3979
				20 Dec 2019	Sale	(1000)	436042	0.3969
				27 Dec 2019	Sale	(3060)	432982	0.3942
				31 Dec 2019	Sale	(2510)	430472	0.3919
				03 Jan 2020	Sale	(3490)	426982	0.3887
				10 Jan 2020	Sale	(2400)	424582	0.3865
				17 Jan 2020	Purchase	455	425037	0.3869
				24 Jan 2020	Purchase	200	425237	0.3871
				31 Jan 2020	Sale	(2655)	422582	0.3847
				28 Feb 2020	Purchase	206	422788	0.3849
				06 Mar 2020	Purchase	1006	423794	0.3858
				13 Mar 2020	Sale	(338)	423456	0.3855
				20 Mar 2020	Sale	(205)	423251	0.3853
				27 Mar 2020	Purchase	684	423935	0.3859
	At the end of the year						423935	0.3859
10	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0	0.0000				0	0.0000
				16 Aug 2019	Purchase	411243	411243	0.3744
				01 Nov 2019	Sale	(6213)	405030	0.3687
				08 Nov 2019	Sale	(3506)	401524	0.3655
				15 Nov 2019	Sale	(2868)	398656	0.3629
				22 Nov 2019	Sale	(1133)	397523	0.3619
				29 Nov 2019	Sale	(2454)	395069	0.3596
				13 Dec 2019	Sale	(1463)	393606	0.3583
				20 Dec 2019	Sale	(1319)	392287	0.3571
				27 Dec 2019	Sale	(873)	391414	0.3563
				20 Mar 2020	Sale	(344)	391070	0.3560
				31 Mar 2020	Sale	(1065)	390005	0.3550
	At the end of the year						390005	0.3550

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No	For Each of the Directors and KMP	Shareholding at the beginning of the year (07th August, 2019)		Date	Increase or Decrease in Holding	Shareholding at the end of the year (31st March, 2020)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
	Directors						
1	Shri Devendra Kumar Jain	20100	0.02	Not applicable	Nil movement	20100	0.02
2	Shri Pavan Jain	20100	0.02	Not applicable	Nil movement	20100	0.02
3	Shri Shailendra Swarup	10000	0.01	Not applicable	Nil movement	10000	0.01
4	Shri Vivek Jain, Managing Director	20100	0.02	Not applicable	Nil movement	20100	0.02
5	Shri Shanti Prashad Jain	1000	0.00	Not applicable	Nil movement	2000	0.00
	KMP						
6	Shri Manoj Agrawal, Chief Financial Officer	0	0.00	Not applicable	Nil movement	0	0.00
7	Shri Bhavin Desai, Company Secretary	0	0.00	Not applicable	Nil Movement	0	0.00

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued

(₹ in Lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Total Indebted
Indebtedness at the beginning of the financial year			
Principal Amount	22,310.93	69,345.25	91,656.18
Interest due but not paid	-	-	-
Interest accrued	73.33	268.28	341.60
Total	22,384.26	69,613.53	91,997.78
Change in Indebtedness during the financial year			
Addition	50,192.71	339,389.46	389,582.17
Reduction	(7,788.14)	(306,037.65)	(313,825.80)
Interest accrued	292.82	70.95	363.78
Net Change	42,697.39	33,422.75	76,120.14
Indebtedness at the end of the financial year			
Principal Amount	64,715.50	102,697.05	167,412.55
Interest due but not paid	-	-	-
Interest accrued	366.15	339.23	705.38
Total	65,081.65	103,036.28	168,117.93

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Shri Vivek Jain, Managing Director and CEO	Shri Dinesh Kumar Sachdeva, Whole- Time Director (Resigned with effect from 15th February, 2020)	Shri Anand Bhusari, Whole- Time Director (Resigned with effect from 28th April, 2019)	Shri Sanjay Borwankar Whole Time-Director (Appointed with effect from 15th February, 2020)	Shri Sanath Kumar Muppirala, Whole-Time Director appointed with effect from 28th April, 2019)	Total Amount (₹ in Lakhs)
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	132.00	17.33	10.38	8.08	66.41	234.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	70.06	1.05	0	0	1.25	72.36
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0	0
2.	Stock Option	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission - as % of profit - Others, specify...	500.00	0	0	0	0	500.00
5	Others, please specify- Company contribution to PF	15.84	1.68	0.58	0.47	4.67	23.24
	Total (A)	**717.90**	**20.06**	**10.96**	**8.55**	**72.33**	**829.80**
	Ceiling as per the Act						**4174.50**

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Shri Shailendra Swarup	Shri Shanti Prashad Jain	Shri Rajagopalan Doraiswami	Ms Vanita Bhargava	Shri Chandra Prakash Jain	Total Amount (₹ in Lakhs)
1	Independent Directors						
	Fee for attending Board/ Committee Meetings	2.20	3.70	0.20	3.30	2.30	11.70
	Commission	0	0	0	0	0	0
	Others	0	0	0	0	0	0
	Total (1)	**2.20**	**3.70**	**0.20**	**3.30**	**2.30**	**11.70**
Sr. No.	**Particulars of Remuneration**	**Shri Devendra Kumar Jain**	**Shri Pavan Jain**	**Shri Deepak Asher**	**Shri Om Prakash Lohia**		**Total Amount (₹ in Lakhs)**
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee Meetings	1.80	0.50	3.00	0		5.30
	Commission	417.46	0	0	0		417.46*
	Others	0	0	180.00	0		180.00
	Total (2)	**419.26**	**0.50**	**183.00**	**0**		**597.46**
	Total of B = (1+2)						**609.16**
	Total (A+B)						**1438.96**
	Overall Ceiling as per the Act						**4591.95**

*Subject to shareholders approval in the Annual General Meeting

C. Remuneration to Key Managerial Personnel (KMP) other than MD/ Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		MD & CEO Shri Vivek Jain	Company Secretary Mr Bhavin Desai	CFO Mr Manoj Agrawal	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Please refer to VIA	16.95	76.90	93.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0.00	0.00	0.00
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of profit		0.00	0.00	0.00
	- Others, specify...				
	Total (A)		**16.95**	**76.90**	**93.85**

VII Penalties /Punishments / Compounding of Offences

(₹ in Lakhs)

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)
A. COMPANY					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
A. Directors					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
A. Directors					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil

Annexure E

Information as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A CONSERVATION OF ENERGY

The steps taken or impact on conservation of energy

- Replacement of Honeycomb PVC fills to improve the Cooling Towers efficiency of S&A/PTFE CT's,
  - Achieved drastic improvement in Cooling Efficiency of CCW: Circulating Cooling Water,
- Side Stream Filters Efficiency by Media replacement of TFE-2, CA-New, CMS-2 VAM and S&A CT's from @ 55% to 65%,
  - Achieved Efficiency & CCW (Circulating Cooling Water) quality improvement,
- Integration of New Polymers for (-35) 0C BRINE from TFE3 - HP Utilities to meet increased demand & resource utilization,
  - Achieved Substantial power reduction of (-35) 0C BRINE Utilities,
- Power & Steam savings through replacement of AVAM (Ammonia Vapor Absorption Machine) by Vapor Compression Systems : VCS,
  - Achieved Substantial Cost Savings @ ₹ 77.3/- Lacs per Annum on Steam & Power,
- S&A Cooling Tower's : CW Pump : P812C main driving Motor replacement From existing 90 KW/2900 rpm to 55 KW/1440 rpm,
  - Achieved Power savings of 353 MW/Yr,
- DI: De-Ionization Water 3 - Pumps were running: (18.5+18.5+30) KW. Stoppage of 1 no. of Pump for KWH savings through optimization of DI water at various Processes,
  - Achieved Power savings of 87 MW/Yr,
- TFE1 Utilities : (-35) DegC Primary Pump's Impellers Trimming Viz. P805C for Pumping Energy Optimization,
  - Achieved Power savings of 98 MW/Yr,
- Stoppage of TFE-3 Utilities (-35) DegC Brine supply to 8 & 9th Reactors and additional loading of TFE-1 Utilities (-35) DegC Brine system, to serve the purpose of energy conservation due to reduced throughput of Polymer Complex,
  - Achieved Power savings of 2932 MW/Yr,
- TFE-2 Utilities: To meet plant's (-35) DegC Brine system demand by ops of 1 no (-35) DegC & 1 no (-15) DegC chillers, instead two nos. (-35) DegC chillers, to save the power, (HT: 6600 V) {802B : (-15) to (-35)},
  - Achieved Power savings of 183 Kwh, (Savings, Depends upon Hours of Operations),
- TFE-2 Utilities : (-35) DegC Primary Pump's Impeller Trimming Viz. P805A & P805B
  - Achieved Power savings of 218 MW/Yr,
- CA Plant Process : Reduction in Steam consumption from 1.15 to 1.14 Mt/Mt of NaOH,
  - Achieved Specific Steam savings of 0.01 Mt/Mt of NaOH through better insulation,
- CA Plant Process : Reduction in CA Specific power consumption by 5 Kwh/Mt of NaOH,
  - Achieved Specific Power savings of 5 Kwh/Mt of NaOH through optimization of power in Electrolysis by close monitoring of all process parameters of Cell House,
- Replacement of CEP (Condensate Extraction Pump) Pump of STG-1 with High Efficiency Pump to save Operational Power,
  - Achieved Power savings of 67 MW/Yr,
- Installation & Commissioning of VFD at Boiler-2 PA (Primary Air) Fan-1 to save Power,
  - Achieved Power savings of 126 MW/Yr,
- Installation & Commissioning of bigger size CST (Condensate Transfer) Pump for DM (De-Mineralized) Water pre-heating & stoppage of 1 no. pump to save power through Pumping Energy Optimization,
  - Achieved Power savings of 142 MW/Yr,
- Optimization of Service Air Usage at Ash Handling System to save Air Compressor Power
  - Achieved Power savings of 58 MW/Yr,
- Stoppage of C-4214 Column Feeding pump by feeding of Crude R-21 directly from
  - C-4224 bottom to C-4214 by Pressure Difference at A&H Process,
  - Achieved Power savings of 70 MW/Yr,

- Use of Condensate water for regeneration of Caustic washing / Water washing columns instead of fresh DI water in TFE-2 plant (Steam saving by heating DI water upto 65 DegC)
  - Achieved Steam savings of 175 MT/Yr,

B Steps taken by the Company for utilising alternate source of energy : Please refer Natural Capital Section of Integrated report

C Capital Investment on energy conservation equipments : Please refer Natural Capital Section of Integrated report

D Technology Absorbtion

- **Efforts made towards technology absorption, adaptation and innovation.**
  - GFL has absorbed the technology of FEP grades polymer for high end application in cable Insulation & liners. The product has been approved by reputed customers in India, EU & US. Business volume is going to increase in the year 2020-21.
  - GFL has made investment in PFA grade polymer for increasing demand of liner application & also for high end market in semiconductor industries. Once the product is approved, the business volume is going to increase from 3rd Q of 2020-21.
  - GFL has made breakthrough in PTFE micro powder & additives for printing ink, lubricant & coating application. Reputed customers across the world have shown keen interest for these products. The company has invested in manufacturing different grades of micro powder using environment friendly process.
  - GFL has increased nearly 25% capacity in dispersion grade of PTFE over a period of 2 years for the application of liners, wire & cables, electrical tapes, metal coating & impregnation.
  - Automation in the Batch reactor Dosing system of dispersion grade PTFE-. To achieve Higher Level of consistency of critical grades in demanding applications.
  - Surfactant Development for Fluor Polymer Business - GFL has developed in house surfactant/emulsifier which are now under product trial phase.
  - GFL has developed two important grades of PVDF polymer for tube, liner, valve & pump components which are under trial with customers.
  - GFL has successfully developed specialty chemicals like TFE-DMA,3,5- DCTFEA, PCTFE, IDURATE through in-house R&D. GFL can take either of the product to scale up capacity on demand of market.
  - GFL has indigenously developed specialty chemicals like V5, ISAN and DCTFMA.
  - New grades were developed in FKM to meet the requirement of various customers.

E The benefits derived like product improvement, cost reduction, product development, import substitution

- Improvement in Operation efficiency
- Cost reduction in operations
- Product quality and improvement
- People development by training awareness and interactions
- Clean Environment

For details on the conservation energy, technology, Research and Development, kindly refer to the Integrated Annual Report.

F: Foreign exchange Earnings and Outgo:

Foreign Exchange used : ₹ 82717 Lakhs

Foreign Exchange earned : ₹ 126577 Lakhs

Annexure F

DISCLOSURES AS PER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20.

₹ in Lakh

Sr. no.	Name of Director / KMP for FY 2019-20	Remuneration of Director /KMP for FY 2019-20	% increase in remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
1	Shri Devendra Kumar Jain, Non-executive Director*	419.26*	Not applicable as the Company is Resultant Company post approval of Scheme of Arrangement, details of which are given at para 3 of the Board's report and this is first payment made in this Financial Year .	97.39:1
2	Shri Pavan Jain, Non-executive Director	0.50*	do	0.12:1
3	Shri Vivek Jain, Managing Director and CEO (Transferred to Gujarat Fluorochemicals Limited with effect from 1st August, 2019 pursuant to scheme of arrangement between GFL Limited and Gujarat Fluorochemicals Limited)	717.90**	do	166.75:1
4	Shri Shailendra Swarup, Independent Director	2.20*	do	0.51:1
5	Shri Dinesh Kumar Sachdeva, Whole-time Director (Transferred to Gujarat Fluorochemicals Limited with effect from 1st August, 2019 pursuant to scheme of arrangement between GFL Limited and Gujarat Fluorochemicals Limited) (Resigned with effect from 15th February, 2020)	20.06**	do	4.66:1
6	Shri Sanjay Borwankar, Whole Time Director (Appointed with effect from 15th February, 2020)	8.55**	do	1.99:1
7	Shri Sanath Kumar Muppirala, Whole-Time Director (Transferred to Gujarat Fluorochemicals Limited with effect from 1st August, 2019 pursuant to scheme of arrangement between GFL Limited and Gujarat Fluorochemicals Limited)	72.33**	do	16.80:1
8	Shri Om Prakash Lohia, Independent Director**	0.00	0.00	0.00

Sr. no.	Name of Director / KMP for FY 2019-20	Remuneration of Director /KMP for FY 2019-20	% increase in remuneration in the Financial Year 2019-20	Ratio of Remuneration of each of Director to median remuneration of employees
9	Shri Deepak Asher, Director and Group Head (Corporate Finance)	183.00*	do	42.51:1
10	Shri Shanti Prashad Jain, Independent Director	3.70*	do	0.86:1
11	Shri Rajagopalan Doraiswami , Independent Director (Resigned with effect from 25th September, 2019)	0.20*	do	0.05:1
12	Ms Vanita Bhargava, Independent Director	3.30*	do	0.77:1
13	Shri Chandra Prakash Jain, Independent Director	2.30*	do	0.53:1
14	Shri Manoj Agrawal, CFO (Transferred to Gujarat Fluorochemicals Limited with effect from 1st August, 2019 pursuant to scheme of arrangement between GFL Limited and Gujarat Fluorochemicals Limited)	76.90	19	17.86:1
15	Shri Bhavin Desai, Company Secretary (Transferred to Gujarat Fluorochemicals Limited with effect from 1st August, 2019 pursuant to scheme of arrangement between GFL Limited and Gujarat Fluorochemicals Limited)	16.95	7	3.94:1

* Including Sitting Fees

** No sitting fees paid.

2. The percentage increase in the median remuneration of employees for the Financial Year was 7.6%

3. The Company had 2286 permanent employees on the rolls of Company as on 31st March 2020 who were transferred on account of approval of Scheme of Arrangement of the Company.

4. Average percentage increase in remuneration of employees other than the remuneration of managerial personnel was in the tune of 11.6%.

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

DISCLOSURES AS PER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosures as required under section 134 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended, forms part of this report. However, pursuant to the provisions of section 136 of the Companies Act, 2013, this report is being sent to all Shareholders of the Company excluding the aforesaid information and the said particulars will be made available at the registered office of the Company. The members interested in obtaining such particulars may write to the company secretary at the registered office of the Company.

Annexure G

Corporate Governance Report

Overview:

The Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") for demerger of the Chemical Business Undertaking of the demerged company into the resulting company was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July, 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April, 2019. The name of the Company was changed from Inox Fluorochemicals Limited to Gujarat Fluorochemicals Limited w.e.f. 26th July, 2019.

The shares of the Company were listed on the stock exchanges w.e.f. 16th October, 2019 and subsequently all provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of corporate governance also became applicable to the Company with effect from 16th October, 2019.

In compliance with Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as 'Listing Regulations'), the Company is pleased to submit this Report on Corporate Governance for the matters listed in Para C of Schedule V of the Listing Regulations and the practices followed by the Company in this regard for the year ended 31st March, 2020.

1. A Brief Statement on The Company's Philosophy on Code of Governance

The Company believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with Corporate Governance and will constantly strive towards betterment of these aspects and thereby perpetuate it into generating long term economic value for its Shareholders, Customers, Employees, other associated persons and the society as a whole.

2. Board of Directors

(a) Composition, Category of Directors and List of core Skills/Expertise/Competencies:

At the end of the financial year ended 31st March, 2020, the Board of Directors of the Company consisted of 11 Directors drawn from diverse fields, of which 3 were Executive Directors and 8 were Non-Executive Directors, including one Woman Independent Director. Hence, the composition of the Board of Directors consisted of optimum combination of Executive and Non-Executive Directors including one Woman Independent Director. As per Clause 17(b) of the Listing Regulations, atleast half of the Board of Directors shall comprise of Independent Directors where the regular Non-Executive Chairman of the Board of Directors is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the Board of Directors. The Board consisted of 5 Independent Directors and 6 Non-Independent Directors at the end of the year. Thus, the composition of the Board, as on 31st March, 2020, is not in conformity with the provisions of Regulation 17 of Listing Regulations. The Company is in process of appointing one Independent Director to fulfill the above stated requirement in place of Shri Rajagopalan Doraiswami who has resigned as an Independent Director of the Company prior to its Listing.

The Board of Directors of the Company has identified the following core skills / expertise / competencies fundamental to the effective functioning of the Company, which are available with the Board with the name of Directors who possess the same:

Core skills / Expertise / Competencies	Name of Director
Chemical Sector, Particularly Fluoropolymers and Fluorospeciality Chemicals	Shri Devendra Kumar Jain Shri Pavan Jain Shri Vivek Jain Shri Sanjay Borwankar Shri Sanath Kumar Muppirala
Business Strategy and Management	Shri Devendra Kumar Jain Shri Pavan Jain Shri Vivek Jain Shri Deepak Asher Shri Om Prakash Lohia Shri Sanjay Borwankar Shri Sanath Kumar Muppirala
Accounts and Finance, Financial Management, Taxation	Shri Deepak Asher Shri Shanti Prashad Jain Shri Chandra Prakash Jain Shri Shailendra Swarup
Corporate Governance, Administration	Shri Deepak Asher, Shri Shanti Prashad Jain Shri Shailendra Swarup

Core skills / Expertise / Competencies	Name of Director
Legal and Compliance	Shri Deepak Asher Ms. Vanita Bhargava Shri Shailendra Swarup Shri Shanti Prashad Jain Shri Chandra Prakash Jain

(b) Number of Meetings of the Board of Directors held with the dates, attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting, disclosure of relationships between Directors inter-se and number of shares and convertible instruments held by Non-Executive Directors:

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the Financial Year 2019-20, Eight (8) Board Meetings were held on 22nd April, 2019, 27th May, 2019, 16th July, 2019, 26th July, 2019, 8th August, 2019, 13th August, 2019, 14th November, 2019 and 14th February, 2020

The following tables gives details of Directors, their attendance at the Meetings of the Board, Annual General Meeting, Disclosure of Relationship between Directors inter-se and Number of shares held by Non-Executive Directors as at 31st March, 2020:

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Devendra Kumar Jain	Promoter, Non-Independent Director and Non – Executive Director	8	No	Father of Shri Pavan Jain and Shri Vivek Jain	20,100
Shri Shailendra Swarup	Independent and Non-Executive Director	7	No	No inter-se relationship between Directors	10,000
Shri Pavan Jain	Promoter, Non-Independent Director and Non – Executive Director	3	No	Son of Shri Devendra Kumar Jain and brother of Shri Vivek Jain	20,100
Shri Vivek Jain	Promoter and Executive Director - Managing Director	8	Yes	Son of Shri Devendra Kumar Jain and brother of Shri Pavan Jain	Not Applicable
Shri Om Prakash Lohia	Independent and Non-Executive Director	4	No	No inter-se relationship between Directors	0
Shri Deepak Asher	Non-Independent and Non – Executive Director	7	Yes	No inter-se relationship between Directors	0
Shri Shanti Prashad Jain	Independent and Non-Executive Director	8	No	No inter-se relationship between Directors	2,000
Ms Vanita Bhargava	Independent and Non-Executive Director	5	No	No inter-se relationship between Directors	0
Shri Chandra Prakash Jain	Independent and Non-Executive Director	8	No	No inter-se relationship between Directors	0
Shri Rajagopalan Doraiswami (Resigned with effect from 25th September, 2019)	Independent and Non-Executive Director	3	No	No inter-se relationship between Directors	0
Shri Anand Bhusari (Resigned with effect from 28th April, 2019)	Executive Director - Whole-time Director	1	No	No inter-se relationship between Directors	Not applicable

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Dinesh Kumar Sachdeva (Resigned with effect from 15th February, 2020)	Executive Director - Whole-time Director	2	Yes	No inter-se relationship between Directors	Not applicable
Shri Sanath Kumar Muppirala (Appointed with effect from 28th April, 2019)	Executive Director - Whole-time Director	1	No	No inter-se relationship between Directors	Not applicable
Shri Sanjay Borwankar (Appointed with effect from 15th February, 2020)	Executive Director - Whole-time Director	0	Not Applicable	No inter-se relationship between Directors	Not applicable

The Company has not issued any Convertible Instruments and hence, the details in respect of such Convertible Instruments held by non-executive directors are not provided.

(c) Number of Directorships and Committees Membership / Chairmanship:

Name of the Director	Number of other Directorships / Committee Memberships / Chairmanships			List of Directorship held in Other Listed Companies and Category of Directorship
	Other Directorship (**)	Committee (*)		
		Membership of Public Limited Companies	Chairpersonship of Listed Companies	
Shri Devendra Kumar Jain	6	2	1	GFL Limited (Managing Director)
Shri Shailendra Swarup	11	5	0	J K Paper Limited (Independent Director) Subros Limited (Independent Director) Bengal and Assam Company Limited (Independent Director) GFL Limited (Independent Director) Jagran Prakash Limited (Independent Director) Sterling Tools Limited (Independent Director)
Shri Pavan Jain	9	5	0	Inox Leisure Limited (Non – Executive Director) GFL Limited (Non – Executive Director)
Shri Vivek Jain	10	3	1	Inox Leisure Limited (Non – Executive Director) GFL Limited (Non-Executive Director)
Shri Om Prakash Lohia	4	1	0	Indo Rama Synthetics (India) Limited (Executive Director) GFL Limited (Independent Director)
Shri Deepak Asher	4	7	0	Inox Leisure Limited (Non – Executive Director) GFL Limited (Non – Executive Director)

Name of the Director	Number of other Directorships / Committee Memberships / Chairmanships			List of Directorship held in Other Listed Companies and Category of Directorship
	Other Directorship (**)	Committee (*)		
		Membership of Public Limited Companies	Chairpersonship of Listed Companies	
Shri Shanti Prashad Jain	7	9	4	Inox Wind Limited (Independent Director) GFL Limited (Independent Director)
Ms Vanita Bhargava	3	4	0	Pilani Investment and Industries corporation Limited (Independent Director) GFL Limited (Independent Director)
Shri Chandra Prakash Jain	1	0	0	-
Shri Sanath Kumar Muppirala (Appointed with effect from 28th April, 2019)	0	0	0	-
Shri Sanjay Borwankar (Appointed with effect from 15-02-2020)	0	0	0	-

(*) Committee means Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations.
(**) Other Directorship excludes directorship of Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

During the Financial Year 2019-20, none of the Directors were Directors in more than 10 Public Limited Companies. Further, none of the Directors hold directorship in more than 8 Listed Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Directors was a Member of more than 10 Committees, or acted as a Chairman of more than 5 Committees across all Listed Companies.

(d) Web link of Familiarization Programmes imparted to Independent Directors

Details of Familiarization Programme imparted to Independent Directors have been disclosed on the Company's website. The same can be viewed at https://gfl.co.in/Familiarization_Programme_for_Independent_Directors.php

(e) Independent Directors Meeting

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 14th February, 2020 with the following agenda:

- to review performance of Non-Independent Directors and the Board as a whole and Chairperson of the Company
- to assess 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.
- to familiarise Independent Directors 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.

(f) Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

Shri Rajagopalan Doraiswami has resigned as Independent Director of the Company with effect from 25th September, 2019 due to personal reasons.

3. Audit Committee

(a) Brief description of Terms of Reference

Audit Committee of the Company was constituted and the Role and the Terms of Reference were defined by the Board of Directors in their meeting held on 13th August 2019 which are in accordance with the requirements of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations read with part C of Schedule II of the Listing Regulations, which are mainly as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. 1.4.2019;
21. Review the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant Related Party Transactions, (as defined by the Audit Committee), submitted by management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses;

e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee

f. statement of deviations: - quarterly statement of deviation(s)

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

- annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The Audit Committee comprises of Four Directors with Shri Shanti Prashad Jain as the Chairman of the Committee. The composition of Audit Committee as mentioned herein below is in compliance with Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

During the Financial Year 2019-20, the Audit Committee met 2 (Two) times on following dates, namely, 14th November, 2019, 14th February, 2020. The Audit Committee was constituted on 13th August, 2019 and the shares of the Company were listed on the stock exchanges on 16th October, 2019. Hence, the Audit Committee met twice during the Financial Year 2019-20 which is in compliance with the Listing Regulations.

The details of composition of Audit Committee and the Meetings attended by the Directors during Financial Year 2019-20 are given below:

Name	Position	Number of Meetings Attended during the year
Shri Shanti Prashad Jain, Non-Executive and Independent Director	Chairman	2
Shri Deepak Asher, Non-Executive and Non Independent Director	Member	2
Shri Shailendra Swarup, Non-Executive and Independent Director	Member	1
Ms Vanita Bhargava, Non-Executive and Independent Director	Member	2

4. Nomination and Remuneration Committee

(a) Brief description of Terms of Reference

Nomination and Remuneration Committee (NR Committee) of the Company was constituted and the Terms of Reference were defined by the Board of Directors in their meeting held on 13th August 2019 which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations, which are mainly as follows:

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by NR Committee and recommend to the Board their appointment and removal.

b. To lay down criteria to carry out evaluation of every Director's performance.

c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The composition of Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations. During the Financial Year 2019-20, the Nomination and Remuneration Committee met 1 (one) time on 14th February, 2020.

The details of composition of Nomination and Remuneration Committee and the Meetings attended by the Directors during the Financial Year 2019-20 are given below:

Name	Position	Number of Meetings Attended during year
Shri Shanti Prashad Jain, Non-Executive & Independent Director	Chairman	1
Shri Om Prakash Lohia, Non-Executive & Independent Director	Member	0
Shri Deepak Asher, Non-Executive & Non-Independent Director	Member	1

(c) Performance Evaluation Criteria for Independent Directors

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board, Individual Directors and Chairperson of the Company, fulfillment of the independence criteria and independence of Independent Directors from the management for the Financial Year 2019-20. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 14th February, 2020 had noted that the Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

5. Remuneration of Directors

(a) Remuneration to Executive Directors:

The Board of Directors on the recommendations of Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director, Whole-Time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement Benefits as per the law/rules and commission.

Details of the remuneration paid / payable to the Executive Directors of the Company for the Financial Year 2019-20 is as follows:

(₹ in Lakhs)

Name and Designation of Director	Shri Vivek Jain, Managing Director	Shri Dinesh Kumar Sachdeva, Whole–time Director ($)	Shri Anand Bhusari (Whole time Director) (*)	Mr Sanath Kumar Muppirala-Whole time Director (#)	Mr. Sanjay Borwankar Whole time Director (@)
Salary & Allowances	132.00	17.33	10.38	66.41	8.08
Perquisites	70.06	1.05	-	1.25	-
Contribution to PF	15.84	1.68	0.58	4.67	0.47
Commission	500.00	-	-	-	-
Stock Options	-	-	-	-	-
TOTAL	717.90	20.06	10.96	72.33	8.55
Service Contract	1st August, 2019 to 31st December, 2022	Not applicable	Not applicable	28th April, 2019 to 27th April, 2020	15th February, 2020 to 14th February, 2021
Notice Period	3 Months	3 Months	3 Months	3 Months	3 Months

($) Resigned with effect from 15th February, 2020
(*) Resigned with effect from 28th April, 2019
(#) Appointed with effect from 28th April 2019.
(@) Appointed with effect from 15th February 2020.

(b) Remuneration to Non -Executive Directors:

As per Shareholders' approval accorded in the 1st Annual General Meeting of the Company held on 6th August, 2019 , Shri Devendra Kumar Jain , Chairman of the Company is paid remuneration by way of Commission for an amount equal to one percent of the net profit of the Company computed in accordance with the provisions of Section 198 of the Act and payment of professional fee to Shri Deepak Asher, Director and Group Head (Corporate Finance) of the Company in accordance with the provisions of Section 197 of the Companies Act, 2013. The ccriteria for making payment to Non-Executive Directors of the Company is disclosed on the Company's website. The same can be viewed at https://gfl.co.in/assets/pdf/Criteria-for-making-payment-to-Non-executive-Director.pdf

Details of the remuneration paid / payable to the Non - Executive Directors of the Company for the Financial Year 2019-20 is as follows:

(₹ in Lakhs)

Name of the Director	Sitting Fees for attending Board / Committee Meetings	Professional fees	Commission	Total	Stock Options
Shri Devendra Kumar Jain	1.80	Nil	417.46*	419.26	Nil
Shri Pavan Jain	0.50	Nil	Nil	0.50	Nil
Shri Shailendra Swarup	2.20	Nil	Nil	2.20	Nil
Shri Deepak Asher	3.00	180.00	Nil	183.00	Nil
Shri Shanti Prashad Jain	3.70	Nil	Nil	3.70	Nil
Shri Rajagopalan Doraiswami	0.20	Nil	Nil	0.20	Nil
Ms Vanita Bhargava	3.30	Nil	Nil	3.30	Nil
Shri Chandra Prakash Jain	2.30	Nil	Nil	2.30	Nil
Shri Om Prakash Lohia	Nil	Nil	Nil	Nil	Nil
Total	**17.00**	**180.00**	**417.46**	**614.46**	**Nil**

*Subject to approval of Shareholders in the forthcoming Annual General Meeting.

During the financial year 2019-20, the Company has not issued stock options at a discount.

(c) Non- Executive Directors with materially significant related party transactions, pecuniary or business relationship with the Company.

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors during the Financial Year 2019-20 that may have potential conflict with the interests of the Company at large.

Apart from drawing sitting fees none of the Independent Directors have any other pecuniary relationship or transactions with the Company which in the judgment of the Board would affect the independence or judgment of Directors.

6. Stakeholders' Relationship Committee

Stakeholders Relationship Committee of the Company was constituted and the Role and the Terms of Reference were defined by the Board of Directors in their meeting held on 13th August 2019 which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 20 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

(a)	Name of Non-Executive Director heading the Committee	Shri Devendra Kumar Jain
(b)	Name and designation of Compliance Officer:	Mr Bhavin Desai, Company Secretary
(c)	Number of Shareholders complaints received during the Financial Year 2019-20	3
(d)	Number of Complaints not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

7. General Body Meetings

The particulars of last Annual General Meeting of the Company and details of Special Resolutions passed, if any, at these Meetings are given hereunder:

Financial Year	Location, Date and Time	Details of Special Resolution passed
2018-19	6th August,2019 at 4:00 pm Registered Office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal	- Approval of payment of remuneration to Shri Devendra Kumar Jain - Approval for continuation of Shri Dinesh Kumar Sachdeva (DIN: 00050740) as Whole-time Director of the Company and his re-appointment for a further period of one year - Approval to give loan to / give guarantee to / provide any security in connection with any loan taken by the person in whom the Director of the Company is interested under Section 185 of the Companies Act, 2013

During the Financial Year ended 31st March, 2020, no Special Resolution was passed by the Company's Members through postal ballot.

No Special Resolution is proposed to be conducted through postal ballot at the current Annual General Meeting of the Company.

8. Means of Communication

The Quarterly Results of the Company during the Financial Year ended 31st March, 2020 were submitted with the Stock Exchanges immediately after they were approved by/taken on record by the Board and published in well-circulated Gujarati (Vadodara Samachar) and English dailies (Financial Express) as well. The said results along with official news releases and presentations made to the investors / analysts have been submitted to the Stock Exchanges and also posted on the Company's website viz www.gfl.co.in. The Company will submit the results for the quarter ended March 2020 to the stock exchanges after they are approved by/taken on record by the Board and will be published in well-circulated Gujarati (Vadodara Samachar) and English dailies (Business Standard). The Annual report of the Company will be uploaded on the Company's website viz www.gfl.co.in. The Company organizes investor earnings calls to discuss its financial results every quarter where investors' queries are answered by the executive management of the Company.

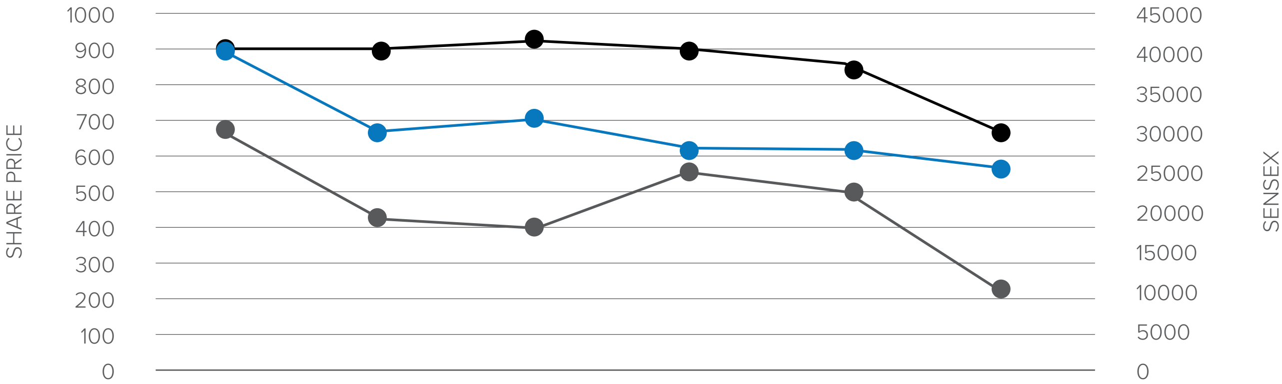
9. General Shareholder Information

9.1	Annual General Meeting	
	Date	Friday, 25th September, 2020
	Time	3:00 PM
	Venue / Mode	To be conducted by Video Conferencing or Any Other Audio Visual Means hosted from the office of the Company Situated at Second Floor, ABS Towers, Old Padra Road, Vadodara- 390007
9.2	Financial Year	April 2019 to March 2020
9.3	Book Closure Date	No Book Closure required for the current year
9.4	Dividend Payment Date	No dividend proposed for the year ended 31st March 2020
9.5	Listing of Equity Shares on Stock Exchanges	National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051 BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
	Listing Fees	The Company has paid the Annual Listing Fees for the Financial Year 2019-20 to the NSE and BSE on which the securities are listed.
9.6	Stock Code	
	BSE Limited	542812
	National Stock Exchange of India Limited (symbol)	FLUOROCHEM
	Demat ISIN Number in NSDL and CDSL	INE09N301011
9.7	Market Price Data: High, Low during each month in the Financial Year 2019-20 and Comparison to broad-based indices viz. Nifty 500 and BSE Sensex.	

Month	BSE Monthly Low Price (in ₹)	BSE Monthly High Price (in ₹)	SENSEX	NSE Monthly Low Price (in ₹)	NSE Monthly High Price (in ₹)	NIFTY
October, 2019	651	900	40129	653	750	11877
November, 2019	425	664	40794	426	669	12056
December, 2019	405	698	41254	401	629	12168
January, 2020	544	621	40723	543	625	11962
February, 2020	498	614	38297	496	614	11202
March, 2020	219	574	29468	217	547	8598

Share performance of the Company in graphical comparison at BSE (Sensex):

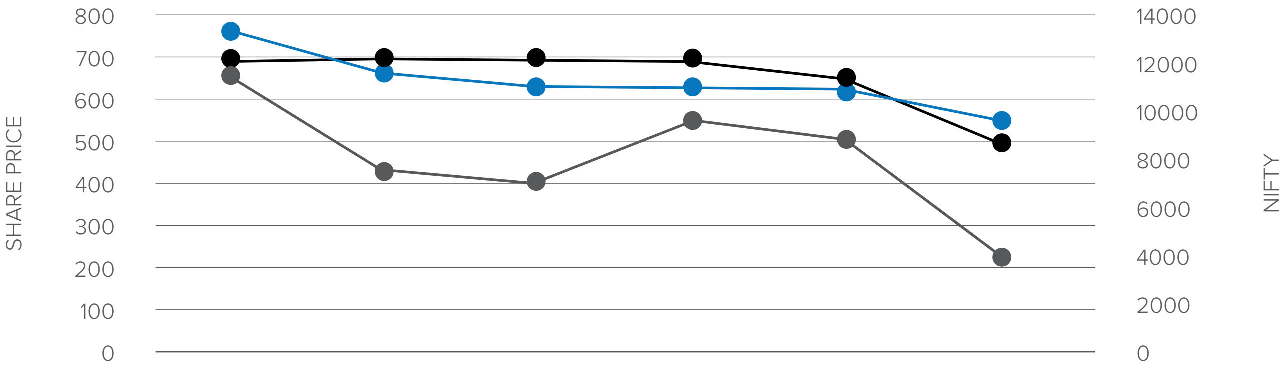
Share Price at BSE for the year 2019-20



	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
BSE HIGH PRICE	900	664	698	621	614	574
BSE LOW PRICE	651	425	405	544	498	219
SENSEX	40129	40794	41254	40723	38297	29468

Share performance of the Company in graphical comparison at NSE (Nifty):

Share Price at NSE for the year 2019-20



	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
NSE HIGH PRICE	750	669	629	629	614	547
NSE LOW PRICE	653	426	401	543	496	217
NIFTY	11877	12056	12168	11962	11202	8598

9.8	Suspension from Trading	The Equity Shares of the Company were not suspended from Trading during the Financial Year 2019-20
9.9	Registrar and Transfer Agents	Link Intime India Private Limited B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020. Phone : +91 265 2356573, 6136011 Fax : 2356791. E-mail : vadodara@linkintime.co.in
9.10	Share Transfer System	Transfer of shares in electronic form are processed by NSDL/CDSL through respective Depository Participants. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

9.11 Distribution of Shareholding as on 31st March, 2020:

No. of shares ranging From – To	Number of shareholders	% to total shareholders	Number of shares	₹ in Lakhs	% to total
1 to 500	9,728	75.89	8,64,113	8.64	0.79
501 to 1000	1,884	14.70	17,28,502	17.29	1.57
1001 to 2000	465	3.63	7,64,998	7.65	0.70
2001 to 3000	176	1.37	4,71,284	4.72	0.43
3001 to 4000	92	0.72	3,40,053	3.40	0.31
4001 to 5000	106	0.83	5,06,819	5.06	0.46
5001 to 10000	154	1.20	11,49,562	11.49	1.05
10001 and above	214	1.66	10,40,24,669	1040.25	94.70
Total	**12,819**	**100.00**	**10,98,50,000**	**1098.50**	**100.00**

9.12 Dematerialization of shares as on 31st March, 2020:

Particulars	No. of Shares	% to Total Share Capital
No of Shares Dematerialised		
- NSDL	10,54,59,127	96.00
- CDSL	34,55,373	3.15
No. of Shares in Physical Form	9,35,500	0.85
Total	**10,98,50,000**	**100.00**

9.13 Shareholding pattern of the Company as on 31st March, 2020 is as under:

Sr. No.	Category	Number of shares held	% of total share holding
A	Shareholding of Promoters and Promoters' Group		
1	Indian Promoters	7,51,07,906	68.37
	Sub-Total of A	**7,51,07,906**	**68.37**
B	Shareholding of Non Promoters		
1	Institutions		
a	Mutual Funds and UTI	63,58,656	5.79
b	Banks, Financial Institutions, Insurance Companies	13,26,692	1.21
c	Central / State Government	100	(*)
d	Foreign Institutional Investors and Foreign Portfolio Investors	49,59,983	4.52
e	Alternate Investment Funds	-	-
	Sub-Total of B (1)	**1,26,45,331**	**11.51**
2	Non-Institutions		
a	Bodies Corporate	67,27,224	6.12
b	NBFC registered with RBI	9,000	0.01
c	Individual	1,41,70,347	12.90
d	HUF	2,35,375	0.21
e	Non-Resident	5,70,163	0.52
f	Clearing Member	8,217	0.01
g	IEPF	3,76,003	0.34
h	Foreign Nationals	334	(*)
i	Others		
	Sub-Total B (2)	**220,96,663**	**20.12**
	Sub-Total of B (1) + B (2)	**3,47,42,094**	**31.63**
	Grand Total (A+B)	**10,98,50,000**	**100.00**

(*) Below 0.001%

914	**Outstanding GDRs/ADRs/ Warrants**	The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.
9.15	**Commodity price risk or foreign exchange risk and hedging activities**	(a) The Company had no exposure to commodity price risk during the year ended 31st March 2020. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018. (b) The Company has approved "Risk Assessment and Minimisation Procedure" pursuant to which the Company enters into Forward Contracts on foreign currencies depending on its assessment of the market situation, to counter the risk of foreign exchange fluctuations.
9.16	**Plant Locations**	**Ranjitnagar Plant** Survey No. 16/3, 26 and 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal, Gujarat State. **Dahej Plant** Plot No 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch, Gujarat State.
9.17	**Address for Investor Correspondence**	Link Intime India Private Limited B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020. Phone : +91 265 2356573, 6136011 Fax : 2356791. E-mail : vadodara@linkintime.co.in
9.18	**List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**	During the Financial Year 2019-20, post approval of Scheme of Arrangement by National Company Law Board Tribunal, Ahmedabad vide its order dated 4th July, 2019, as per para 4.1.13 of the Scheme, the benefits of all corporate approvals related to Chemical Business Undertaking already taken by GFL Limited (earlier known as Gujarat Fluorochemicals Limited) are vested with, and deemed to have been taken, by the Company. Accordingly, the Credit Rating given by CRISIL to GFL Limited is effective during the Financial Year 2019-20 for the Company.

10 Other Disclosures

(a) Materially significant Related Party Transactions:

There were no transactions with related parties during the Financial Year which were in conflict with the interest of the Company. Suitable disclosure of Related Party Transactions as required by the Accounting Standards (Ind AS 24) has been made in the Note No. 46 to the Standalone Financial Statements and in the Board's Report as required under Section 134 of the Companies Act, 2013.

The Board has also approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's Website. The same can be viewed at https://gfl.co.in/assets/pdf/gfcl_related_party_transaction_policy_13082019.pdf

(b) Details of non-compliance:

There are no instances of non-compliance, penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

(c) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy at its Board Meeting held on 13th August, 2019 to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/ Employees. No personnel have been denied access to the Audit Committee. A copy of Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at https://gfl.co.in/assets/pdf/gfcl_whistleblower_policy_13082019.pdf

(d) The Company has formulated a policy for determining 'Material Subsidiaries' and such policy has been disclosed on the Company's Website. The same can be viewed at http://www.gfl.co.in/pdf/GFL%20-%20Material%20Subsidiary%20Company%20Policy.pdf

(e) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of the Listing Regulation except Regulation 17(b) relating to the proportion of Independent Directors on the Board of Directors (see point 2(a) above).

(f) Disclosure of commodity price risks and commodity hedging activities: Discussed in Point 9.15 above.

(g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the year under review, the Company has not raised any funds through preferential allotment or through qualified institutions placement.

(h) Certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.: Certificate received form M/s Samdani Shah and Kabra for the same is enclosed herewith.

(i) During the Financial Year 2019-20, there were no instances, wherein the recommendations by any of the Committees of the Board were not accepted by the Board of Directors of the Company.

(j) The Company and its subsidiaries have paid total fees of ₹ 62.50 Lakhs for all services, on a consolidated basis, to the statutory auditor's M/s Patankar & Associates (Firm registration number 107628W). This excludes fees of ₹ 22 lakhs for demerger and taxation related services rendered to GFL Limited (the demerged company) and borne by the Company.

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2020 is given in the Directors' report.

(l) Management Discussion and Analysis Report: Management Discussion and Analysis Report is forming part of the Annual Report.

(m) All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.

(n) Adoption of Non Mandatory requirement: The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- Shareholders rights: The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- Modified opinion(s) in audit report: For the Financial Year ended 31st March, 2020, there is no modification in the audit report issued by the statutory auditors on the Company's financial statements.
- Reporting of Internal Auditors: In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed firms of Internal Auditors who report to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action, if required.

11 CEO / CFO Certification

The Company has obtained a certificate from the Managing Director and Chief Financial Officer in respect of matters stated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

12 Code of Conduct

The Board of Directors of the Company had laid down a Code of Conduct for all the Board Members and Senior Management of the Company including duties of Independent Directors. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at https://gfl.co.in/assets/pdf/Code-of-Conduct-GFCL.pdf

13 Declaration by Chief Executive Officer:

Declaration signed by Shri Vivek Jain, Managing Director of the Company, stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report at Annexure – A.

14 Compliance Certificate from The Auditors:

Compliance Certificate from the independent auditors of the Company regarding compliance of conditions of Corporate Governance is annexed with the Board's Report.

By Order of the Board of Directors

Date: 30th July 2020
Place: New Delhi

Devendra Kumar Jain
Chairman

Annexure A

Declaration by The CEO Under Clause D of Schedule V of the Listing Regulations:

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the Financial Year ended 31st March, 2020.

Date: 30th July 2020
Place: New Delhi

Vivek Jain
Managing Director

Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Members of
Gujarat Fluorochemicals Limited
(Earlier known as Inox Fluorochemicals Limited),

This report contains details of compliance of conditions of Corporate Governance by Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) ('the Company') for the year ended 31st March, 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations in all material respect except:

As per Clause 17(b) of the Listing Regulations, atleast half of the Board of Directors of the Company shall comprise of Independent Directors . As stated in para 2(a) of the Corporate Governance Report, the composition of the Board as on 31st March, 2020, is not in conformity with the said provisions.

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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Patankar & Associates
Chartered Accountants
Firm Registration No. 107628W

S S Agrawal
(Partner)
Membership Number: 049051
UDIN: 20049051AAAAAZ8409

Place: Pune
Date: 30th July, 2020

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10 (i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members
Gujarat Fluorochemicals Limited
(Formerly known as Inox Fluorochemicals Limited)

We have examined the relevant Registers, Books, Records, Forms, Returns, Declarations, Disclosures etc. of the Gujarat Fluorochemicals Limited (the Company), having CIN: L24304GJ2018PLC105479 and Registered Office situated at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, Panch Mahals - 389380, Gujarat, India, as produced before us by the Company for the purpose of issuing Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and representatives, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment
1.	Mr. Anand Rambhau Bhusari*	07167198	06-12-2018
2.	Mr. Chandra Prakash Jain	00011964	06-12-2018
3.	Mr. Deepak Ranjit Asher	00035371	06-12-2018
4.	Mr. Devendra Kumar Jain	00029782	06-12-2018
5.	Mr. Dinesh Kumar Sachdeva*	00050740	06-12-2018
6.	Mr. Om Prakash Lohia	00206807	06-12-2018
7.	Mr. Pavan Kumar Jain	00030098	06-12-2018
8.	Mr. Rajagopalan Doraiswami*	07013468	06-12-2018
9.	Mr. Sanath Kumar Muppirala	08425540	28-04-2019
10.	Mr. Sanjay Sudhakar Borwankar	08640818	15-02-2020
11.	Mr. Shailendra Swarup	00167799	06-12-2018
12.	Mr. Shanti Prashad Jain	00023379	06-12-2018
13.	Mr. Vivek Kumar Jain	00029968	06-12-2018
14.	Ms. Vanita Bhargava	07156852	06-12-2018

*Mr. Anand Rambhau Bhusari resigned w.e.f April 28, 2019, Mr. Dinesh Kumar Sachdeva resigned w.e.f February 15, 2020 and Mr. Rajagopalan Doraiswami resigned w.e.f. September 25, 2019.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani
Partner

Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863
UDIN: F003677B000407291

Place: Vadodara,
Date: July 01, 2020

Business Responsibility Report

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 read with SEBI circulars has mandated that with effect from the Financial Year 2019-20, the annual report of top 1000 listed companies should include a Business Responsibility Report (BRR) in the format prescribed by SEBI. Since Gujarat Fluorochemicals Limited (hereinafter referred to as GFL or the Company) is a part of top 1000 listed companies (based on market capitalisation as on 31st March, 2020) as per the list hosted on the websites of the BSE and NSE, it is required to publish a BRR in its Annual Report for Financial Year 2019-20. This report is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The BRR of the Company in the format prescribed at **Annexure I** of the said SEBI circular is given hereunder and it describes initiatives taken by the Company during the Financial Year 2019-20:

Section A General Information about the Company		
1	Corporate Identification Number	L24304GJ2018PLC105479
2	Name of the Company	Gujarat Fluorochemicals Limited(Earlier known as Inox Fluorochemicals Limited)
3	Registered Address	Survey Number 16/3, 26 & 27, Ranjitnagar - 389380, Taluka Ghoghamba, District Panchmahal, Gujarat
4	Website	www.gfl.co.in
5	Email Address	bvdesai@gfl.co.in
6	Financial year reported	2019-20
7	Sector(s) that the Company is engaged in	Refrigerant Gases - 24111
		Caustic Soda (Caustic Soda Lye & Flakes) - 24111
		Chloromethanes - 24111 (Methylene Chloride and Carbon Tetrachloride)
		Poly Tetrafluoroethylene (PTFE) - 24111
8	3 key products/services manufactured/provided by the Company	Refrigerant gases, Caustic Soda (Lye & Flakes), Chloromethane, Poly Tetrafluoroethylene (PTFE)
9	Total number of locations where business activity is undertaken by the Company	
a	Number of International Locations (Provide details of major 5)	1) Gujarat Fluorochemicals Americas LLC, USA; 2) Gujarat Fluorochemicals Singapore Pte Ltd; 3) Gujarat Fluorochemicals GmbH; 4) GFL GM Fluorspar SA
b	Number of National Locations	7
		Plants - Dahej and Ranjitnagar
		Branch Offices - Vadodara, Delhi, Chennai and Thane
		Corporate Office - Noida
10	Markets served by the Company	National & International

Section B Financial details of the Company		
1	Paid up capital (INR)	1098.50 lakhs
2	Total turnover (INR)	2,49,639 lakhs
3	Total profit after tax (INR)	18,995 lakhs
4	Total spending on CSR as percentage of PAT (%)	Not Applicable
5	List of the activities in which expenditure in 4 above has been incurred	Not Applicable

Section C Other details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D BR information

1	Details of Director(s) responsible for BR			
(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies:			
1	DIN Number	00029782	00029968	00035371
2	Name	Devendra Kumar Jain	Vivek Kumar Jain	Deepak Asher
3	Designation	Chairman	Managing Director	Director and Group Head (Corporate Finance)
(b)	Details of the BR head:			
1	DIN Number (if applicable)	08425540	08640818	
2	Name	Mr Sanath Kumar Muppirala-Dahej	Shri Sanjay Borwankar Whole Time- Director	
3	Designation	Whole-time Director	Whole-time Director	
4	Telephone number	02641-618060	02678-248127	
5	E-mail id	sanath.kumar@gfl.co.in	sanjay.borwankar@gfl.co.in	

2. Principle-wise (as per NVGs) BR policy/policies

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	N	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y		Y	Y	Y		Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y (ISO, OHSAS)		Y	Y	Y (ISO, OHSAS)		Y	Y(ISO)
4.	Has the policy being approved by the Board?	Y	Y		Y		Y		Y	Y
	If yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y		Y	Y	Y		Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y		Y	Y	Y		Y	Y
6.	Indicate the link for the policy to be viewed online?	#	#		#	#	#		#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y		Y	Y	Y		Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y		Y	Y	Y		Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholder's grievances related to the policy/policies?	N	N		N	N	N		N	N
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N		N	N	N		N	N

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b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)			1				2		

1) While the Company does not have a specific policy for this principle, it has an HR Operations Manual that provides guidance for governing various aspects related to its employees, including employee grievance redressal.

2) As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy.

3.	Governance related to BR:	
a)	Indicate frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.	The business responsibility performance of the Company is assessed for this first year by the Board.
b)	Does the Company publish BR or Sustainability Report? What is hyperlink of viewing this report? How frequently it is published?	BRR of Financial Year 2019-20 is placed on the website of the Company: www.gfl.co.in

Section E Principle –wise performance

Certain key principles to assess fulfilment of the requirement by the Company and a description of core elements under the principles as detailed in **Annexure II** of the referred SEBI circular are narrated below:

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

GFL has formulated a Code of Conduct (CoC) to ensure that the business of the Company is conducted in accordance with the highest standards of ethics and values, while complying with the applicable laws and regulations. The CoC encourages each and every Director and Officer of the Company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's premises, at offsite locations, at the Company's sponsored business and social events, and / or at any other place where they represent the Company. Any instance of non-compliance of any of the provisions of the CoC is treated as a breach of ethical conduct and is viewed seriously by the Company. The Company also has a Whistle Blower Policy which is a mechanism to reinforce implementation of the Company's CoC which encourages each and every Director and officer of the Company to take positive actions which not only commensurate with the Company's belief but are also perceived to be so. This Policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization.

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

   Yes, the policy relating to ethics, bribery and corruption covers the Company and its Subsidiary Companies (refer to para 1 a of Whistle Blower Policy for subsidiary companies).

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

   During the Financial Year 2019-20, the Company had received 3complaints from its investors related to non-receipt of dividend; shares etc. and all the 3complaints were resolved.

   For details on principle 1, please refer to Human and Social Relationship Capital of Integrated Section.

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

The Integrated Management Systems Policy for the Ranjitnagar plant and the Policies for Quality and Environment, Health & Safety for the Dahej plant are the Company's guiding documents for protection of environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

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

   a. AHCl: The design of AHCl cylinders has incorporated safety measures that ensure no leakage occurs during transportation. Also, a special cage has been designed for the cylinders so that they do not get damaged in case of any accident.

b. AHF storage facility: As hydrogen fluoride is a health hazard, an automatic sprinkler system has been installed around AHF bullets to prevent it from spreading, in case of any leakage.

c. R-22: The R-22 production process is designed in such a way that it eliminates organic effluents by recycling them.

In addition to these, regular safety trainings are conducted for all the drivers. Also, there is an established procedure for pre-loading inspection of all containers, racks and vehicles used to transport the chemicals.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Atmospheric emission of Volatile Organic Components is being continuously monitored to be well within the limit specified GPCB.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

While GFL manufactures products that are not directly used by end consumers but are used as raw materials in the production of other goods, it makes continuous efforts to improve the environmental attributes of its products.

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

The Company has proper procedures in place for sustainable sourcing and procures more than 75% of inputs directly from the manufacturer. The Company continuously re-designs its activities to better manage the procurement process and works closely with its suppliers. To decrease the fuel consumption and emissions due to transportation, GFL is gradually shifting to 20-30 MT capacity vehicles from 10-16 MT ones. Also, the import consignments are now being received at nearer ports like Dahej and Hazira, instead of distant ones like Kandla and Mumbai.

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

Yes, at the Ranjitnagar plant, services are being procured from local producers/contractors for construction of new projects. At the Dahej plant, the Company has taken a lead in helping a local vendor set up a drum manufacturing unit which supplies drums to various industrial plants in the area.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Ranjitnagar plant is a zero effluent discharge plant where around 90% of the wastewater is recycled. This has been achieved by installation of Single Effect Evaporator (SEE) and Multiple Effect Evaporator (MEE). The plant also turns all of its canteen waste to compost, thereby reducing the burden on landfill sites. The Dahej plant has a well-developed Environment Management Plan (EMP) in place which mainly focusses on reduction, reuse and recycling of resources. This plant also has well defined targets for reduction of water usage and to achieve these targets, a water recycling plan has been implemented within each area in the plant.

For details on the Principle 2, kindly refer to the Natural Capital of the Integrated Section.

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

The Company has an HR Operations Manual that provides guidance and policies for governing various aspects related to its employees. It includes guidelines on employee evaluation and performance management, training and development, employee/ contractor grievance redressal and employee relationship management. It also includes guidelines on prevention, prohibition and redressal of sexual harassment of women at workplace.

1. Please indicate the Total number of employees.

The Company has a total of 2286 employees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

A total of 2408 employees have been hired on temporary/ contractual/casual basis.

3. Please indicate the Number of permanent women employees.

The Company has 40 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities

The Company has 11 permanent employees with disabilities.

5. Do you have an employee association that is recognized by management?

The Company does not have any employee association recognized by its management.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable since the Company does not have a recognized employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees	Safety - 100 %; Skill Upgradation - 85%
Permanent Women Employees	Safety - 100 %; Skill Upgradation - 70 %
Casual/Temporary/Contractual Employees	Safety - 100 %; Skill Upgradation - 85%
Employees with Disabilities	Safety - 100 %; Skill Upgradation - 50%

For details on the Principle 3, kindly refer to the Human Capital of the Integrated Section.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has a Corporate Social Responsibility (CSR) Policy, which is guided by the philosophy of GFL and delineates its responsibility as a responsible corporate citizen. The CSR Policy of the Company lays down the guidelines and mechanism to undertake programmes for social welfare and sustainable development of the community at large. The objective of the Policy is to enhance value creation by the Company in the communities in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company ensures that its business is conducted in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.

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

   GFL takes into account the wellbeing of all individuals directly or indirectly associated with it, though a formal mapping of the internal and external stakeholders has not been conducted.

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

   While there has not been any formal identification of the disadvantaged stakeholders, the Company's primary welfare activities are focussed on children, women, elderly, the differently abled, farmers, and socially & economically backward groups in the communities in the areas surrounding the Company's operations.

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

   Some of the initiatives undertaken by the Company include:

   - Financial assistance to students from poor families for covering education related expenses.
   - Honorary payment to government school teachers in the absence of sanctioned grant from the government.
   - Support to development of social infrastructure in neighbouring villages in order to provide access to better education and health facilities to the local populace.
   - Financial assistance to poor patients and provision of Mobile Medical Unit to the locals.

For principle 4, please refer to Social Relationship Capital of Integrated Section.

Principle 5: Businesses should respect and promote human rights

The HR Operations Manual of the Company contains detailed guidelines on protection of human rights and is committed to respect human rights of workforce, communities and those affected by the operations of the Company wherever the Company does its business including the Company's contractors and suppliers

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

   The policy extends to Contract Labour, Vendors and all other stakeholders.

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

   No stakeholder complaint has been received in the past financial year and none are pending as on 31st March, 2020.

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

The Integrated Management Systems Policy for the Ranjitnagar plant and the policies for Quality and Environment, Health & Safety for the Dahej plant are GFL's guiding documents for protection of the environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

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

   While the policy also only covers its own operations, the Company, encourages its suppliers to adopt environment friendly practices in their operations.

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

   In its effort to do its bit towards fighting climate change, GFL has adopted a number of initiatives to increase its energy efficiency, thereby reducing its carbon emissions.

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

   Yes, the Dahej plant regularly conducts risk assessment to identify risks related to environment and safety. To this end, the plant has a well-defined Management of Change (MOC) procedure and HIRA & HAZOP processes. These procedures ensure that environmental risks are identified and addressed on a timely basis.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   No, the Company currently does not have any project related to Clean Development Mechanism.

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

   The Company has undertaken a number of energy efficiency initiatives like installation of variable frequency drives and LEDs, which decrease electricity consumption. At the Ranjitnagar plant, a co-generation plant has been installed to increase efficiency of the power plant to about 80%, by the usage of waste heat from exhaust gas and jacket water. This plant has also installed a groundwater recharge system that includes filter modules for removing suspended solids and total dissolved solids from the water. This system enables the replenishment of almost 450 m3 water each year. Besides these initiatives, the Company's Dahej plant procures renewable power generated by wind turbines.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, the Emissions/Waste generated by the company are within the permissible limits given by CPCB/SPCB for FY 2019-20.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause/ legal notices from CPCB/SPCB are pending as on 31st March, 2020.

   For details on the Principle 6, please refer to the Natural Capital of the Integrated Section.

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

As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy. However it will continue to assess the evolving business and regulatory environment in future in this regard.

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

   The Company is a member of the following trade associations:

   - Federation of Indian Chamber of Commerce and Industries
   - Baroda Management Association
   - Federation of Gujarat Industries

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No, the Company has not advocated/lobbied through the above associations.

   For details on the Principle 7, please refer to page the Social Relationship Capital of the Integrated Section.

Principle 8: Businesses should support inclusive growth and equitable development

The CSR policy of GFCL aims to enhance value creation in the society and in the community in which it operates. It aims to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

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

   Some of the CSR programmes of the Company are:

   - Maintenance of Balwadis
   - Financial support for development of infrastructure in local schools
   - Monetary help for setting up a Health Centre

- Empanelment of a renowned agricultural expert to impart agricultural know-how to the nearby villagers, which will enable them to increase their productivity.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

   The programmes are undertaken through in-house teams as well as through NGOs.

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

   The Company follows a systematic five step approach towards releasing funds for a project. The fifth step in this process includes a provision for seeking information regarding the impact of money spent, on the life of the beneficiary.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken: 219 lakhs. Details of projects undertaken. Please refer to Social and Relationship Capital section of Integrated Annual Report.

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

   The Company regularly engages with the local communities in the areas surrounding its plants, since they are the prime and direct beneficiaries of its welfare activities. Through these interactions it ensures that its CSR initiatives are adopted by the local community and fulfil the needs of the target population.

   For details on the Principle 8, please refer to the Social and Relationship Capital of the Integrated Section.

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

The Integrated Management Systems Policy for the Ranjitnagar plant and the Quality Policy for the Dahej plant enable the Company's employees to adhere to set Quality Standards in all products and services. The objective of these policies is to guide employees in providing quality products to the customers in a stipulated time frame. This can be achieved by incorporating customer feedback and improving on a continual basis.

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

   Less than 2% of customer complaints/ consumer cases are pending as on 31st March, 2020.

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

   The Company displays all product information on the product label as mandated by the local laws.

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

   There was no pending stakeholder complaint against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2020.

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

   The Company conducts an annual customer satisfaction survey for all its customers in India and abroad. The outcome of this survey helps the Company in identifying steps to further improve its performance.

   For details on the Principle 9, please refer to the Social Relationship Capital of the Integrated Section.

Standalone Financial Statements

Independent Auditor's Report

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Fluorochemicals Limited**, ("the Company"), earlier known as Inox Fluorochemicals Limited, which comprise the Standalone Balance Sheet as at 31 March 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. As described in the Note 2.2 of the standalone financial statements, in preparation of these standalone financial statements, the Company has considered the effect of uncertainties due to COVID-19 pandemic on the operations of the Company. The actual impact of COVID-19 pandemic may be different from that estimated as on the date of approval of the Statement.

2. Commission of ₹ 417.46 lakhs to a non-executive director and payment of capital advance of ₹ 70,439.60 lakhs to a related party requires approval of the shareholders in the forthcoming Annual General Meeting as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	**Business combination** As described in Note 1 and 50 to the standalone financial statements, the Chemical Business Undertaking of GFL Ltd. is demerged and vested with the Company w.e.f. 1st April 2019 as per the Scheme of Arrangement approved by NCLT and became effective on 16th July 2019. This has been identified as a key audit matter since it is a significant event, requiring compliances of the terms of the Scheme, accounting as per the relevant Ind AS and also complexities involved in the presentation in financial statements	To address this key audit matter, our audit procedures included the following: • Examination of the Scheme of Arrangement pursuant to which the demerger was carried out along with the regulatory approvals required for the Scheme of Arrangement to take effect; • Evaluation of the appropriateness of the accounting treatment followed by the Company in this regard, including the adjustments given in the reserves and surplus, with reference to the Scheme, Ind AS 103: Business Combinations and the requirements of the accounting principles generally accepted in India; • Testing the adjustment given in the reserves and surplus for net assets transferred to the Company; and • Examination the disclosures given in the standalone financial statements for adequacy and appropriateness, including disclosure of comparative figures.

Sr.	Key Audit Matter	Auditor's Response
2.	**Evaluation of direct tax position** Pursuant to the aforesaid demerger, the Company has recognized MAT credit entitlement of ₹ 66,720.12 lakhs pertaining to the demerged undertaking. Further, the Company has also recognised incremental tax benefits of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company on receipt of the ITAT orders during the year and interest of ₹ 11,969.46 lakhs on the resulting income-tax refunds. This has been identified as a key audit matter due to magnitude of the amount involved, significant judgement and estimation required by the management and critical tax position taken.	To address this key audit matter, our audit procedures included the following: • Review of the ITAT orders and the Scheme as approved by NCLT • Discussion on the matter with the senior management and understanding of the tax position taken by the Company; • Assessment of the management's judgement of the possible outcome of the tax position with reference to the judicial pronouncements available in this regard; • Checking of the calculations made by the management in this regard for mathematical accuracy; and • Assessment of the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and the position taken by the Company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity, and the Standalone Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other matters

Due to the COVID-19 related lockdown, we were not able to attend the year end physical verification of inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on the standalone financial statements. Our report on the standalone financial statements is not modified in respect of this matters.

For Patankar & Associates,
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 30th July 2020
UDIN: 20049051AAAAAV1431

Annexure I to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the standalone financial statements for the year ended 31 March 2020 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

   Particulars of immovable properties where the title deeds are not in the name of the Company are as under:

(₹ in Lakhs)

Particulars	No. of cases	Original cost	Carrying amount	Remarks
Freehold land	8	46.86	46.86	These immovable properties are transferred and vested with the Company on demerger as per the Scheme of Arrangement, as described in Note 1, and are in the process of being registered in the name of the Company.
Building	7	31,235.22	21,001.73	
Leasehold land	14	4,963.53	4,409.98	
Investment property (building)	3	1,258.70	1,010.73	
Building	1	2,580.18	2,580.06	As per the purchase agreement, the property will be registered in the name of the Company after payment of the final installment of the deferred purchase consideration.

2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has not granted any loan, 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 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. The Company has complied with the provisions of section 185 and section 186 of the Act in respect of investments made or loans given or guarantee or security provided.

5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, cess and other material statutory dues applicable to it. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2020 for a period of more than six months from the date they become payable.

Particulars of dues of income tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
Central Excise Act, 1944	Cenvat Credit availed on various items, including interest and penalty		Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	a) April 2007 to November 2007	363.34	
	b) April 2011 to June 2017	2.53	
	c) April 2012 to December 2012	154.88	
	d) April 2013 to March 2017	375.54	
	e) June 2016 to June 2017	9.97	
	Cenvat Credit on inter unit transactions	845.98	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Cenvat Credit availed on various items, including interest and penalty July 2015 to March 2017	3.52	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Customs Act, 1962	Differential duty on high seas import March 2012 to May 2013	973.57	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Gujarat Value Added Tax Act, 2003	Proportionate ITC on Capital goods. - F.Y. 2011-2012	52.33	Gujarat Value Added Tax, Tribunal, Ahmedabad
	Proportionate ITC on Capital goods F.Y. 2013-2014	21.36	Joint Commissioner of Commercial Tax (Appeal)
Income tax Act, 1961	Disallowance u/s 14A and reductions in tax incentives claim – F.Y. 2015-2016 – A.Y. 2016-2017	66.85 (settled after the year end)	Commissioner of Appeals – 1, Vadodara

All the above liabilities are vested with the Company on demerger of the Chemical Business Undertaking as per the Scheme of Arrangement (See Note 1 and 50 of the Notes to the Standalone Financial Statements.)

8. The Company has not defaulted in repayment of dues to banks or financial institutions and the Company did not have any borrowings from Government or by way of debentures.

9. The Company has applied the moneys raised by way of term loans for the purpose for which these loans were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. The Company has complied with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration.

12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Patankar & Associates,
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 30th July 2020

Annexure II to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the standalone financial statements for the year ended 31 March 2020 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Gujarat Fluorochemicals Limited**, earlier known as Inox Fluorochemicals Limited, ("the Company") as of 31 March 2020 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Patankar & Associates,
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 30th July 2020

Standalone Balance Sheet

as at 31st March, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2020	As at 1st April, 2019*	As at 31st March, 2019
	ASSETS				
(1)	***Non-current assets***				
	(a) Property, plant & equipment	5	223,064.97	215,682.99	-
	(b) Capital work-in-progress		31,837.34	22,867.56	-
	(c) Right-of-use assets	43	4,533.78	-	-
	(d) Investment property	6	1,010.73	1,032.00	-
	(e) Intangible assets	7	1,891.30	2,628.95	-
	(f) Financial assets				-
	(i) Investments	8			-
	a) Investments in subsidiaries	8(a)	8,705.58	8,705.58	-
	b) Investments in joint venture	8(b)	118.25	118.25	-
	c) Other investments	8(c)	19,037.85	34,085.24	-
	(ii) Loans	9	733.65	683.88	-
	(iii) Other non current financial assets	10	888.29	746.19	-
	(g) Deferred tax assets (net)	22	23,307.56	31,526.01	-
	(h) Income tax assets (net)	11	1,629.86	20,505.88	-
	(i) Other non-current assets	12	93,040.49	7,894.14	-
	Sub-total		**409,799.65**	**346,476.67**	**-**
(2)	***Current assets***				
	(a) Inventories	13	65,862.53	53,031.36	-
	(b) Financial assets				
	(i) Other investments	8(d)	6,739.23	18.85	-
	(ii) Trade receivables	14	63,964.99	65,729.56	-
	(iii) Cash & cash equivalents	15	982.50	3,123.74	1.00
	(iv) Bank balances other than (iii) above	16	0.25	-	-
	(v) Loans	9	4,073.44	4,004.90	-
	(vi) Other current financial assets	10	5,297.03	244.29	-
	(c) Current tax assets	11	30,690.72	-	-
	(d) Other current assets	12	8,251.84	10,451.11	-
	Sub-total		**185,862.53**	**136,603.81**	**1.00**
	Total Assets		**595,662.18**	**483,080.48**	**1.00**
	EQUITY & LIABILITIES				
	Equity				
	(a) Equity share capital	17	1,098.50	1,098.50	1.00
	(b) Other equity	18	368,143.58	349,357.54	(1.25)
	Sub-total		**369,242.08**	**350,456.04**	**(0.25)**
	LIABILITIES				
(1)	***Non-current liabilities***				
	(a) Financial liabilities				
	(i) Borrowings	19	46,438.98	15,896.54	-
	(ii) Other non current financial liabilities	20	1,075.43	149.70	-
	(b) Provisions	21	2,522.89	1,960.02	-
	Sub-total		**50,037.30**	**18,006.26**	**-**
(2)	***Current liabilities***				
	(a) Financial liabilities				
	(i) Borrowings	23	102,697.05	69,345.21	-
	(ii) Trade payables				
	a) total outstanding dues of micro enterprises and small enterprises	24	82.63	0.85	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	33,891.74	21,908.02	-
	(iii) Other current financial liabilities	20	35,623.63	20,928.11	1.25
	(b) Other current liabilities	25	1,554.20	919.43	-
	(c) Provisions	21	1,365.80	1,254.19	-
	(d) Current tax liabilities (net)	26	1,167.75	262.37	-
	Sub-total		**176,382.80**	**114,618.18**	**1.25**
	Total Equity & Liabilities		**595,662.18**	**483,080.48**	**1.00**

*see Note 1 and 2.3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Standalone Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *	Period ended 31st March, 2019
I	Revenue from operations	27	249,638.88	273,054.85	-
II	Other income	28	22,127.20	8,386.11	-
III	**Total Income (I+II)**		**271,766.08**	**281,440.96**	**-**
IV	**Expenses**				
	Cost of materials consumed	29	94,692.02	93,394.64	-
	Purchases of stock-in-trade		58.69	58.32	-
	Changes in inventories of finished goods, work in progress, stock-in-trade and by products	30	(7,471.48)	(11,747.58)	-
	Power & fuel		47,628.88	50,078.74	-
	Employee benefits expense	31	18,660.58	16,512.40	-
	Net loss on fair value changes in investments classified at FVTPL	32	8,158.23	3,664.33	-
	Finance costs	33	10,137.85	5,570.67	-
	Depreciation and amortisation expense	34	17,606.61	16,161.73	-
	Other expenses	35	47,388.16	42,685.59	1.25
	Total expenses (IV)		**236,859.54**	**216,378.84**	**1.25**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		**34,906.54**	**65,062.12**	**(1.25)**
VI	Exceptional items	47	(2,604.05)	(824.00)	-
VII	**Profit/(loss) before tax (V+VI)**		**32,302.49**	**64,238.12**	**(1.25)**
VIII	Tax expense	36			
	(i) Current tax		13,922.00	20,837.94	-
	(ii) Deferred tax		507.32	1,634.40	-
	(iii) Taxation pertaining to earlier years		(1,121.58)	(82,852.09)	-
			13,307.74	**(60,379.75)**	**-**
IX	**Profit/(loss) for the year (VII-VIII)**		**18,994.75**	**124,617.87**	**(1.25)**
X	**Other Comprehensive Income**				
	A. Items that will not be reclassified to profit or loss				
	(i) Remeasurement of the defined benefits plans		(107.37)	(89.51)	-
	(ii) Tax on above		37.52	31.28	-
	B. Items that will be reclassified to profit or loss				
	(i) Gains and (loss) on effective portion of hedging instruments in a cash flow hedge		(213.44)	(79.43)	-
	(ii) Tax on above		74.58	27.76	-
	Total other comprehensive income		**(208.71)**	**(109.90)**	**-**
XI	**Total comprehensive income for the year (IX+X)**		**18,786.04**	**124,507.97**	**(1.25)**
	Earnings/(loss) per equity share of ₹ 1 each				
	Basic and Diluted (in ₹)	41	17.29		(1.25)

*see Note 1 and 2.3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Standalone Statement of Changes in Equity

for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	₹ in Lakhs
Shares issued during the period ended 31st March, 2019	1.00
Balance as at 31st March 2019	**1.00**
Movement during the year ended 31st March, 2020 pursuant to demerger (see Note 1, 17 and 50)	
a) Shares issued during the year	1,098.50
b) Shares cancelled during the year	(1.00)
	1,097.50
Balance as at 31st March, 2020	**1,098.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Capital Reserve	General Reserve	Retained Earnings	Cash flow hedge reserve	
Movement during the period ended 31st March 2019					
Loss for the period	-	-	(1.25)	-	(1.25)
Total comprehensive income for the period	**-**	**-**	**(1.25)**	**-**	**(1.25)**
Balance as at 31st March 2019	**-**	**-**	**(1.25)**	**-**	**(1.25)**
On account of demerger (see Note 1 and 50)					
Transferred pursuant to demerger	12,827.46	320,000.00	16,726.31	84.98	349,638.75
Cancellation of existing share capital	1.00	-	-	-	1.00
Adjusted as per the scheme of demerger	(280.96)	-	-	-	(280.96)
Net effect of demerger	**12,547.50**	**320,000.00**	**16,726.31**	**84.98**	**349,358.79**
Balance as at 1st April, 2019	**12,547.50**	**320,000.00**	**16,725.06**	**84.98**	**349,357.54**
Movement during the year ended 31st March 2020					
Profit for the year	-	-	18,994.75	-	18,994.75
Other comprehensive income for the year, net of income tax (*)	-	-	(69.85)	(138.86)	(208.71)
Total comprehensive income for the year	**-**	**-**	**18,924.90**	**(138.86)**	**18,786.04**
Balance as at 31st March 2020	**12,547.50**	**320,000.00**	**35,649.96**	**(53.88)**	**368,143.58**

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
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MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Standalone Statement of Cash Flows

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*	Period ended 31st March, 2019
A Cash flow from operating activities			
Profit/(Loss) for the year	18,994.75	124,617.87	(1.25)
Adjustments for :			
Tax expense	13,307.74	(60,379.75)	-
Depreciation and amortisation expense	17,606.61	16,161.73	-
Gain on retirement /disposal of property, plant and equipment (net)	(3.43)	(0.30)	-
Allowance for doubtful trade receivables and expected credit losses	189.66	(73.06)	-
Bad debts and remissions (net)	-	0.14	-
Liabilities and provisions no longer required, written back	(232.07)	(351.43)	-
Deposits, advances and claims written off	511.51	274.88	-
Unrealised foreign exchange (gain)/loss (net)	111.57	(331.21)	-
Net loss on fair value changes in investments classified at FVTPL	8,158.23	3,664.33	-
Mark-to-market (gain)/loss on derivative financial instruments (net)	(354.74)	(674.85)	-
Interest income	(17,101.98)	(340.20)	-
Finance costs	10,137.85	5,570.67	-
Operating profit/(loss) before working capital changes	**51,325.70**	**88,138.82**	**(1.25)**
Movements in working capital:			
Increase/(decrease) in provisions	567.11	512.39	-
Increase/(decrease) in trade payables	11,958.01	1,507.89	-
Increase /(decrease) in other financial liabilities	474.16	(639.07)	1.25
Increase /(decrease) in other liabilities	634.77	(105.34)	-
(Increase)/decrease in loans	(393.13)	741.52	-
(Increase)/decrease in inventories	(12,831.17)	(18,415.04)	-
(Increase)/decrease in trade receivables	3,862.57	(10,736.77)	-
(Increase)/decrease in other financial assets	95.86	(24.84)	-
(Increase)/decrease in other assets	2,146.81	20,201.16	-
Cash generated from operations	**57,840.69**	**81,180.72**	**-**
Income-tax paid (net)	(4,409.75)	(1,271.16)	-
Net cash generated from operating activities	**53,430.94**	**79,909.56**	**-**
B Cash flow from investing activities			
Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/ capital advances)	(119,537.66)	(50,961.89)	-
Proceeds from disposal of property, plant and equipment	3.81	4.85	-
Investment in shares of subsidiary company	-	(2,118.20)	-
Purchase of other investments	(5,000.00)	(56,451.27)	-
Redemption/sale of investments	5,168.79	64,631.07	-
Inter-corporate deposits/loans given	-	(3,752.80)	-
Inter-corporate deposits/loans received back	225.00	2,974.01	-
Interest received	71.92	492.75	-
Movement in other bank balances	(25.74)	(0.24)	-
Net cash used in investing activities	**(119,093.88)**	**(45,181.72)**	**-**

Standalone Statement of Cash Flows

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*	Period ended 31st March, 2019
C Cash flow from financing activities			
Proceeds from non-current borrowings	49,178.36	10,165.59	-
Repayment of non-current borrowings	(7,466.50)	(4,991.21)	-
Proceeds from/(repayment of) current borrowings (net)	31,668.27	12,071.56	-
Shares issued during the period	-	-	1.00
Payment of lease liabilities	(113.28)	-	-
Finance costs	(9,745.15)	(5,359.72)	-
Net cash generated from financing activities	**63,521.70**	**11,886.22**	**1.00**
Net increase/(decrease) in cash and cash equivalents	**(2,141.24)**	**46,614.06**	**1.00**
Cash and cash equivalents as at the beginning of the period/year	1.00		-
Cash and cash equivalents received pursuant to Demerger scheme	3,122.74		-
Cash and cash equivalents as at the end of the period/year	982.50		1.00

*see Note 1 and 2.3

Changes in liabilities arising from financing activities during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance as on 1st April 2019 pursuant to demerger - see Note 2.3 and 50	69,613.53	22,268.21
Cash flows	31,668.27	41,711.86
Interest expense	6,035.89	2,447.45
Interest paid	(5,964.98)	(2,154.63)
Foreign exchange adjustment	1,683.57	692.71
Closing balance	**103,036.28**	**64,965.60**

Notes:

(a) Components of cash and cash equivalents are as per Note 15.

(b) The above standalone statement of cash flows has been prepared under the indirect method.

(c) The accompanying notes are an integral part of the standalone financial statements.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

1. Company information

Gujarat Fluorochemicals Limited ("the Company"), earlier known as Inox Fluorochemicals Limited, is a public limited company incorporated and domiciled in India. The Company was incorporated on 6th December 2018 as a wholly-owned subsidiary of GFL Limited (earlier known as Gujarat Fluorochemicals Limited) for the purpose of vesting of the demerged Chemical Business undertaking of GFL Limited into the Company, as a going concern.

As per the Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the demerged company was demerged into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. All the shareholders of demerged company are allotted one fully paid-up equity share of ₹ 1 each in the Company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company. Simultaneously, the shares held by the demerged company in the resulting company were cancelled and the Company has ceased to be a subsidiary of the demerged company. The demerger is accounted in accordance with Ind AS 103: Business Combinations. See Note 50 for further details and Note 2.3 below for presentation in the financial statements on account of demerger.

The Company is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoromonomers, specialty fluorointermediates, specialty chemicals and allied activities. The Company caters to both domestic and international markets. The Company's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. As the demerger of the Chemical Business Undertaking was on a going concern basis, under common control and accounted by applying Appendix C of Ind AS 103: Business Combinations, the accounting policies followed for the said Chemical Business Undertaking by the demerged company have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.5) and the disclosures in respect of significant accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 30th July 2020.

2.2 Assessment of COVID-19 pandemic impact

In view of the COVID-19 pandemic and consequential declaration of lockdown by the Government of India, the manufacturing facilities of the Company at Ranjitnagar and Dahej, Gujarat were closed from 25th March 2020. However, the Company was permitted to restart its manufacturing facilities from 8th April 2020 being 'essential commodity chemical supplier' to the pharma and agrochemical industries. The manufacturing activities of the Company were closed down only for a few days and with the subsequent easing of the lockdown guidelines, now the operations of the Company are significantly stabilized. On the basis of assessment of the current situation carried out by the Company, the COVID-19 pandemic has no material impact on its operations and is likely to be short term in nature. Given the continuing uncertainties of the COVID- 19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Company's operations to be continuously monitored.

2.3 Basis of preparation, presentation and measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

As stated in Note 1 above, the Company was incorporated for the purpose of vesting of the demerged Chemical Business Undertaking of GFL Limited. Since the demerger is a common control business combination under Ind AS 103: Business Combinations, the financial information in the financial statements in respect of prior periods is required to be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

In this case, as the Company was incorporated on 6th December 2018 for the purpose of vesting of the demerged Chemical Business Undertaking and as per the Scheme the business combination has occurred on 1st April 2019 viz. the appointed date, for the purpose of meaningful comparison and fair presentation of the financial statements:

a) The balance sheet as at 1st April 2019, after giving effect to the assets and liabilities of the demerged Chemical Business Undertaking transferred to and vested in the Company as at 1st April 2019, and the resulting changes in the share capital and other equity of the Company, are disclosed separately; and

b) The comparative figures of the statement of profit and loss and the statement of cash flows of the demerged Chemical Business Undertaking vested in the Company are also disclosed separately for the entire financial year 2018-19 viz. from 1st April 2018 to 31st March 2019

These financial statements have been prepared on an accrual basis and under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

2.4 Particulars of investments in subsidiaries and joint venture as at 31st March, 2020 are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiaries		
Gujarat Fluorochemicals Americas, LLC	USA	100%
Gujarat Fluorochemicals GmbH	Germany	100%
Gujarat Fluorochemicals Singapore Pte. Ltd.	Singapore	100%
b) Joint Venture		
Swarnim Gujarat Fluorspar Private Limited	India	25%

All the above investments are measured at cost. These investments are pertaining to, and received on, demerger of the Chemical Business Undertaking (see Note 1).

2.5 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

New accounting standard Ind AS 116: Leases

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 “Leases”, which is effective for accounting periods beginning on or after 1 April, 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. As a lessor, the transition to Ind AS 116 does not have any impact on the financial statements of the Company. As a lessee, the Company has transitioned to Ind AS 116 using ‘modified retrospective approach’. Under this approach, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability. Further, the comparatives for the previous periods are not required to be restated. See Note 3.4 below for the new accounting policy on adoption to Ind AS 116 and Note 43 for further details.

b. Amendments to existing accounting standards applicable to the Company

Amendments to the following accounting standards have become applicable for the current reporting period:

- **Amendments to Ind AS 12: Income tax**

  On 30th March 2019, Ministry of Corporate Affairs had notified Appendix C: Uncertainty over Income-Tax Treatments. The interpretation addressed the accounting of income taxes when tax treatment involves uncertainty that affects the application of Ind AS 12. The effective date for adoption of Ind AS 12 Appendix C was annual periods beginning on or after 1 April 2019. The disclosure in respect of uncertainties relating to direct taxes is as per Note 36.

  Further, the amendments to Ind AS 12 clarified that the income tax consequences of dividend were linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity recognises the income tax consequences of dividend in the statement of profit and loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments are applicable from annual periods beginning on or after April 1, 2019. These amendments have no impact on the Company’s financial statements.

- **Amendment to Ind AS 19: Employee benefits**

  The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. These amendments apply to plan amendments, curtailments, or settlements occurring from annual periods beginning on or after 1 April 2019 and apply only to any future plan amendments, curtailments, or settlements. This amendment has no impact on the Company’s financial statements in the current year and will apply to the future plan amendments, curtailments, or settlements.

- **Amendment to Ind AS 23: Borrowing costs**

  The amendment clarified that any borrowing originally made to develop a qualifying asset should be treated as a part of general borrowings when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. This amendment is applicable to the borrowing costs incurred from April 1, 2019. This amendment has no impact on the Company’s financial statements.

- **Amendment to Ind AS 28: Investment in Associates and Joint Ventures**

  The amendment clarified the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 before applying the loss allocation and impairment requirements in Ind AS 28. This amendment has no impact on the Company's financial statements.

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24th July 2020 amendments to the existing standards have been notified. All these amendments are effective for annual periods beginning 1st April 2020. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combination: The amendments substitute the existing definition of "business" with a more detailed definition and also provides optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive. These amendments will apply to future business combinations.

- Amendments to Ind AS 107 Financial Instruments – Disclosures: The amendments prescribe additional disclosures in respect of uncertainty arising from interest rate benchmark reform.

- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. The Company is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- Amendments to Ind AS 116 Leases: The amendments provide a practical expedient for treatment of rent concessions occurring as a direct consequence of COVID-19 pandemic and related clarifications. The Company is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments provide a new definition of the term "material" and also provides related clarifications.

- Amendments to Ind AS 10 Events after the Reporting Period: The conditions requiring disclosure for a non-adjusting event has been elaborated.

- Amendments to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequent to amendments to Ind AS 1, Ind AS 8 and Ind AS 10, and also provides clarifications in respect of restructuring plans.

3. Significant Accounting Policies

3.1 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.2 Revenue recognition

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are generally made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Contract balances

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.3 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) The Company as lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Company comprise of only operating leases.

b) The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liabilities" and "Right of use assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.5 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets;
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.17 below for hedging accounting policies); and

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Company's gratuity scheme is a defined benefit plan and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.8 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an deferred tax assets in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Presentation of current and deferred tax

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.9 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking (see Note 1 and 2.1), in respect of accounting period commencing on or after 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (refer Note 3.5).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of a PPE at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.10 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of investment properties at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its investment properties recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.11 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets: An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

• Technical know-how	10 years
• Product development cost	5 years
• Operating software	3 years
• Other software	6 years

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.13 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture are carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries/joint venture the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.15 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

A] Financial assets

a) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company other than derivative instruments for cash flow hedges.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and joint ventures. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.17 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) Fair value hedge

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date.

Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'Other income' line item.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.18 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting judgements, assumptions and use of estimates

The preparation of Company's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.9 and 3.11 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets at the end of each reporting period.

b) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

c) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

d) Defined employee benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

e) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs for the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

g) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc. The judgements, assumptions and estimates in respect of uncertainties over income-tax treatments are disclosed in Note 22.2.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

5. Property, plant & equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Freehold land	46.86	46.86
Buildings	23,581.79	20,784.81
Plant and equipment	198,429.53	193,735.22
Furniture and fixtures	357.33	463.53
Vehicles	184.30	196.26
Office equipment	465.16	456.31
	223,064.97	**215,682.99**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost							
As at 1st April 2019 - transferred pursuant to demerger*	46.86	24,638.17	245,403.63	995.84	347.20	1,244.62	**272,676.32**
Additions	-	3,817.27	19,742.99	3.57	21.10	223.43	**23,808.36**
Effect of foreign currency exchange differences	-	-	268.59	-	-	-	**268.59**
Disposals	-	-	(370.92)	-	(27.77)	(0.24)	**(398.93)**
Balance as at 31st March, 2020	**46.86**	**28,455.44**	**265,044.29**	**999.41**	**340.53**	**1,467.81**	**296,354.34**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation							
As at 1st April 2019 - transferred pursuant to demerger*	-	3,853.36	51,668.41	532.31	150.94	788.31	**56,993.33**
Eliminated on disposal of assets	-	-	(370.92)	-	(27.42)	(0.24)	**(398.58)**
Depreciation expense for the year	-	1,020.29	15,317.27	109.77	32.71	214.58	**16,694.62**
Balance as at 31st March, 2020	**-**	**4,873.65**	**66,614.76**	**642.08**	**156.23**	**1,002.65**	**73,289.37**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount							
As at 1st April 2019 - transferred pursuant to demerger*	**46.86**	**20,784.81**	**193,735.22**	**463.53**	**196.26**	**456.31**	**215,682.99**
As at 31st March, 2020	**46.86**	**23,581.79**	**198,429.53**	**357.33**	**184.30**	**465.16**	**223,064.97**

Note: Assets mortgaged/pledged as security for borrowings are as under: (see Note 37)

(₹ in Lakhs)

Assets at Carrying Value	As at 31st March, 2020	As at 1st April, 2019*
Building	2,372.32	2,482.44
Plant and equipment	108,604.46	63,944.72
Vehicles	111.77	129.30
Total	**111,088.55**	**66,556.46**

(*) On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

6. Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Building	1,010.73	1,032.00
	1,010.73	**1,032.00**

(₹ in Lakhs)

Particulars	Building
I. Cost or Deemed Cost	
As at 1st April 2019 - transferred pursuant to demerger*	**1,117.08**
Balance as at 31st March, 2020	**1,117.08**

(₹ in Lakhs)

Particulars	Building
II. Accumulated depreciation	
As at 1st April 2019 - transferred pursuant to demerger*	**85.08**
Depreciation expense for the year	21.27
Balance as at 31st March, 2020	**106.35**

(₹ in Lakhs)

Particulars	Building
III. Net carrying amount	
As at 1st April 2019 - transferred pursuant to demerger*	**1,032.00**
As at 31st March, 2020	**1,010.73**

(*) On demerger - see Note 1 and 2.3

6.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2020 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and

2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 3 and the fair values are as under:

(₹ in Lakhs)

Particulars	Amount
Fair value as at 31st March, 2020	10,172.50
Fair value as at 1st April, 2019*	10,071.33

6.2 Amounts recognized in profit or loss in respect of investment properties

(₹ in Lakhs)

Particulars	2019-2020
Rental income	560.30
Direct operating expenses in respect of properties that generated rental income	174.75
Depreciation	21.27

7. Intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Product Development	-	81.32
Technical Know How	1,846.66	2,464.62
Software	44.64	83.01
	1,891.30	**2,628.95**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
I. Cost or Deemed Cost				
As at 1st April 2019 - transferred pursuant to demerger*	695.80	5,205.80	220.23	6,121.83
Balance as at 31st March, 2020	**695.80**	**5,205.80**	**220.23**	**6,121.83**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
II. Accumulated depreciation				
As at 1st April 2019 - transferred pursuant to demerger*	614.48	2,741.18	137.22	3,492.88
Amortisation expense for the year	81.32	617.96	38.37	737.65
Balance as at 31st March, 2020	**695.80**	**3,359.14**	**175.59**	**4,230.53**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
III. Net Carrying amount				
As at 1st April 2019 - transferred pursuant to demerger*	81.32	2,464.62	83.01	2,628.95
As at 31st March, 2020	**-**	**1,846.66**	**44.64**	**1,891.30**

(*) On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

8. Investments

8 (a) Investment in subsidiaries (measured at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investments					
Investments in Equity Instruments					
Gujarat Fluorochemcials Singapore Pte. Limited(#)	USD 1	12091000	7,671.48	12091000	7,671.48
Gujarat Fluorochemicals GmbH	Par value		21.82		21.82
Gujarat Fluorochemicals Americas LLC	Par value		1,012.28		1,012.28
Total investment in subsidiaries (a)			**8,705.58**		**8,705.58**

(#)The Company has provided undertaking to the lenders of a subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited, that the Company will not dilute its stake below 100% in the subsidiary.

8 (b) Investment in Joint Venture (measured at cost)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investment					
Investments in Equity Instruments					
Swarnim Gujarat Fluorspar Private Limited	10	1182500	118.25	1182500	118.25
Total investment in joint ventures (b)			**118.25**		**118.25**

(*) These investments are pertaining to, and received on, demerger of the Chemical Business Undertaking (see Note 1, 2.3 and 50). Prior to the demerger, these companies were subsidiaries/joint venture of the demerged company.

8 (c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non-current investments					
I. Quoted Investments (fully paid up)					
Investments in Mutual Funds					
Franklin India Fixed Maturity Plans - Series 1-Plan B 1104D - Direct Growth	10	5000000	613.11	5000000	570.34
Kotak FMP Series 204-Direct-Growth	10	10000000	1,227.83	10000000	1,138.51
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.2-Direct-Growth	10	10000000	1,232.64	10000000	1,140.06
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.3-Direct-Growth	10	5000000	616.08	5000000	569.65
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.7-Direct-Growth	10	15000000	1,823.28	15000000	1,690.08
PGIM India (DHFL Pramerica) Fixed Duration Fund-Series AH-Direct Plan-Growth	1000	100000	1,207.34	100000	1,115.87

8 (c) Other Investments (measured at FVTPL) (Contd..)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020 Nos.	As at 31st March, 2020 Amounts	As at 1st April, 2019* Nos.	As at 1st April, 2019* Amounts
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	10000000	1,158.27	10000000	1,062.37
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	10000000	1,156.47	10000000	1,058.93
Kotak FMP - Series 240 - Growth (Regular Plan)	10	10000000	1,165.59	10000000	1,064.73
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	10000000	1,166.11	10000000	1,066.27
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	10000000	1,156.79	10000000	1,063.15
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	5000000	581.21	5000000	533.16
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,653.21	15000000	1,503.80
Total quoted Investments			**14,757.93**		**13,576.92**
Less: Current portion of non current investments disclosed under current inve stments			**(6,720.28)**		**-**
Total quoted Investments			**8,037.65**		**13,576.92**
II. Unquoted Investments (fully paid up)					
Investments in Equity Instruments					
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs)	1	562500	-	562500	-
Investments in Mutual Funds					
SBI Blue Chip Fund - Regular Plan - Growth	10	3692780	1,098.66	3692780	1,447.91
Kotak Std. Multicap Fund Growth (formerly Kotak Select Focus) Fund - Growth (Regular Plan)	10	4634850	1,251.87	4634850	1,644.34
Principal Emerging Blue Chip Fund - Regular Plan Growth	10	1327857	1,082.87	1327857	1,382.96
L&T India Value Fund - Growth	10	1246296	308.56	1246296	450.40
Franklin Build India Fund - Growth	10	3891078	1,075.11	3891078	1,666.32
Franklin India Smaller Companies Fund - Growth	10	411175	138.80	411175	226.29
Nippon India Large Cap Fund - Growth option	10	2896402	699.94	2896402	1,026.81
Tata Equity P/E Fund Regular Plan-Growth	10	697682	685.64	697682	944.19
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	3054096	419.33	4289636	855.57
			6,760.78		**9,644.79**
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Less: Current portion disclosed under current investments			(18.95)		(18.85)
			-		**-**
Investments in Alternate Investment Fund					
Varanium Dynamic Fund	100	15503388	4,239.42	15503388	10,863.53
Total Unquoted Investments			**11,000.20**		**20,508.32**
Total non-current other investments (I + II)			**19,037.85**		**34,085.24**
Total non-current investments (8a + 8b + 8c)			**27,861.68**		**42,909.07**
Aggregate amount of quoted investments			8,037.65		13,576.92
Aggregate market value of quoted investments			8,037.65		13,576.92
Aggregate amount of unquoted investments			19,824.03		29,332.15
Aggregate amount of impairment in value of investments			60.75		60.75

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

8 (d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			6,720.28		-
II. Unquoted Investments (fully paid up)					
Investments in Venture Capital Funds					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Total current investments (I + II)			**6,739.23**		**18.85**
Aggregate amount of quoted investments			6,720.28		-
Aggregate market value of quoted investments			6,720.28		-
Aggregate amount of unquoted investments			18.95		18.85
Aggregate amount of impairment in value of investments			-		-
Summary of other investments					
Non-current investments			19,037.85		34,085.24
Current investments			6,739.23		18.85
Total			**25,777.08**		**34,104.09**
Category-wise other investments - as per Ind AS 109 classification:					
Investments carried at fair value through profit or loss			25,777.08		34,104.09
Total			**25,777.08**		**34,104.09**

Notes:

1) The Company has pledged certain mutual fund investments having carrying amount of ₹ 14,639.33 lakhs against the borrowings of a fellow subsidiary (see Note 38).

2) The Company has pledged certain mutual fund investments having carrying amount of ₹ 5,226.17 lakhs against a term loan (see Note 37).

9. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Security deposits	733.65	683.88
Total	**733.65**	**683.88**
Current		
Inter-corporate deposits/loans to others (see Note 49)		
- Considered good	3,596.00	3,664.90
Security deposits	477.44	340.00
Total	**4,073.44**	**4,004.90**

*On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Non-current bank balances (from Note 16)	29.02	3.53
Derivative financial assets	859.27	742.66
Total	**888.29**	**746.19**
Current		
Other receivables		
- from related parties (including interest on capital advance of ₹ 4,325.34 (previous year Nil) - (see Note 46)	5,271.54	152.84
- from others	25.49	91.45
Total	**5,297.03**	**244.29**

11. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Income tax paid (net of provisions)	1,629.86	20,505.88
Total	**1,629.86**	**20,505.88**

Current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current tax assets (net)	30,690.72	-
Total	**30,690.72**	**-**

12. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Capital advances		
to related parties (see Note 46)	87,188.58	-
to others	5,578.25	3,143.29
	92,766.83	3,143.29
Security deposits with Government authorities	261.70	311.48
Prepayments - leasehold land (see Note 43)	-	4,409.98
Prepayments - others	11.96	29.39
Total	**93,040.49**	**7,894.14**
Current		
Advance to suppliers		
Considered good		
to related parties (see Note 46)	2,016.33	863.98
to others	3,205.72	6,152.88
	5,222.05	**7,016.86**
Considered doubtful	59.04	59.04
	5,281.09	**7,075.90**
Allowance for doubtful advances	(59.04)	(59.04)
	5,222.05	**7,016.86**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

12. Other assets (Contd..)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Electricity duty and custom duty refund claimed	270.28	1,597.73
Balance with government authorities:		
Balance in excise, service tax, VAT and GST accounts	1,718.21	1,329.40
Other advances	156.04	122.35
Prepayments - leasehold land (see Note 43)	-	50.57
Prepayments - others	885.26	334.20
Total	**8,251.84**	**10,451.11**

13. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Raw materials	19,695.56	17,528.80
Work-in-progress	6,216.65	7,855.11
Finished goods	25,995.96	16,846.64
Stock in trade	4.18	17.90
Stores and spares	10,196.97	9,323.41
Others		
- Fuel	2,990.36	443.46
- Packing materials	622.54	850.07
- By products	140.31	165.97
Total	**65,862.53**	**53,031.36**

Notes:

(i) The cost of inventories recognised as an expense includes ₹ 2130.84 Lakhs in respect of write downs of inventory to net realisable value.

(ii) The mode of valuation of inventories has been stated in Note 3.13

14. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current		
Considered good	63,964.99	65,729.56
Trade receivables which have significant increase in credit risk	46.55	19.01
Trade receivables - credit impaired	539.43	377.31
	64,550.97	66,125.88
Provision for expected credit loss and Impairment	(585.98)	(396.32)
Total	**63,964.99**	**65,729.56**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

15. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Balances with banks in current accounts (**)	971.04	3,118.39
Cash on hand	11.46	5.35
Total	**982.50**	**3,123.74**

(**) as at 31st March, 2019 - ₹ 1 Lakh

16. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Bank deposits with original maturity of more than 12 months	29.27	3.53
	29.27	**3.53**
Amount disclosed under Note 10 - Other non-current financial assets	(29.02)	(3.53)
Total	**0.25**	**-**

Other bank balances includes ₹ 21.11 lakhs (previous year Nil) margin money deposits kept as security against bank guarantee.

17. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorized		
20,00,00,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	2,000.00	1.00
Issued, subscribed and fully paid up		
10,98,50,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	1,098.50	1.00
Total	**1,098.50**	**1.00**

17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31st March, 2020	Nos.	(₹ in Lakhs)
At the beginning of the year	1,00,000	1.00
Movement during the year ended 31st March, 2020 pursuant to demerger (see Note 1 and 50)		
Shares issued during the year	10,98,50,000	1,098.50
Shares cancelled during the year	(1,00,000)	(1.00)
At the end of the year	10,98,50,000	1,098.50

As at 31st March, 2019	Nos.	(₹ in Lakhs)
Shares issued during the year	1,00,000	1.00
At the end of the year	1,00,000	1.00

17.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

* see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

17.3 Shares held by holding company

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	577.64
As at 31st March, 2019		
GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	1,00,000	1.00

17.4 Details of shareholders holding more than 5% shares in the Company

Particulars	Nos.	holding %
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
Meenu Bhanshali	54,95,182	5.00%
As at 31st March, 2019		
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) (including shares held through nominee shareholders)	1,00,000	100.00%

17.5 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company has issued 10,98,50,000 fully paid-up equity share of ₹ 1 each, pursuant to the Scheme of demerger to the shareholders of the demerged company (see Note 50)

18. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019	As at 31st March, 2019
Capital reserves	12,547.50	12,547.50	-
General reserve	320,000.00	320,000.00	-
Cash flow hedge reserve	(53.88)	84.98	-
Retained Earnings	35,649.96	16,725.06	(1.25)
Total	**368,143.58**	**349,357.54**	**(1.25)**

18.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
On account of demerger (see Note 1 and 50)		
Transferred pursuant to demerger	12,827.46	-
Cancellation of existing share capital	1.00	-
Adjusted as per the scheme of demerger	(280.96)	-
Balance at the end of the year	**12,547.50**	**-**

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismanteling of plant, unless otherwise used, as stipulated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

18.2 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Transferred pursuant to demerger (see Note 1 and 50)	320,000.00	-
Balance at the end of the year	**320,000.00**	**-**

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

18.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Transferred pursuant to demerger (see Note 1 and 50)	84.98	-
Other comprehensive income for the year, net of income tax	(138.86)	-
Balance at the end of the year	**(53.88)**	**-**

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedge. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non -financial hedged item, or when it becomes ineffective.

18.4 Retained Earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(1.25)	-
Transferred pursuant to demerger (see Note 1 and 50)	16,726.31	-
As at 1st April 2019	16,725.06	-
Profit/(loss) for the period/year	18,994.75	(1.25)
Other comprehensive income for the year, net of income tax	(69.85)	-
Balance at the end of the year	**35,649.96**	**(1.25)**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

19. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	8,204.66	12,737.93
- Rupee loans	52,318.56	9,530.28
(b) From others - rupee loans	4,558.43	116.05
	65,081.65	**22,384.26**
Less: Disclosed under Note 20 : Other current financial liabilities		
(i) Current maturities	18,276.52	6,414.39
(ii) Interest accrued	366.15	73.33
Total	**46,438.98**	**15,896.54**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 37.

*See Note 1 & 2.3

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Premium payable on option contracts	70.97	149.70
Creditors for capital expenditure	958.74	-
Lease liabilities (See Note 43)	45.72	-
Total	**1,075.43**	**149.70**
Current		
Current maturities of long term borrowings (see Note 19)	18,276.52	6,414.39
Interest accrued	705.38	341.65
Creditors for capital expenditure (**)	6,750.36	4,893.17
Derivative financial liabilities	82.82	107.51
Security deposits	547.44	531.91
Employees dues payable	3,076.78	2,904.12
Expenses payables (***)	6,021.33	5,628.34
Premium payable on option contracts	78.73	107.02
Lease liabilities (See Note 43)	84.27	-
Total	**35,623.63**	**20,928.11**

** Includes dues to micro enterprises and small enterprises (See Note 42).

*** As at 31st March, 2019 - ₹ 1.25 lakhs.

21. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	1,729.56	1,346.67
- for Compensated absences	793.33	613.35
Total	**2,522.89**	**1,960.02**
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	555.01	493.19
- for Compensated absences	810.79	761.00
Total	**1,365.80**	**1,254.19**

22. Deferred tax assets/(liabilities)

22.1 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	As at 1st April, 2019 on demerger (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31st March, 2020
Property, plant and equipment	(36,410.73)	(4,426.70)	-	-	(40,837.43)
Expenses allowable on payment basis	174.45	263.76	-	-	438.21
Allowance for doubtful trade receivables and expected credit losses	138.49	66.28	-	-	204.77
Effect of measuring financial instruments at fair value	(125.44)	125.44	-	-	-

*see Note 1 and 2.3

22.1 The major components of deferred tax assets/(liabilities) in relation to : (Contd..)

(₹ in Lakhs)

Particulars	As at 1st April, 2019 on demerger (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31st March, 2020
Effect of measuring derivative instruments at fair value	(94.05)	(33.56)	74.58	-	(53.03)
Expenses allowable in subsequent years	-	727.97	-	-	727.97
Gratuity and leave benefits	1,123.17	198.18	37.52	-	1,358.87
Others	-	2.16	-	-	2.16
	(35,194.11)	**(3,076.47)**	**112.10**	**-**	**(38,158.48)**
MAT credit entitlement	66,720.12	2,985.40	-	(8,239.48)	61,466.04
Net Deferred tax assets/(liabilities)	**31,526.01**	**(91.07)**	**112.10**	**(8,239.48)**	**23,307.56**

* See Note 1

22.2 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April 2019. The assets of the demerged Chemical Business Undertaking include MAT credit entitlement of ₹ 69705.52 lakhs (comprising of ₹ 66720.12 as at 1st April 2019 and ₹ 2985.40 lakhs recognised during the year, see Note 36.2). The said MAT credit is transferred to the Company as per the aforesaid Scheme which is approved by Hon'ble NCLT. On the basis of legal position available, it is concluded by the management that the Company is entitled to utilise this MAT credit.

23. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Unsecured		
(a) From banks		
(i) Foreign currency loans		
- Packing credit /Buyers credit/Import finance	33,887.44	32,302.58
(ii) Rupee loan		
- Short term / working capital demand loans	58,918.38	16,071.91
- Cash credit / overdraft	8,430.46	-
- Packing credit	1,800.00	-
- Commercial papers	-	12,388.11
	103,036.28	**60,762.60**
(b) From others		
- Commercial papers	-	8,850.93
	103,036.28	**69,613.53**
Less: Interest accrued disclosed under Note 20 : Other current financial liabilities	339.23	268.32
Total	**102,697.05**	**69,345.21**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 37.

(iii) Maximum balance of Commercial papers during the year was ₹ 39,000 Lakhs.

*See Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

24. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see Note 42)	82.63	0.85
- total outstanding dues of creditors other than micro enterprises and small enterprises	33,891.74	21,908.02
Total	**33,974.37**	**21,908.87**

25. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Advances from customers	847.15	318.22
Statutory dues and taxes payable	707.05	601.21
Total	**1,554.20**	**919.43**

26. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current tax liabilities (net of payments)	1,167.75	262.37
Total	**1,167.75**	**262.37**

27. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Revenue from contracts with customers		
Sale of products	247,177.04	272,384.34
(b) Other operating revenue	2,461.84	670.51
Total	**249,638.88**	**273,054.85**

27.1 Disaggregated revenue information

For FY 2019-20

(₹ in Lakhs)

Particulars.	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	14,610.99	28.53	1,201.04	28,030.83	43,871.39
Caustic Soda	35,200.68	-	-	-	35,200.68
Chloromethane	30,462.73	-	-	-	30,462.73
Poly Tetrafluoroethylene (PTFE)	23,178.88	32,010.41	21,456.57	16,019.29	92,665.15
Other products	17,198.10	13,675.24	4,800.45	9,303.30	44,977.09
Total	**120,651.38**	**45,714.18**	**27,458.06**	**53,353.42**	**247,177.04**

*see Note 1 and 2.3

27.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Trade receivables	63,964.99
Contract liabilities - advance from customers	847.15

During the year ended 31st March 2020, the Company has recognized revenue of ₹ 290.06 lakhs arising from opening contract liabilities transferred pursuant to demerger (see Note 1 and 50).

27.3 Performance obligation

There are no remaining performance obligations as at the end of the year. For this purpose, as permitted under Ind AS 115, the transaction price allocated to contracts for original expected duration of one year or less are not considered.

27.4 Reconciliation of gross revenue with revenue from contracts with customers

(₹ in Lakhs)

Particulars	2019-2020
Gross revenue	248,479.28
Less: Discounts, rebates etc.	1,302.24
Net revenue recognised from contracts with customers	**247,177.04**

28. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Interest income		
(I) On financial assets using effective interest method:		
- on fixed deposits with banks	4.45	21.81
- on Inter-corporate deposits and loans	301.71	309.25
(II) Other interest income		
- on income tax refunds	11,969.46	3,609.97
- on capital advances	4,805.93	-
- other interest	20.43	9.14
	17,101.98	3,950.17
(b) Other non-operating income		
Allowance for doubtful trade receivables reversed	-	18.64
Liabilities and provisions no longer required, written back	232.07	351.43
Rental income from operating leases	564.32	634.10
Miscellaneous income	458.17	185.99
	1,254.56	1,190.16
(c) Other gains and losses		
Net gain on foreign currency transactions and translation	3,412.49	2,570.64
Net gain on fair value changes in derivatives classified at FVTPL	354.74	674.84
Net gain on retirement/disposal of property, plant and equipment	3.43	0.30
	3,770.66	3,245.78
Total	**22,127.20**	**8,386.11**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

29. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Raw materials consumed	85,686.81	83,980.42
Packing materials consumed	9,005.21	9,414.22
Total	**94,692.02**	**93,394.64**

30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Opening inventories		
Finished goods	16,846.64	9,767.90
Stock-in-trade	17.90	10.22
Work-in-progress	7,855.11	3,207.97
By-products	165.97	151.95
	24,885.62	**13,138.04**
Less : Closing inventories		
Finished goods	25,995.96	16,846.64
Stock-in-trade	4.18	17.90
Work-in-progress	6,216.65	7,855.11
By-products	140.31	165.97
	32,357.10	**24,885.62**
(Increase) / Decrease in stock	**(7,471.48)**	**(11,747.58)**

31. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Salaries and wages	16,804.91	14,873.57
Contribution to provident and other funds	847.10	664.44
Gratuity	425.66	351.12
Staff welfare expenses	582.91	623.27
Total	**18,660.58**	**16,512.40**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

32. Net loss on fair value changes in investments classified at FVTPL

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Net loss on fair value changes in Investment classified at FVTPL	8,158.23	3,664.33
Total	**8,158.23**	**3,664.33**
Note: Realised (gain) / loss on sale of investments	119.23	(2,643.24)

33. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	8,483.34	4,501.09
b) Interest on lease liabilities - (see Note 43)	16.97	-
c) Interest on income tax	12.00	38.00
d) Other interest expenses	91.58	125.04
	8,603.89	**4,664.13**
(B) Net foreign exchange loss on borrowings (considered as finance costs)	1,480.62	855.19
(C) Other borrowing costs	53.34	51.35
Total	**10,137.85**	**5,570.67**

34. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Depreciation on property, plant and equipment	16,694.62	15,340.64
Depreciation on right-of-use assets - (see Note 43)	153.07	-
Depreciation on Investment property	21.27	21.27
Amortisation of intangible assets	737.65	799.82
Total	**17,606.61**	**16,161.73**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

35. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Stores and spares consumed	9,902.37	9,183.81
Freight	6,105.40	7,898.71
Insurance	1,195.76	600.22
Indirect tax expenses	563.51	289.77
Production labour charges	2,976.15	2,651.92
Processing charges	514.83	492.93
Factory expenses	1,745.96	837.66
Repairs to		
- Buildings	659.68	489.14
- Plant and equipments	5,926.27	5,083.65
- Others	678.08	562.18
	7,264.03	**6,134.97**
Directors' sitting fees	17.00	8.80
Commission to non-executive director	417.46	692.34
Rates and taxes	610.28	548.61
Travelling and conveyance	1,792.33	1,876.84
Communication expenses	151.05	172.62
Legal and professional fees and expenses	4,122.31	4,041.43
Rent, lease rentals and hire charges	1,790.83	1,527.15
Allowance for doubtful trade receivables and expected credit loss	189.66	-
Bad debts and remission	-	0.14
Commission	252.30	230.06
Royalty	1,687.27	1,110.73
Miscellaneous expenses	6,089.66	4,388.13
Total	**47,388.16**	**42,686.84**

Other expenses for the year ended 31st March, 2019 - ₹ 1.25 lakhs

Donation to Electoral Trust and political party

During the year the Company has given a donation of ₹ 1,200 Lakhs to a Electoral Trust and ₹ 15 Lakhs to Bhartiya Janata Party. The same is included in miscellaneous expenses above.

36. Tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
(i) Income tax recognized in Statement of Profit and Loss		
Current Tax:		
In respect of current year	13,922.00	-
In respect of earlier years	(705.33)	-
	13,216.67	**-**
Deferred Tax		
In respect of current year	507.32	-
In respect of earlier years	(416.25)	-
	91.07	**-**
	13,307.74	**-**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

36. Tax expense (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
(ii) Income tax recognized in Other Comprehensive Income		
Deferred tax on remeasurement of defined benefit plans	(37.52)	-
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	(74.58)	-
	(112.10)	**-**
Total Tax expense	**13,195.64**	**-**

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
Profit/(loss) before tax	32,302.49	(1.25)
Income tax using the Company's domestic tax rate @ 34.944% (2018-19: 34.944%)	11,287.78	(0.44)
Effect of expenses that are not deductible in determining taxable profits	456.81	0.44
Effect of income that is taxed at special rates	(4.82)	-
Effect of loss on fair value of investments on which deferred tax asset is not recognised	2,683.71	-
Others (net)	5.84	-
	14,429.32	-
Taxation pertaining to earlier years	(1,121.58)	-
Tax expense as per the Statement of Profit and Loss	**13,307.74**	**-**

The tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

36.2 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April, 2019. After recording the assets and liabilities, acquired on demerger, at book values, the Company has reassessed and recomputed the deferred tax assets/liabilities which has resulted in increase in deferred tax liability by ₹ 2,591.39 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which is charged to the statement of profit and loss and included in 'tax pertaining to earlier periods'. Further, on receipt of ITAT orders during the year, the Company is entitled to net incremental tax benefit of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which is also included in 'tax pertaining to earlier periods'.

37. Nature of securities and terms of repayment

37.1 The terms of repayment of secured term loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	2,518.17	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,221.31	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(b)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.1 The terms of repayment of secured term loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
4	Mizuho Bank Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	8,312.50	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	95.23	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)
7	Kotak Mahindra Bank Limited	Rupee Loan	7,500.00	Quarterly repayment, final maturity on 30th August, 2021	3M MCLR + 0.05% p.a.	(f)
8	Kotak Mahindra Bank Limited	Rupee Loan	6,250.00	Quarterly repayment, final maturity on 31st August, 2021	3M MCLR + 0.05% p.a.	(f)
9	HDFC Bank Ltd	Rupee Loan	29,913.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(g)
10	Axis Finance Ltd	Rupee Loan	4,462.50	Bullet repayment at the end of 24 months from the date of first disbursement, maturity on 16th November, 2021	12M MCLR + 0.90% p.a.	(h)

As on 1st April, 2019 (see Note 1 and 50)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	3,073.28	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,490.54	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	9,500.00	Quarterly repayment, final maturity on 19th March, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	115.21	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)

Notes:

a) **ICICI Bank Limited:** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/mortgage/hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.

b) **The Hongkong and Shanghai Banking Corporation Limited:** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation, is secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

c) **Mizuho Bank Limited:** The foreign currency term loan from Mizuho Bank Limited, is secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

d) **Kotak Mahindra Bank Limited:** The term loan from Kotak Mahindra Bank Limited, is secured by way of first and exclusive charge by way of hypothecation of movable fixed assets pertaining to Chloralkali Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

e) **Daimler Financial Services India Pvt. Limited:** The vehicle loan from Daimler Financial Services India Pvt. Ltd, is secured by way of hypothecation of vehicle.

f) **Kotak Mahindra Bank Limited:** The working capital term loan from Kotak Mahindra Bank Limited, is secured by way of first charge of hypothecation of movable fixed assets pertaining to A & H Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

g) **HDFC Bank Limited:** The term loan from HDFC Bank Ltd, is secured by way of exclusive first charge of hypothecation of specific tangible movable assets pertaining to CMS, CACL2 & TFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

h) **Axis Finance Limited:** The term loan from Axis Finance Ltd, is secured by way of first charge of lien on FMP/other select debt mutual funds of the Company.

In respect of the secured loans transferred to the Company pursuant to demerger, the process of transfer of charges is in progress.

37.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	Yes Bank Limited	Foreign Currency Loan - Import Finance	1,352.84	Repayment range from 13th April, 2020 to 9th July, 2020	Interest range from 6M LIBOR + 0.20% to 6 M LIBOR + 0.83%
2.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	9,511.99	Repayment range from 7th April, 2020 to 26th June, 2020	Interest range from 6M LIBOR + 0.30% to 6 M LIBOR + 0.85%
3.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	2,243.60	Repayment range from 4th June, 2020 to 28th August, 2020	Interest range from 6M LIBOR + 0.25% to 6M LIBOR + 1.50%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
4.	RBL Bank Limited	Foreign Currency Loan - Import Finance	3,540.24	Repayment range from 6th July, 2020 to 25th August, 2020	Interest range from 6M LIBOR + 0.46% to 6M LIBOR + 0.84%
5.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,315.24	Repayment range from 17th April, 2020 to 25th September, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 1.15%
6.	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,486.87	Repayment on 10th June, 2020	Interest 6M EURIBOR + 0.70%
7.	BNP Paribas	Foreign Currency Loan - Packing Credit	3,315.82	Repayment range from 8th April, 2020 to 22nd April, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.88%
8.	BNP Paribas	Rupee Loan - Packing Credit	1,800.00	Bullet repayment on 2nd September, 2020	7.80% p.a.
9.	BNP Paribas	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 2nd May, 2020	7.92% p.a.
10.	BNP Paribas	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 12th May, 2020	7.89% p.a.
11.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 6th July, 2020	1M MCLR + 0.05% p.a.
12.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 11th September, 2020	1M MCLR + 0.20% p.a.
13.	HDFC Bank Limited	Rupee loan - Short term working capital	2,000.00	Bullet repayment on 12th June, 2020	1M MCLR + 0.15% p.a.
14.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Bullet repayment on 15th May, 2020	1M MCLR + 0.10% p.a.
15.	HDFC Bank Limited	Rupee loan - Short term working capital	3,000.00	Bullet repayment on 23rd June, 2020	1M MCLR
16.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Repayment of ₹ 2,875.75 Lakhs on 30th April, 2020 Repayment of ₹ 1,124.25 Lakhs on 16th May, 2020	1M MCLR
17.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 13th July, 2020	8.10% p.a.
18.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 17th July, 2020	8.10% p.a.
19.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 4th September, 2020	8.10% p.a.
20.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
21.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
22.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	500.00	Bullet repayment on 28th May, 2020	8.35% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
23.	DBS Bank India Ltd	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 5th May, 2020	8.70% p.a.
24.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	925.17	Bullet repayment on 8th August, 2020	3M MCLR + 0.80% p.a.
25.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	3,276.15	Bullet repayment on 15th August, 2020	3M MCLR + 0.80% p.a.
26.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	1,798.68	Bullet repayment on 22nd August, 2020	3M MCLR + 0.80% p.a.
27.	RBL Bank Ltd	Rupee loan - Short Term Loan	500.00	Bullet repayment on 3rd September, 2020	10.30% p.a.
28.	RBL Bank Ltd	Rupee loan - Short Term Loan	700.00	Bullet repayment on 6th May, 2020	10.30% p.a.
29.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 6th June, 2020	9.50% p.a.
30.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	1,500.00	Bullet repayment on 12th June, 2020	9.50% p.a.
31.	BNP Paribas	Rupee loan - Cash Credit	2,507.57	Daily working capital Limit / cash Credit	Overnight MCLR
32.	HDFC Bank Ltd	Rupee loan - Cash Credit	1,239.36	Daily working capital Limit / cash Credit	1Y MCLR + 0.40% p.a.
33.	Kotak Mahindra Bank	Rupee loan - Cash Credit	2327.42	Daily working capital Limit / cash Credit	6M MCLR
34.	ICICI Bank Ltd	Rupee loan - Cash Credit	2356.10	Daily working capital Limit / cash Credit	6M MLCR + 0.90% p.a.

As on 1st April, 2019 (See Note 1 and 50)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	ICICI Bank Limited	Rupee loan - Commercial Paper	4,957.09	Bullet repayment on 13th May, 2019	7.60% p.a.
2.	ICICI Bank Limited	Rupee loan - Commercial Paper	7,431.02	Bullet repayment on 16th May, 2019	7.60% p.a.
3.	Invesco Mutual Fund	Rupee loan - Commercial Paper	8,850.93	Bullet repayment on 20th June, 2019	7.70% p.a.
4.	Yes Bank Limited	Foreign Currency Loan - Import Finance	13,529.83	Repayment range from 2nd April, 2019 to 20th September, 2019	Interest range from 6M LIBOR + 0.32% to 6 M LIBOR + 0.87%
5.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	6,374.43	Repayment range from 2nd April, 2019 to 23rd September, 2019.	Interest range from 6M LIBOR + 0.40% to 6 M LIBOR + 0.90%
6.	HSBC Limited	Foreign Currency Loan - Import Finance	1,962.42	Repayment range from 5th April, 2019 to 24th June, 2019	Interest range from 6M LIBOR + 1.00%

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for the year ended 31st March, 2020

As on 1st April, 2019 (See Note 1 and 50) (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
7.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	970.17	Repayment range from 11th July, 2019 to 27th August, 2019	Interest range from 6M LIBOR + 0.48%
8.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	7,717.97	Repayment range from 9th April, 2019 to 13th August, 2019	Interest range from 6M EURIBOR + 0.50% to 6M EURIBOR + 0.80%
9.	HSBC Limited	Foreign Currency Loan - Packing Credit	1,551.35	Bullet repayment on 10th April, 2019	Interest range from 6M EURIBOR + 0.65%
10.	HDFC Bank Limited	Rupee loan - Short Term Loan	3,000.00	Bullet repayment on 24th April, 2019	8.55% p.a.
11.	HDFC Bank Limited	Rupee loan - Short Term Loan	2,500.00	Bullet repayment on 10th June, 2019	8.65% p.a.
12.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 26th April, 2019	8.28% p.a.
13.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 19th July, 2019	8.75% p.a.
14.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 6th April, 2019	8.60% p.a.
15.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 26th April, 2019	8.30% p.a.

38. Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019 (*)
a In respect of Excise duty matters –	3,612.94	3,794,.67
This includes:		
i. Demands for which the Company has received various show cause notices regarding input credit on certain items and freight charges recovered from buyers for supply of goods at buyers' premises. The Company has filed the replies or is in the process of filing replies.	930.88	992.07
ii. Demands on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and credit transfer to Dahej Unit on inter unit transactions. The Company has filed appeals before CESTAT.	2,682.06	2,802.60
b In respect of Custom duty matter –	1,383.94	1,312.79
This includes:		
i. Demands for which the Company had received show cause notices regarding inadmissible EPCG benefit on consumables imported. The Company has filed replies in this regard.	11.82	11.82
ii. Demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeals before CESTAT and the matters are pending.	1,372.12	1,300.97

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

38. Contingent Liabilities: (Contd..)

(₹ in Lakhs)

	Particulars	As at 31st March, 2020	As at 1st April, 2019 (*)
	In respect of above Excise duty and Customs duty matters, the Company has paid an amount of ₹ 146.81 Lakhs (as at 1st April 2019 assumed on demerger: ₹ 187.00 Lakhs) and not charged to Statement of Profit and Loss.		
c	In respect of Sales tax matters –	95.82	171.18
	This includes:		
	i. Demands under VAT on account of disallowance of proportionate Input tax credit	18.00	101.64
	ii. Demands under CST on account of non-submission of C forms.	77.82	69.54
	The Company has filed appeals before appropriate appellate authorities against the said orders.		
d	Claims in respect of labour matters – amount is not ascertainable.		
e	Details of corporate guarantees given to banks and financial institutions for loans taken by a step-down subsidiary and fellow subsidiaries, lien on investments of the Company and working capital facilities of the Company used by fellow subsidiaries (see Note 46).	47,630.69	-
f	In respect of the Supreme Court judgement dated 28th February 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability, if any, in respect of earlier period cannot be ascertained. The Company has made a provision on a prospective basis from the date of the said order.		

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

(*) Contingent liabilities transferred and vested pursuant to demerger (see note 1 and 50)

39. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 9,263.41 Lakhs (₹ 46,503.74 Lakhs as at 1st April, 2019).

40. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' -comprising of Refrigeration gases, Caustic soda, Chloromethane, polytetrafluoroethylene (PTFE), Fluoropolymers, Fluoromonomers, Specialty Fluorointermediates, Specialty Chemicals and allied activities. Electricity generated by captive power plant is consumed in chemical business and not sold outside. Hence the Company is having only one reportable business segment under Ind AS 108 on "Operating segment". The information is further analysed based on the different classes of products.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

40.1 Breakup of revenue from operations

a) Product-wise breakup

(₹ in Lakhs)

Particulars	2019-20
a) Sale of products	
Refrigerant Gases	43,871.39
Caustic Soda (Caustic Soda Lye & Flakes)	35,200.68
Chloromethanes (Methylene Chloride, Chloroform, and Carbon Tetrachloride)	30,462.73
Poly Tetrafluoroethylene (PTFE)	92,665.15
Other products	44,977.09
	247,177.04
b) Other operating revenue	
Government grants	1,021.51
Sale of scrap	504.68
Others	935.65
	2,461.84
Total revenue from operations	**249,638.88**

b) Geographical breakup

(₹ in Lakhs)

Particulars	2019-20
India	123,113.22
Europe	45,714.18
USA	27,458.06
Rest of the world	53,353.42
Total	**249,638.88**

40.2 Information about major customers

There is no single external customers who contributed more than 10% to the Company's revenue during the financial year 2019-2020.

41. Earning/(loss) per share

Particulars	2019-2020	2018-2019
Profit/(loss) for the year (₹ in Lakhs)	18,994.75	(1.25)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	10,98,50,000	1,00,000
Nominal value of each share (in ₹)	1	1
Basic and Diluted Earnings per share (in ₹)	17.29	(1.25)

42. The particulars of dues to micro, small and medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Principal amount due to suppliers under MSMED Act, 2006 at the year end	
Trade payable	82.63
Payable towards capital expenditure	20.49
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.14
Payment made to suppliers (other than interest) beyond the appointed date during the year	391.29
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	2.36
Interest due and payable to suppliers under MSMED Act for payments already made	3.41
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end	3.55

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

43. Leases

A. Company as a lessee

(a) The Company's significant leasing arrangements are in respect of leasehold lands. The Company has also taken certain plants and commercial premises on lease.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 (transferred and vested with the Company on demerger - see Note 1 and 50) using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability. The Company is not required restate the comparative information.

(b) On transition to Ind AS 116, the opening balances in 'Prepayment - leasehold lands' (transferred and vested with the Company on demerger - see Note 1 and 50) are reclassifed as right-of-use assets.

The lease arrangements of the Company comprises of lease arrangments transferred and vested with the Company pursuant to demerger (see Note 1 and 50). The following is the summary of practical expedients elected on initial application of Ind AS 116:

1) Applied a single discount rate to a portfolio of leases with reasonably similar charactertistics.

2) Applied the exemption not to recognize right-of-use assets and liabilities for leases expiring within 12 months of lease term on the date of initial application.

3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified by the demerged company, as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10% p.a.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31st March, 2019, discounted to the present value at the date of initial application of Ind AS 116, and the value of the lease liability as at 1st April, 2019 (transferred and vested with the Company, pursuant to demerger), is on account of exclusion of short term leases.

The effect of adoption of Ind AS 116 on the line items in the financial statements, profit before tax, profit for the year and earnings per share is not significant. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(c) Particulars of right-of-use assets and lease liabilities

i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
On recognition and reclassification as at 1st April, 2019	4,460.55	177.45	48.85	4,686.85
Depreciation for the year	50.57	72.16	30.34	153.07
Balance as at 31st March 2020	**4,409.98**	**105.29**	**18.51**	**4,533.78**

ii. Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	2019-2020
On recognition as at 1st April, 2019	226.30
Interest on lease liabilities	16.97
Payment of lease liabilities	(113.28)
Balance as of 31st March, 2020	**129.99**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Maturity analysis - contractual undiscounted cash flows	
Less than one year	94.83
One to five years	47.07
More than five years	-
Total undiscounted lease liabilities	**141.90**

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	2019-2020
Interest on lease liabilities	16.97
Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases	107.67

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	2019-2020
Total cash outflow for leases	113.28

B. Company as a lessor

Operating leases relate to Investment Properties transferred and vested with the Company pursuant to demerger, with lease terms between 11 to 60 months and are usually renewable by mutual consent. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

As a lessor, the transition to Ind AS 116 'Leases' from Ind AS 17 'Leases' effective from 1st April, 2019 does not have any impact on the financial statements of the Company. The Company has used the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases, by the demerged company, and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March, 2020 are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Less than one year	403.96
One to five years	251.33
More than five years	-

44. Employee Benefits:

(a) Defined Contribution Plans:

The Company contributes to the Government managed provident & pension fund for all qualifying employees. Contribution to Provident fund of ₹ 846.39 Lakhs is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2020 by Mr. G N Agarwal, fellow member of the institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	1,839.85
Current Service Cost	304.57
Interest cost	121.09
Actuarial gains / (losses) on obligation:	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Benefits Paid/transferred	(88.31)
Present value of defined benefit obligation as at year end	**2,284.57**

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Current Service Cost	304.57
Interest expense	121.09
Amount recognized in profit & loss	**425.66**
Actuarial gains / (losses):	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Amout recognized in other comprehensive income	**107.37**
Total	**533.03**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee Attrition Rate	5.00%
Mortality: IALM (2012-14) Ultimate Mortality Table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically expose the company to actuarial risks such as interest rate risk and salary risk

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

(₹ in Lakhs)

Particulars - Impact on Present Value of defined benefit obligation	As at 31st March, 2020
if discount rate increased by 1%	(157.83)
if discount rate decreased by 1%	184.06
if salary escalation rate increased by 1%	175.47
if salary escalation rate decreased by 1%	(153.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Expected outflow in 1st Year	555.01
Expected outflow in 2nd Year	118.08
Expected outflow in 3rd Year	111.83
Expected outflow in 4th Year	112.38
Expected outflow in 5th Year	174.86
Expected outflow in 6th to 10th Year	822.57

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.55 years

(c) Other short term and long term employment benefits:

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 292.58 lakhs, which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee attrition rate	5.00%
Mortality: IALM (2012-14) Ultimate Mortality Table	

45. Financial instruments:

45.1 Capital management

The Company manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirement. The Company has complied with the financial convenants in respect of its borrowings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

The Company's risk management committee reviews the capital structure of the Company. As part of this review, the committee considers the cost of capital and risk associated with each class of capital. The Company has a target gearing ratio of less than 100 % determined as the proportion of net debt to equity.

45.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Total debt	1,68,117.93
Cash & bank balance	(990.66)
Net debt	1,67,127.27
Total equity	3,69,242.05
Net debt to equity Ratio	45.26%

Notes:

Debt is defined as Non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon.

Cash and bank balances include cash & cash equivalents and other bank balances (excluding margin money deposits).

45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2020
a) Financial assets	
Measured at fair value through profit or loss (FVTPL)	
(a) mandatorily measured as at FVTPL	
(i) Investments in mutual funds	21,518.71
(ii) Investments in venture capital funds	18.95
(iii) Investments in alternate investment fund	4,239.42
(b) Derivative instruments designated as Fair value hedge in hedge accounting	859.27
Sub total	**26,636.35**
Measured at amortised cost	
(a) Cash and bank balances	1,011.77
(b) Other financial assets at amortised cost	
(i) Trade receivables	63,964.99
(ii) Loans	4,807.09
(iii) Others	5,297.03
Sub total	**75,080.88**
Total financial assets	**101,717.23**
b) Financial liabilities	
Measured at amortised cost	
Borrowings	168,117.93
Trade payables	33,974.37
Other financial liabilities	17,625.22
Sub total	**219,717.52**
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	
Derivative instruments designated as cash flow hedge accounting relationship	82.82
Sub total	**82.82**
Total Financial liabilities	**219,800.34**

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.3 Financial risk management

The Company's corporate finance function provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Company doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

45.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates

2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues, imports of material/capital goods, services/royalty and borrowings etc. Exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps.

Foreign exchange transactions are covered within limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Company's approach to management of currency risk is to leave the Company with minimised residual risk.

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Liabilities	
USD	26,676.31
Euro	17,785.39
Others	38.86
Assets	
USD	20,681.54
Euro	15,260.08

45.5.1 Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Company.

45.5.1 Foreign Currency Sensitivity Analysis (Contd..)

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

(₹ in Lakhs)

USD impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	390.00
Impact on total equity as at the end of the reporting period	390.00

(₹ in Lakhs)

Euro impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	164.29
Impact on total equity as at the end of the reporting period	164.29

45.5.2 Forward Foreign Exchange Contracts

Company enters into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period included in Note 10 and Note 20 to the financial statements are as under:

Outstanding Contracts	Foreign currency	Exchange Rate	Foreign currency (USD in Lakhs)	Nominal amounts (₹ in Lakhs)	Fair Value derivative assets / (liabilities) (₹ in Lakhs)
Fair value hedges Principal only swaps (POS) contracts (Financial Assets)	USD	75.55	92.13	6,960.21	859.27

The line-items in the standalone balance sheet that include the above hedging instruments are 'other financial assets'.

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Company's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. The short term foreign currency borrowings are at fixed rate of interest. Certain rupee term loans and short term loans carry variable rate of interest.

45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities in foreign currency, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended 31st March, 2020 would decrease/increase by ₹ 89.73 Lakhs (net of tax). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

(₹ in Lakhs)

Interest Rate Swap Contracts outstanding	Average Contracted Fixed Interest Rate %	Notional Principal Value	Fair value derivative assets / (liabilities)
HSBC Bank	8.24%	2,221.02	(1.76)
MIZUHO Bank	8.24%	2,221.02	(1.76)
ICICI BANK	10.55%	2,518.17	(79.30)
1 to 5 years	-	**6,960.21**	**(82.82)**
Total		**6,960.21**	**(82.82)**
Balance in the cash flow hedge reserve (net of tax)			**(53.88)**

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the Standalone balance sheet that include the above hedging instruments are "Other financial assets"and "Other financial liabilities".

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The company is exposed to equity price risks arising from equity and equity based investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes and the Company does not actively trade these investments. In respect of debt mutual funds, the exposure to risk of changes in market rates is low since the underlying investments are debt instruments. The Company is exposed to price risk arising from investments in other equity based investments.

45.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for equity oriented investments at the end of the reporting period.

If equity prices had been 5% higher/lower, profit for the year ended 31st March, 2020 would increase/decrease by ₹ 485.94 Lakhs as a result of the change in fair value of equity investments which are designated as FVTPL.

45.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 90 days. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There is no external customer representing more than 10% of the total balance of trade receivables. All trade receivables are reviewed and assessed for default on a quarterly basis.

a) Trade receivables (Contd..)

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
less than 6 Months	0.05%
6 Months to 1 Year	1.00%
1-2 Years	2.00%
2-3 Years	3.00%
> 3 Years	5.00%

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger - see Note 1	19.01
Movement in expected credit loss allowance	27.54
Balance at the end of the year	**46.55**

b) Loans and other receivables

The Company applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

c) Other financial assets

Credit risk arising from balances with banks, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies. There are no collaterals held against such Investments.

45.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the committee of Board of Directors for operations, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.9.1 Liquidity and interest risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31st March, 2020				
Borrowings	121,628.06	39,542.99	6,946.88	168,117.93
Trade payables	33,974.37	-	-	33,974.37
Security deposits	547.44	-	-	547.44
Other payables	16,002.35	1,075.43	-	17,077.78
Derivative financial liablities	82.82	-	-	82.82
Total	**172,235.04**	**40,618.42**	**6,946.88**	**219,800.34**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities

45.10.1 Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at	Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1. Principal only swaps designated in hedge accounting relationships (Note 10)	Assets - ₹ 859.27 Lakhs and Liabilities Nil	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 20)	Assets - Nil and Liabilities ₹ 82.82 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3.Forward foreign currency contracts	NIL	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
4. Investments in Mutual Funds (Note 8(c) & 8(d))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 21,518.71 Lakhs	Level 1	Quoted prices in an active market	NA	NA
5.Investment in Venture Capital Funds (Note 8(c) & 8(d))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.95 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of investment in venture capital fund
6.Alternate Investment Funds (Note 8(c))	Alternate Investment Funds: aggregate fair value of ₹ 4,239.42 Lakhs	Level 1	Quoted prices in an active market	NA	NA

During the year, there were no transfers between Level 1, Level 2 and Level 3.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. Related Party disclosures

(A) Where control exists:

Holding company

Inox Leasing and Finance Limited - On demerger (see Note 1 and 50)

GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - Upto demerger, and subsequently classified as a fellow subsidiary (see Note 1 and 50)

Subsidiary companies (On demerger - see Note 1 and 50)

Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)

Gujarat Fluorochemicals GmbH, Germany

Gujarat Fluorochemicals Singapore Pte. Limited

GFL GM Fluorspar SA - subsidiary of GFL Singapore Pte. Limited

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Whole-time directors

Mr. V K Jain (also appointed as Managing Director w.e.f. 01.08.2019)

Mr. Sanath Kumar Muppirala (w.e.f. 28.04.2019)

Mr. Sanjay Borwankar (w.e.f 15.02.2020)

Mr. D K Sachdeva (upto 14.02.2020)

Mr. Anand Bhusari (upto 27.04.2019)

b) Non-executive directors

Mr. D K Jain

Mr. P K Jain

Mr. Deepak Asher

Mr. Shailendra Swarup

Mr. Om Prakash Lohia

Mr. Shanti Prasad Jain

Ms. Vanita Bhargava

Mr. Chandra Prakash Jain

Mr. Rajagopalan Doraiswami (upto 24.09.2019)

Enterprises over which a Key Management Personnel, or his relatives, have significant influence

Devansh Gases Private Limited

Devansh Trademart LLP

Inox India Private Limited

Inox Air Products Private Limited

Inox Chemicals LLP

Refron Valves Private Limited

Rajni Farms Private Limited

Siddhapavan Trading LLP

Siddho Mal Trading LLP

Swarup & Company

Fellow subsidiaries and their associates

GFL Limited (holding company upto demerger and subsequently a fellow subsidiary) - see Note 1 and 50

Subsidiaries of GFL Limited:

Inox Leisure Limited

Inox Wind Limited

Inox Renewables Limited

Subsidiaries of Inox Wind Limited:

Inox Wind Infrastructure Services Limited

Waft Renergy Private Limited

Subsidiaries of Inox Wind Infrastructure Services Limited:

Haroda Wind Energy Private Limited

Khatiyu Wind Energy Private Limited

Vigodi Wind Energy Private Limited

Ripudaman Urja Private Limited

Vasuprada Renewables Private Limited

Suswind Power Private Limited

Vibhav Energy Private Limited

Sri Pawan Energy Private Limited

Vuelta Wind Energy Private Limited

Tempest Wind Energy Private Limited

Ravapar Wind Energy Private Limited

Nani Virani Wind Energy Private Limited

Aliento Wind Energy Private Limited

Flurry Wind Energy Private Limited

Flutter Wind Energy Private Limited

Associates of Inox Wind Infrastructure Services Limited

Wind One Renergy Private Limited

Wind Two Renergy Private Limited

Wind Three Renergy Private Limited

Wind Four Renergy Private Limited

Wind Five Renergy Private Limited

Particulars of transactions during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
A) Transactions during the year					
Sale of Goods					
Inox Air Products Private Limited				1.39	1.39
GFL Americas LLC	27,527.39				27,527.39
GFL GmbH, Germany	20,935.89				20,935.89
Refron Valves Limited				0.08	0.08
Total	**48,463.28**			**1.47**	**48,464.75**
Sales return					
GFL Americas LLC	633.30				633.30
GFL GmbH, Germany	918.76				918.76
Total	**1,552.06**				**1,552.06**
Purchase of Power					
Inox Wind Limited		284.68			284.68
Total		**284.68**			**284.68**
Purchase of Assets					
Inox Wind Limited		2,062.02			2,062.02
Total		**2,062.02**			**2,062.02**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Purchase of Goods					
Inox Air Products Private Limited				1,319.51	1,319.51
Inox India Private Limited				3,755.60	3,755.60
Refron Valves Private Limited				0.24	0.24
GFL GM Fluorspar SA	3,132.10				3,132.10
GFL Americas LLC	171.74				171.74
Total	**3,303.84**			**5,075.35**	**8,379.19**
Purchase of Services					
Inox India Private Limited				13.78	13.78
Total				**13.78**	**13.78**
Purchase of Movie Tickets					
Inox Leisure Limited		8.87			8.87
Total		**8.87**			**8.87**
Interest income (on capital advances)					
Inox Wind Infrastructure Services Limited		962.65			962.65
Inox Wind Limited		3,843.28			3,843.28
Total		**4,805.93**			**4,805.93**
Advances given towards purchases of goods					
GFL GM Fluorspar SA	2,016.33				2,016.33
Total	**2,016.33**				**2,016.33**
Advances given towards purchases of assets					
Inox Wind Limited		70,439.60			70,439.60
Inox Wind Infrastructure Services Limited		16,748.98			16,748.98
Total		**87,188.58**			**87,188.58**
Guarantee given					
GFLGM Fluorspar SA	4,337.53				4,337.53
Inox Wind Infrastructure Services Limited		41,793.16			41,793.16
Inox Wind Limited		1,500.00			1,500.00
Total	**4,337.53**	**43,293.16**			**47,630.69**
Reimbursement of expenses (paid)/Payments made on behalf of the Company					
GFL Americas LLC	63.94				63.94
GFL GmbH, Germany	11.49				11.49
Devansh Gases Private Limited				7.32	7.32
Total	**75.43**			**7.32**	**82.75**
Reimbursement of expenses (received)/Payments made on behalf by the Company					
Inox Leisure Limited		8.08			8.08
Inox Renewables Limited		8.23			8.23
Inox Wind Limited		159.53			159.53

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for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
GFL GM Fluorspar SA	22.35				22.35
Inox Air Products Private Limited				5.38	5.38
GFL GmbH, Germany	0.69				0.69
GFL Americas LLC	0.11				0.11
Inox Wind Infrastructure Services Limited		359.99			359.99
GFL Limited		114.83			114.83
Total	**23.15**	**650.66**		**5.38**	**679.19**
Guarantee Commission Income					
Inox Wind Infrastructure Services Limited		328.38			328.38
GFL GM Fluorspar SA	50.88				50.88
Total	**50.88**	**328.38**			**379.26**
Rent Received					
Inox Air Products Private Limited				75.19	75.19
Inox Wind Limited		72.39			72.39
Inox Leisure Limited		29.69			29.69
Others		3.30		0.72	4.02
Total		**105.38**		**75.91**	**181.29**
Rent paid					
Inox Air Products Private Limited				1.00	1.00
Devansh Gases Private Limited				24.00	24.00
Mr. D K Sachdeva			1.05		1.05
Total			**1.05**	**25.00**	**26.05**
O&M Charges & Lease Rents paid					
Inox Air Products Private Limited				200.85	200.85
Inox Wind Infrastructure Services Limited		487.25			487.25
Total		**487.25**		**200.85**	**688.10**
Particulars of transactions during the period ended 31st March, 2019					
Shares issued					
GFL Limited		1.00			1.00
Total		**1.00**			**1.00**
Reimbursement of expenses paid					
GFL Limited		0.41			0.41
Total		**0.41**			**0.41**
Rent paid					
GFL Limited		0.09			0.09
Total		**0.09**			**0.09**

Note: The above amounts are exclusive of duties and taxes, wherever applicable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Enterprises over which KMP or their relatives have significant influence	Total
Amounts payable				
GFL Americas LLC	252.07			252.07
GFL GmbH, Germany	5.23			5.23
Inox India Private Limited			203.49	203.49
Refron Valves Private Limited			0.17	0.17
Inox Air Products Private Limited			224.05	224.05
Inox Wind Infrastructure Services Limited		150.21		150.21
Inox Wind Limited		2,663.88		2,663.88
Total	**257.30**	**2,814.09**	**427.71**	**3,499.10**
Amounts Receivable				
a) Trade / Other receivables				
GFL Americas LLC	8,615.46			8,615.46
GFL GmbH, Germany	10,657.05			10,657.05
Inox Leisure Limited		3.70		3.70
Inox Renewables Limited		19.61		19.61
Inox Wind Infrastructure Services Limited		1,260.64		1,260.64
GFL GM Fluorspar SA	210.76			210.76
GFL Limited		114.83		114.83
Inox Wind Limited		3,652.61		3,652.61
Others		14.44		14.44
Total	**19,483.27**	**5,065.83**		**24,549.10**
b) Advances for purchase of goods				
GFL GM Fluorspar SA	2,016.33			2,016.33
Total	**2,016.33**			**2,016.33**
c) Advances for purchase of assets				
Inox Wind Limited		70,439.60		70,439.60
Inox Wind Infrastructure Services Limited		16,748.98		16,748.98
Total		**87,188.58**		**87,188.58**
d) Guarantees				
GFL GM Fluorspar SA	4,337.53			4,337.53
Inox Wind Infrastructure Services Limited		41,793.16		41,793.16
Inox Wind Limited		1,500.00		1,500.00
Total	**4,337.53**	**43,293.16**		**47,630.69**
Particulars of amounts outstanding as at 31st March, 2019				
Amounts payable				
GFL Limited		0.50		0.50
Total		**0.50**		**0.50**

Compensation of Key Management Personnel during the year ended 31st March, 2020

Particulars	₹ in Lakhs
(i) Remuneration and commission	
Mr. V K Jain	717.90
Mr. D K Jain	417.46
Mr. D K Sachdeva	20.06
Mr. Anand Bhusari	10.96
Mr. Sanath Kumar Muppirala	72.33
Mr. Sanjay Borwankar	8.55
Total	**1247.26**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

Compensation of Key Management Personnel during the year ended 31st March, 2020 (Contd..)

Particulars	₹ in Lakhs
(ii) Director sitting fees	17.00
(iii) Professional fees	
Mr. Deepak Asher	180.00
Swarup & Co.	3.85
Total	**183.85**

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 23.23 lakhs included in the amount of remuneration reported above.

Notes

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31st March, 2020 for bad or doubtful trade receivables in respect of amounts owed by related parties.

47. Exceptional Items

(₹ in Lakhs)

Particulars	2019-2020
Expenses on demerger of Chemical Business Undertaking from GFL Limited (see Note 1 and 50)	2,604.05
Total	**2,604.05**

48. Payments to Auditor

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
As Statutory auditor	33.00	0.75
Audit of Subsidiary Companies	9.50	-
Tax Audit	14.50	-
For taxation matters	2.50	-
Certification	3.00	-
	62.50	**0.75**

Note:

(a) The above amounts do not include ₹ 22 lakhs for demerger and taxation related services rendered to GFL Limited (the demerged company) and borne by the Company.

(b) All amounts are exclusive of goods and service tax.

49. Disclosure required under section 186(4) of the Companies Act, 2013

Inter-corporate deposits/loans to others:

(₹ in Lakhs)

Particulars	Rate of Interest	Amount outstanding	
		As at 31st March, 2020	As at 1st April, 2019 (*)
Wearit Global Limited	10%	292.14	292.14
Castle Suppliers Private Limited	10%	2,725.00	2,725.00
Vista Mining Private Limited	10%	-	100.00
Uttam Fabricators	10%	-	125.00
Orion Technocraft Pvt Ltd	10%	-	100.00

The above inter-corporate deposits/loans are given for general business purpose and are repayable at call.

*See Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

50. Demerger of Chemical Business

The Scheme of Arrangement ("the Scheme") for the demerger of Chemical Business Undertaking from Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") to Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the resulting company" or "the Company") and the respective shareholders of the two companies, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 was approved by Honourable National Company Law Tribunal, (NCLT) Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 i.e. making the Scheme operative. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company. Further, in respect of the secured loans transferred to the Company, the process of transfer of charges is in progress.

The demerger is accounted as per 'pooling of interest' method in accordance with Appendix C of Ind AS 103 - Business Combinations, being common control business combination.

Accordingly, following effects are given in the books of account of the Company:

(i) All the assets and liablities pertaining to the Chemcial Business Undertaking, transferred to and vested in the Company, are recorded at their respective carrying values as appearing the books of the demerged company.

(ii) The Company has issued 10,98,50,000 fully paid-up equity shares of ₹ 1 each to the shareholders of the demerged company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company.

(iii) The pre-demerger shareholding of the demerged company in the Company comprising of 1,00,000 fully paid-up equity share of ₹ 1 each, are cancelled and the amount is credited to the capital reserve.

(iv) The identity of the reserves transferred by the demerged company is preserved and are carried in the same form and manner by the Company.

(v) The difference between the net assets transferred from the demerged company, and the aggregate of the fresh share capital issued by the Company and the reserves transferred by the demerged company, is adjusted against the Capital Reserve as under:

(₹ in Lakhs)

Particulars	Amount
Assets of the dermerged undertaking	483,079.48
Less: Liabilities of the demerged undertaking	(132,623.19)
Net assets of the dermerged undertaking (a)	350,456.29
Transferred reserves:	
Capital reserve	12,827.46
General reserve	320,000.00
Cash flow hedge reserve	84.98
Retained earnings	16,726.31
Total transferred reserves	349,638.75
Face value of fully paid-up equity shares issued to the shareholders of demerged company	1,098.50
Aggregate of transferred reserve and fresh issue of equity shares (b)	350,737.25
Net amount adjusted against the capital reserve (a) - (b)	(280.96)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Summary of the assets and liabilities of the Chemcial Business Undertaking, transferred and vested with the Company is as under:

(₹ in Lakhs)

Particulars	Amount
a) Assets transferred	
Property, plant & equipment	215,682.99
Capital work-in-progress	22,867.56
Investment property	1,032.00
Intangible assets	2,628.95
Financial assets	
Investments	
Investments in subsidiaries and joint venture	8,823.83
Other investments	34,104.09
Trade receivables	65,729.56
Cash & cash equivalents	3,122.74
Loans	4,688.78
Other financial assets	990.48
Inventories	53,031.36
Deferred tax assets (net)	31,526.01
Income tax assets (net)	20,505.88
Other assets	18,345.25
Total assets transferred	483,079.48
b) Liabilities transferred	
Financial liabilities	
Borrowings	85,241.75
Trade payables	21,908.87
Other financial liabilities	21,076.56
Provisions	3,214.21
Current tax liabilities	262.37
Other liabilities	919.43
Total liabilities transferred	132,623.19

See Note 2.3 for presentation of in the financial statements on account of demerger

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Consolidated Financial Statements

Independent Auditor's Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Fluorochemicals Limited** ("the Holding Company"), earlier known as Inox Fluorochemicals Limited, and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), and jointly controlled entity which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31 March 2020, the profit and total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. As described in the Note 2.2 of the consolidated financial statements, in preparation of these consolidated financial statements, the Company has considered the effect of uncertainties due to COVID-19 pandemic on the operations of the Group. The actual impact of COVID-19 pandemic may be different from that estimated as on the date of approval of the consolidated financial statements.

2. Commission of ₹ 417.46 lakhs to a non-executive director and payment of capital advance of ₹ 70,439.60 lakhs to a related party requires approval of the shareholders in the forthcoming Annual General Meeting of the Holding Company as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1.	**Business combination** As described in Note 1 and 50 to the consolidated financial statements, the Chemical Business Undertaking of GFL Ltd. is demerged and vested with the Holding Company w.e.f. 1st April 2019 as per the Scheme of Arrangement approved by NCLT and became effective on 16th July 2019. This has been identified as a key audit matter since it is a significant event, requiring compliances of the terms of the Scheme, accounting as per the relevant Ind AS and also complexities involved in the presentation in financial statements	To address this key audit matter, our audit procedures included the following: • Examination of the Scheme of Arrangement pursuant to which the demerger was carried out along with the regulatory approvals required for the Scheme of Arrangement to take effect; • Evaluation of the appropriateness of the accounting treatment followed by the Holding Company in this regard, including the adjustments given in the reserves and surplus, with reference to the Scheme, Ind AS 103: Business Combinations and the requirements of the accounting principles generally accepted in India; • Testing the adjustment given in the reserves and surplus for net assets transferred to the Holding Company; and • Examination the disclosures given in the consolidated financial statements for adequacy and appropriateness, including disclosure of comparative figures.

Sr.	Key Audit Matter	Auditor's Response
2.	**Evaluation of direct tax position in respect of the Holding Company** Pursuant to the aforesaid demerger, the Holding Company has recognized MAT credit entitlement of ₹ 66,720.12 lakhs pertaining to the demerged undertaking. Further, the Holding Company has also recognised incremental tax benefits of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Holding Company on receipt of the ITAT orders during the year and interest of ₹ 11,969.46 lakhs on the resulting income-tax refunds. This has been identified as a key audit matter due to magnitude of the amount involved, significant judgement and estimation required by the management and critical tax position taken.	To address this key audit matter, our audit procedures included the following: • Review of the ITAT orders and the Scheme as approved by NCLT • Discussion on the matter with the senior management and understanding of the tax position taken by the Holding Company; • Assessment of the management's judgement of the possible outcome of the tax position with reference to the judicial pronouncements available in this regard; • Checking of the calculations made by the management in this regard for mathematical accuracy; and • Assessment of the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and the position taken by the Holding Company.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

1. We did not audit the financial statements of one joint venture whose unaudited financial statements reflects Group's share of net profit of ₹ 0.49 lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our report on the consolidated financial statements is not modified in respect of this matters.

2. Due to the COVID-19 related lockdown, we were not able to attend the year end physical verification of inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on the consolidated financial statements. Our report on the consolidated financial statements is not modified in respect of this matters.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its jointly controlled entity have adequate internal financial controls with system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and its jointly controlled entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and on the basis of report of the Independent auditor of its jointly controlled entity incorporated in India, none of the directors of the Holding Company and its jointly controlled entity incorporated in India are disqualified as on 31 March 2020 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 with reference to financial statements of the Holding Company and its jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement of a jointly controlled entity as noted in the 'Other matter' paragraph:

   i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity;

   ii. The Group and its jointly controlled entity have made provision, as required under the applicable law or accounting standards including the Ind AS, for material foreseeable losses on long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its jointly controlled entity incorporated in India.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051
UDIN: 20049051AAAAAW2064

Place: Pune
Date: 30th July, 2020

Annexure to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the consolidated financial statements for the year ended 31 March 2020 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Report on the Internal Financial Controls 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 **Gujarat Fluorochemicals Limited** ("the Holding Company"), earlier known as Inox Fluorochemicals Limited as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its jointly controlled entity 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 and its jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its jointly controlled entity's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 Holding Company's and its jointly controlled entity's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its jointly controlled entity which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020, based on the internal controls over financial reporting criteria established by the Holding Company and its jointly controlled entity considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner
Membership No. 049051
UDIN: 20049051AAAAAW2064

Place: Pune
Date: 30th July, 2020

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2020	As at 1st April, 2019*
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant & equipment	5	2,32,701.12	2,26,150.43
	(b) Capital work-in-progress		31,837.34	22,867.56
	(c) Right-of-use assets	43	5,107.18	-
	(d) Investment property	6	1,010.73	1,032.00
	(e) Intangible assets	7	2,572.82	3,365.35
	(f) Investments accounted for using the equity method	8(a)	87.84	88.33
	(g) Financial assets			
	(i) Other investments	8(b)	19,037.85	34,085.24
	(ii) Loans	9	820.19	745.22
	(iii) Other non current financial assets	10	888.29	746.19
	(h) Deferred tax assets (net)	11	23,852.80	32,376.73
	(i) Other non-current assets	12	94,417.09	9,175.90
	(j) Income tax assets (net)	13	1,658.47	20,505.88
	Sub-total		**4,13,991.72**	**3,51,138.83**
(2)	**Current assets**			
	(a) Inventories	14	81,282.54	64,206.20
	(b) Financial assets			
	(i) Investments	8(c)	6,739.23	18.85
	(ii) Trade receivables	15	56,472.88	57,405.91
	(iii) Cash & cash equivalents	16	1,659.14	4,066.41
	(iv) Bank balances other than (iii) above	17	0.25	-
	(v) Loans	9	4,195.87	4,143.95
	(vi) Other current financial assets	10	4,834.20	190.95
	(c) Current tax assets (net)	13	30,690.72	-
	(d) Other current assets	12	6,829.96	10,691.14
	Sub-total		**1,92,704.79**	**1,40,723.41**
	Total Assets		**6,06,696.51**	**4,91,862.24**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	18	1,098.50	1,098.50
	(b) Other equity	19	3,70,462.36	3,49,921.83
	(c) Non-controlling interest	20	(1,069.03)	(314.69)
	Sub-total		**3,70,491.83**	**3,50,705.64**
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	21	47,872.56	18,571.74
	(ii) Other non current financial liabilities	22	1,474.82	149.70
	(b) Provisions	23	2,522.89	1,960.02
	(c) Deferred tax liabilities (net)	11	7.68	5.84
	Sub-total		**51,877.95**	**20,687.30**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	24	1,04,166.40	70,458.68
	(ii) Trade payables			
	a) total outstanding dues of micro enterprises and small enterprises	25	82.63	0.85
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	25	36,629.58	23,163.37
	(iii) Other financial liabilities	22	38,228.42	23,348.07
	(b) Other current liabilities	26	1,785.56	1,042.61
	(c) Provisions	23	1,390.95	1,274.10
	(d) Current tax liabilities (net)	27	2,043.19	1,181.62
	Sub-total		**1,84,326.73**	**1,20,469.30**
	Total Equity & Liabilities		**6,06,696.51**	**4,91,862.24**

*see Note 1 and 2.3

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

For GUJARAT FLUOROCHEMICALS LIMITED

S S Agrawal
Partner
Mem No: 049051

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Pune
Dated: 30th July 2020

Place: Vadodara
Dated: 30th July 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
I	Revenue from operations	28	2,60,637.29	2,72,926.61
II	Other income	29	21,628.20	8,596.70
III	**Total Income (I+II)**		**2,82,265.49**	**2,81,523.31**
IV	**Expenses**			
	Cost of materials consumed	30	95,387.33	95,582.13
	Material extraction and processing cost	31	3,892.43	343.07
	Purchases of stock-in-trade		58.69	58.32
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	32	(10,338.95)	(19,415.13)
	Power & fuel		48,127.99	50,152.85
	Employee benefits expense	33	20,487.37	17,982.73
	Net loss on fair value changes in investments classified at FVTPL	34	8,158.23	3,664.33
	Finance costs	35	10,479.08	5,616.03
	Depreciation and amortisation expense	36	19,241.32	16,437.26
	Other expenses	37	50,958.32	45,737.59
	Total expenses		**2,46,451.81**	**2,16,159.18**
V	**Share of loss of joint venture**		**(0.49)**	**(12.19)**
VI	**Profit before exceptional items and tax (III-IV+V)**		**35,813.19**	**65,351.94**
VII	**Exceptional items**	48	**(2,604.05)**	**(824.00)**
VIII	**Profit before tax (VI+VII)**		**33,209.14**	**64,527.94**
IX	**Tax expense**	38		
	(i) Current tax		14,593.23	21,741.61
	(ii) Deferred tax		814.10	1,022.31
	(iii) Taxation pertaining to earlier years		(1,129.66)	(82,843.48)
	Total Tax expense		**14,277.67**	**(60,079.56)**
X	**Profit for the year (VIII-IX)**		**18,931.47**	**1,24,607.50**
XI	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefits plans		(107.37)	(89.51)
	(ii) Tax on above		37.52	31.28
	B. Items that will be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		1,063.43	244.31
	(ii) Gains and (losses) on effective portion of hedging instruments in a cash flow hedge		(213.44)	(79.43)
	(iii) Tax on (ii) above		74.58	27.76
	Total other comprehensive income		**854.72**	**134.41**
XII	**Total comprehensive income for the year (X+XI)**		**19,786.19**	**1,24,741.91**
	Profit/(loss) for the year attributable to:			
	- Owners of the Company		19,632.81	1,24,855.52
	- Non-controlling interest		(701.34)	(248.02)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		907.72	130.83
	- Non-controlling interest		(53.00)	3.58
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		20,540.53	1,24,986.35
	- Non-controlling interest		(754.34)	(244.44)
	Basic and Diluted Earnings per equity share of ₹ 1 each (in ₹)	47	17.23	

*see Note 1 and 2.3

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at 1st April, 2019	1.00
Movement during the year ended 31st March, 2020 pursuant to demerger (see Note 1, 18 and 50)	
a) Shares issued during the year	1,098.50
b) Shares cancelled during the year	(1.00)
	1,097.50
Balance as at 31st March 2020	**1,098.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Attributable to the owners of the entity								Non controlling interests (d)	Total (c+d)
	Reserves & Surplus				Items of other comprehensive income			Other equity (c=a+b)		
	Capital Reserve	General Reserve	Retained Earnings	Sub total (a)	Cash flow hedge Reserve	Foreign currency translation reserve	Sub total (b)			
Balance as at 1st April, 2019	-	-	**(1.25)**	**(1.25)**	-	-	-	**(1.25)**	-	**(1.25)**
On account of demerger (see Note 1 and 50)										
Transferred pursuant to demerger	12,827.46	3,20,000.00	16,304.19	3,49,131.65	84.98	986.41	1,071.39	3,50,203.04	(314.69)	3,49,888.35
Cancellation of existing share capital	1.00	-	-	1.00			-	1.00		1.00
Adjusted as per the scheme of demerger	(280.96)	-	-	(280.96)			-	(280.96)		(280.96)
Net effect of demerger	**12,547.50**	**3,20,000.00**	**16,304.19**	**3,48,851.69**	**84.98**	**986.41**	**1,071.39**	**3,49,923.08**	**(314.69)**	**3,49,608.39**
Balance as at 1st April, 2019	**12,547.50**	**3,20,000.00**	**16,302.94**	**3,48,850.44**	**84.98**	**986.41**	**1,071.39**	**3,49,921.83**	**(314.69)**	**3,49,607.14**
Movement during the year ended 31st March 2020										
Profit for the year			19,632.81	19,632.81			-	19,632.81	(701.34)	18,931.47

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

B. Other Equity (Contd..)

(₹ in Lakhs)

Particulars	Attributable to the owners of the entity								Non controlling interests (d)	Total (c+d)
	Reserves & Surplus				Items of other comprehensive income			Other equity (c=a+b)		
	Capital Reserve	General Reserve	Retained Earnings	Sub total (a)	Cash flow hedge Reserve	Foreign currency translation reserve	Sub total (b)			
Other comprehensive income for the year, net of income tax (*)			(69.85)	(69.85)	(138.86)	1,116.43	977.57	907.72	(53.00)	854.72
Total comprehensive income for the year	**-**	**-**	**19,562.96**	**19,562.96**	**(138.86)**	**1,116.43**	**977.57**	**20,540.53**	**(754.34)**	**19,786.19**
Balance as at 31st March, 2020	**12,547.50**	**3,20,000.00**	**35,865.90**	**3,68,413.40**	**(53.88)**	**2,102.84**	**2,048.96**	**3,70,462.36**	**(1,069.03)**	**3,69,393.33**

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Consolidated Statement of Cash Flows

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
A Cash flow from operating activities		
Profit for the year	**18,931.47**	**1,24,607.50**
Adjustments for :		
Tax expense	14,277.67	(60,079.56)
Depreciation and amortisation expense	19,241.32	16,437.26
Gain on retirement /disposal of property, plant and equipment (net)	(3.43)	(583.48)
Liabilities and provisions no longer required written back	(232.07)	(362.11)
Deposits, advances and claims written off	511.51	274.88
Exchange difference on translation of assets and liabilities	650.23	172.44
Unrealised foreign exchange (gain)/loss (net)	111.57	(326.53)
Net loss on fair value changes in investments classified at FVTPL	8,158.23	3,664.33
Mark-to-market (gain)/loss on derivative financial instruments (net)	(354.74)	(674.84)
Allowance for doubtful trade receivables and expected credit losses (net of reversal)	189.66	(73.06)
Share of loss of a joint venture	0.49	12.19
Interest Income	(17,051.18)	(281.75)
Finance Costs	10,479.08	5,616.03
Operating profit before working capital changes	**54,909.81**	**88,403.30**
Adjustments for :		
Increase/(decrease) in provisions	572.31	520.77
Increase/(decrease) in trade payables	10,491.99	13,197.91
Increase /(decrease) in other financial liabilities	493.45	(367.33)
Increase /(decrease) in other liabilities	2,684.14	294.12
(Increase) /decrease in loans	(398.41)	621.75
(Increase)/decrease in inventories	(17,076.34)	(26,688.04)
(Increase)/decrease in trade receivables	6,431.72	(15,308.77)
(Increase)/decrease in other financial assets	(119.63)	(144.74)
(Increase)/decrease in other assets	1,828.74	19,155.68
Cash generated from operations	**59,817.78**	**79,684.65**
Income-tax paid (net)	(5,178.41)	(1,501.71)
Net cash generated from operating activities	**54,639.37**	**78,182.94**
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment (including change in capital work in progress and capital creditors/capital advances)	(1,19,609.78)	(52,055.74)
Proceeds from disposal of property, plant and equipment	3.81	1,468.99
Purchase of other investments	(5,000.00)	(56,451.27)
Redemption of other investment	5,168.79	64,631.07
Inter-corporate deposits given	-	(3,752.80)
Inter-corporate deposits received back	225.00	2,974.01
Interest received	21.04	434.26
Movement in Bank deposits	(25.74)	(0.24)
Net cash (used in) investing activities	**(1,19,216.88)**	**(42,751.72)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
C Cash flow from financing activities		
Issue of shares	-	-
Proceeds from borrowings - non current	49,178.36	10,165.59
Repayment of borrowings - non current	(8,677.55)	(6,002.78)
Proceeds from/(repayment of) current borrowings (net)	32,024.15	12,272.54
Payment of lease liability	(288.44)	-
Finance lease payment	-	(31.24)
Finance costs	(10,066.28)	(5,393.70)
Net cash generated from / (used in) financing activities	**62,170.24**	**11,010.41**
Net increase/(decrease) in cash and cash equivalents	**(2,407.27)**	**46,441.63**
Cash and cash equivalents as at the beginning of the period/year	1.00	
Cash and cash equivalents received pursuant to demerger scheme	4,065.41	
Cash and cash equivalents as at the end of the period/year	1,659.14	

*see Note 1 and 2.3

Changes in liabilities arising from financing activities during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance as on 1st April 2019 pursuant to demerger - see Note 2.3 and 50	70,732.94	26,230.21
Cash flows	32,024.15	40,500.81
Interest expense	6,105.35	2,680.43
Interest paid	(6,001.24)	(2,293.06)
Foreign exchange adjustment	1,650.40	729.47
Closing balance	**1,04,511.60**	**67,847.86**

Notes:

(a) Components of cash and cash equivalents are as per note no. 16.

(b) The above Consolidated Statement of cash flows has been prepared under the indirect method.

(c) The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

1. Group information

Gujarat Fluorochemicals Limited ("the Company"), earlier known as Inox Fluorochemicals Limited, is a public limited company incorporated and domiciled in India. The Company was incorporated on 6th December 2018 as a wholly-owned subsidiary of GFL Limited (earlier known as Gujarat Fluorochemicals Limited) for the purpose of vesting of the demerged Chemical Business Undertaking of GFL Limited into the Company, as a going concern.

These Consolidated Financial Statements ("these CFS") relate to the Company, its subsidiaries (collectively referred to as the "Group") and the Group's interest in a joint venture.

As per the Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the demerged company was demerged and vested into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. All the shareholders of demerged company are allotted one fully paid-up equity share of ₹ 1 each in the Company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company. Simultaneously, the shares held by the demerged company in the resulting company were cancelled and the Company has ceased to be a subsidiary of the demerged company. The demerger is accounted in accordance with Ind AS 103: Business Combinations. See Note 50 for further details and Note 2.3 below for presentation in the financial statements on account of demerger.

The Group is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoromonomers, specialty fluorointermediates, specialty chemicals and allied activities. The Group caters to both domestic and international markets. The Group's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. As the demerger of the Chemical Business Undertaking was on a going concern basis, under common control and accounted by applying Appendix C of Ind AS 103: Business Combinations, the accounting policies followed for the said Chemical Business Undertaking by the demerged company have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.4) and the disclosures in respect of significant accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 30th July 2020.

2.2 Assessment of COVID-19 pandemic impact

In view of the COVID-19 pandemic and consequential declaration of lockdown by the Government of India, the manufacturing facilities of the Company at Ranjitnagar and Dahej, Gujarat were closed from 25th March 2020. However, the Company was permitted to restart its manufacturing facilities from 8th April 2020 being 'essential commodity chemical supplier' to the pharma and agrochemical industries. The manufacturing activities of the Company were closed down only for a few days and with the subsequent easing of the lockdown guidelines, now the operations of the Company are significantly stabilized. The COVID-19 pandemic did not have any significant effect on the business of the subsidiaries in the Group.

On the basis of assessment of the current situation carried out by the Group, the COVID-19 pandemic has no material impact on its operations and is likely to be short term in nature. Given the continuing uncertainties of the COVID-19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Group's operations to be continuously monitored.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

2.3 Basis of preparation, presentation and measurement

These CFS are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

The Company did not have any subsidiaries during the year ended 31st March 2019 and hence the consolidated financial statements for the year ended 31st March 2019 were not applicable. Investments by the demerged company in subsidiaries and joint venture pertaining to Chemical Business Undertaking are vested with the Company w.e.f. 1st April 2019 in terms of the Scheme. Accordingly, the first consolidated financial statements are prepared by the Company for the year ended 31st March 2020 and includes the financial statements of these subsidiaries and the joint venture.

As stated in Note 1 above, the Company was incorporated for the purpose of vesting of the demerged Chemical Business Undertaking of GFL Limited. Since the demerger is a common control business combination under Ind AS 103: Business Combinations, the financial information in the financial statements in respect of prior periods is required to be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

In this case, as the Company was incorporated on 6th December 2018 for the purpose of vesting of the demerged Chemical Business Undertaking and as per the Scheme the business combination has occurred on 1st April 2019 viz. the appointed date, and the consolidated financial statements were not applicable for the year ended 31st March 2019, for the purpose of meaningful comparison and fair presentation of the financial statements:

a) The balance sheet as at 1st April 2019, after giving effect to the assets and liabilities of the demerged Chemical Business Undertaking (including those of the subsidiaries), transferred to and vested in the Company as at 1st April 2019, and the resulting changes in the share capital and other equity of the Company, are disclosed separately.

b) The comparative figures of the profit and loss account and the cash flow statement of the demerged Chemical Business Undertaking (including those of the subsidiaries), transferred to and vested in the Company are also disclosed separately for the entire financial year 2018-19 viz. from 1st April 2018 to 31st March 2019.

These CFS have been prepared on an accrual basis and under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

- in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.4 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

New accounting standard Ind AS 116: Leases

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", which is effective for accounting periods beginning on or after 1 April, 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. As a lessor, the transition to Ind AS 116 does not have any impact on the financial statements of the Group. As a lessee, the Group has transitioned to Ind AS 116 using 'modified retrospective approach'. Under this approach, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability. Further, the comparatives for the previous periods are not required to be restated. See Note 3.6 below for the new accounting policy on adoption to Ind AS 116 and Note 43 for further details.

b. Amendments to existing accounting standards applicable to the Group

Amendments to the following accounting standards have become applicable for the current reporting period:

- Amendments to Ind AS 12: Income tax

  On 30th March 2019, Ministry of Corporate Affairs had notified Appendix C: Uncertainty over Income-Tax Treatments. The interpretation addressed the accounting of income taxes when tax treatment involves uncertainty that affects the application of Ind AS 12. The effective date for adoption of Ind AS 12 Appendix C was annual periods beginning on or after 1 April 2019. The disclosure in respect of uncertainties relating to direct taxes is as per Note 38.

  Further, the amendments to Ind AS 12 clarified that the income tax consequences of dividend were linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity recognises the income tax consequences of dividend in the statement of profit and loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments are applicable from annual periods beginning on or after April 1, 2019. These amendments have no impact on the Group's financial statements.

- Amendment to Ind AS 19: Employee benefits

  The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. These amendments apply to plan amendments, curtailments, or settlements occurring from annual periods beginning on or after 1 April 2019 and apply only to any future plan amendments, curtailments, or settlements. This amendment has no impact on the Group's financial statements in the current year and will apply to the future plan amendments, curtailments, or settlements.

- Amendment to Ind AS 23: Borrowing costs

  The amendment clarified that any borrowing originally made to develop a qualifying asset should be treated as a part of general borrowings when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. This amendment is applicable to the borrowing costs incurred from April 1, 2019. This amendment has no impact on the Group's financial statements.

- Amendment to Ind AS 28: Investment in Associates and Joint Ventures

  The amendment clarified the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 before applying the loss allocation and impairment requirements in Ind AS 28. This amendment has no impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24th July 2020 amendments to the existing standards have been notified. All these amendments are effective for annual periods beginning 1st April 2020. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combination: The amendments substitute the existing definition of "business" with a more detailed definition and also provides optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive. These amendments will apply to future business combinations.

- Amendments to Ind AS 107 Financial Instruments – Disclosures: The amendments prescribe additional disclosures in respect of uncertainty arising from interest rate benchmark reform.

- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. The Group is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- Amendments to Ind AS 116 Leases: The amendments provide a practical expedient for treatment of rent concessions occurring as a direct consequence of COVID-19 pandemic and related clarifications. The Group is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments provide a new definition of the term "material" and also provides related clarifications.

- Amendments to Ind AS 10 Events after the Reporting Period: The conditions requiring disclosure for a non-adjusting event has been elaborated.

- Amendments to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequent to amendments to Ind AS 1, Ind AS 8 and Ind AS 10, and also provides clarifications in respect of restructuring plans.

3. Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuates significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve.

Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount that the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, gain or loss is recognised in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in a joint venture.

3.2 Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in an a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group transacts with a joint venture, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the joint venture.

3.3 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.4 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are generally made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Contract balances

The Group classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities are presented as 'Advances from customers'.

Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.5 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) The Group as lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Group comprise of only operating leases.

b) The Group as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liabilities" and "Right of use assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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3.7 Foreign currency transactions and translation

In preparing the financial statements of each individual Group Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1 and 2.1), as permitted by para D13AA of Ind AS 101, the Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets;
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.17 below for hedging accounting policies); and

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The defined benefit plan comprises of gratuity scheme and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.10 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable

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profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an deferred tax assets in the Balance Sheet if there is convincing evidence that the Group will pay normal tax within the period specified for utilization of such credit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Presentation of current and deferred tax

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

3.11 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking (see Note 1 and 2.1), in respect of accounting period commencing on or after 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (refer Note 3.5).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- In respect of foreign subsidiaries, over the period of useful life estimated by the management or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1 and 2.1), the Group has continued with the carrying value of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.12 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of investment properties at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1 and 2.1), the Group has continued with the carrying value of its investment properties recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.13 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure: Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;

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- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

• Technical know-how	10 years
• Product development cost	5 years
• Operating software	3 years
• Other software	6 years
• Mining permit/license	16 years

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1 and 2.1), the Group has continued with the carrying value of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A) Financial assets

a) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

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Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Group other than derivative instruments for cash flow hedges.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

B) Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of

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an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ii. Financial Liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Group has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.18 Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) **Fair value hedge**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

b) **Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'Other income' line item.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting judgements, assumptions and use of estimates

The preparation of Group's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.9 and 3.11 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological

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developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Group reviews the estimated useful lives of PPE and intangible assets at the end of each reporting period.

b) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

c) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

d) Defined employee benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

e) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs for the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

g) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc. The judgements, assumptions and estimates in respect of uncertainties over income-tax treatments are disclosed in Note 11.3.

5. Property, Plant & Equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Freehold land	46.86	46.86
Buildings	23,605.22	20,811.89
Plant and equipment	2,07,948.41	2,04,004.76
Plant and equipment under finance lease	-	94.81
Furniture and fixtures	408.68	507.51
Vehicles	184.30	196.26
Office equipment	507.65	488.34
	2,32,701.12	**2,26,150.43**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost								
As at 1st April 2019 - transferred pursuant to demerger*	46.86	24,665.64	2,55,803.47	107.34	1,066.17	347.20	1,301.12	**2,83,337.80**
Reclassification on transition to Ind AS-116 (see Note 43)	-	-	-	(107.34)	-	-	-	**(107.34)**
Additions	-	3,817.27	19,793.87	-	22.22	21.10	251.78	**23,906.24**
Effect of foreign currency exchange differences	-	-	409.35	-	-	-	-	**409.35**
Effect of foreign currency translation differences	-	1.12	432.30	-	4.43	-	4.11	**441.96**
Disposals	-	-	(370.92)	-	-	(27.77)	(5.45)	**(404.14)**
Balance as at 31st March, 2020	**46.86**	**28,484.03**	**2,76,068.07**	**-**	**1,092.82**	**340.53**	**1,551.56**	**3,07,583.87**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation								
As at 1st April 2019 - transferred pursuant to demerger*	-	3,853.75	51,798.71	12.53	558.66	150.94	812.78	**57,187.37**
Reclassification on transition to Ind AS-116 (see Note 43)	-	-	-	(12.53)	-	-	-	**(12.53)**
Eliminated on disposal of assets	-	-	(370.92)	-	-	(27.42)	(5.45)	**(403.79)**
Depreciation expense for the year	-	1,025.05	16,685.54	-	123.98	32.71	234.55	**18,101.83**
Effect of foreign currency translation differences	-	0.01	6.33	-	1.50	-	2.03	**9.87**
Balance as at 31st March, 2020	**-**	**4,878.81**	**68,119.66**	**-**	**684.14**	**156.23**	**1,043.91**	**74,882.75**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount								
As at 1st April 2019 - transferred pursuant to demerger*	46.86	20,811.89	2,04,004.76	94.81	507.51	196.26	488.34	**2,26,150.43**
As at 31st March, 2020	**46.86**	**23,605.22**	**2,07,948.41**	**-**	**408.68**	**184.30**	**507.65**	**2,32,701.12**

(*) On demerger - see Note 1 and 2.3

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5. Property, Plant & Equipment (Contd..)

Note: Assets mortgaged/pledged as security for borrowings are as under:

see Note 39

(₹ in Lakhs)

Net Carrying Value	As at 31st March, 2020	As at 1st April, 2019*
Building	2,372.32	2,482.44
Office equipment	9.27	11.11
Furniture and Fixtures	13.84	21.62
Plant and equipment	1,18,018.79	74,098.75
Vehicles	111.77	129.30
Total	**1,20,525.99**	**76,743.22**

6. Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Building	1,010.73	1,032.00
	1,010.73	**1,032.00**

(₹ in Lakhs)

Particulars	Building
I. Cost or Deemed Cost	
As at 1st April 2019 - transferred pursuant to demerger*	**1,117.08**
Balance as at 31st March, 2020	**1,117.08**

(₹ in Lakhs)

Particulars	Building
II. Accumulated depreciation	
As at 1st April 2019 - transferred pursuant to demerger*	**85.08**
Depreciation expense for the year	21.27
Balance as at 31st March, 2020	**106.35**

(₹ in Lakhs)

Particulars	Building
III. Net carrying amount	
As at 1st April 2019 - transferred pursuant to demerger*	**1,032.00**
As at 31st March, 2020	**1,010.73**

(*) On demerger - see Note 1 and 2.3

6.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2020 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Group. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management of the holding company, he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and

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for the year ended 31st March, 2020

6.1 Fair Value of Investment Properties (Contd..)

2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 3 and the fair values are as under:

(₹ in Lakhs)

Particulars	Amount
Fair value as at 31st March, 2020	10,172.50
Fair value as at 1st April, 2019*	10,071.33

6.2 Amounts recognized in profit or loss in respect of investment properties

(₹ in Lakhs)

Particulars	2019-2020
Rental income	560.30
Direct operating expenses in respect of properties that generated rental income	174.75
Depreciation	21.27

7. Intangible Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Product Development	-	81.32
Technical Know How	1,846.66	2,464.62
Software	44.64	83.01
Mining Rights	681.52	736.40
	2,572.82	**3,365.35**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
I. Cost or Deemed Cost					
As at 1st April 2019 - transferred pursuant to demerger*	695.80	5,205.80	220.23	1,064.02	7,185.85
Effect of foreign currency translation differences	-	-	-	72.17	72.17
Balance as at 31st March, 2020	**695.80**	**5,205.80**	**220.23**	**1,136.19**	**7,258.02**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
II. Accumulated depreciation					
As at 1st April 2019 - transferred pursuant to demerger*	614.48	2,741.18	137.22	327.62	3,820.50
Amortisation expense for the year	81.32	617.96	38.37	85.19	822.84
Effect of foreign currency translation differences	-	-	-	41.86	41.86
Balance as at 31st March, 2020	**695.80**	**3,359.14**	**175.59**	**454.67**	**4,685.20**

* On demerger - see note 1 and 2.3

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7. Intangible Assets (Contd..)

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
III. Net Carrying amount					
Balance as at 1st April 2019 - transferred pursuant to demerger*	81.32	2,464.62	83.01	736.40	3,365.35
Balance as at 31st March, 2020	-	1,846.66	44.64	681.52	2,572.82

8. Investments accounted for using the equity method

8 (a) Investment in Joint Venture

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2020		As at 1st April, 2019*	
	₹	Nos.	Amount	Nos.	Amount
Non - Current, fully paid-up					
Unquoted Investment					
Investments in Equity Instruments					
Swarnim Gujarat Fluorspar Private Limited	10	1182500	87.84	1182500	88.33
Total investment in joint ventures (a)			**87.84**		**88.33**

(*) This investment is pertaining to the Chemical Business Undertaking and received on demerger (see Note 1 and 50). Prior to the demerger, this company was joint venture of the demerged company.

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of Joint Venture	Proportion of ownership interest and voting rights held by the Group	
	As at 31st March, 2020	As at 1st April, 2019*
Swarnim Gujarat Fluorspar Private Limited (SGFPL)	25.00%	25.00%

SGFPL is incorporated in India and is engaged in the business of manufacturing of Acid Grade Fluor Spar. This joint venture is accounted for using the equity method in these consolidated financial statements.

Aggregate information of joint venture:

(₹ in Lakhs)

Particulars	2019-2020	2018-2019 *
The Group's share of profit/(loss)	(0.49)	(12.19)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(0.49)	(12.19)

There are no restrictions on the ability of the joint venture to transfer funds to the Group in the form of cash dividend or to repay loans or advances made by the Group.

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2020

8. Investments accounted for using the equity method (Contd..)

8 (b) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020 Nos.	As at 31st March, 2020 Amounts	As at 1st April, 2019* Nos.	As at 1st April, 2019* Amounts
Non-current investments					
I. Quoted Investments (fully paid up)					
Investments in Mutual Funds					
Franklin India Fixed Maturity Plans - Series 1- Plan B 1104D - Direct Growth	10	5000000	613.11	5000000	570.34
Kotak FMP Series 204-Direct-Growth	10	10000000	1,227.83	10000000	1,138.51
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.2-Direct-Growth	10	10000000	1,232.64	10000000	1,140.06
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.3-Direct-Growth	10	5000000	616.08	5000000	569.65
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.7-Direct-Growth	10	15000000	1,823.28	15000000	1,690.08
PGIM India (DHFL Pramerica) Fixed Duration Fund-Series AH-Direct Plan-Growth	1000	100000	1,207.34	100000	1,115.87
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	10000000	1,158.27	10000000	1,062.37
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	10000000	1,156.47	10000000	1,058.93
Kotak FMP - Series 240 - Growth (Regular Plan)	10	10000000	1,165.59	10000000	1,064.73
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	10000000	1,166.11	10000000	1,066.27
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	10000000	1,156.79	10000000	1,063.15
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	5000000	581.21	5000000	533.16
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,653.21	15000000	1,503.80
Total quoted Investments			**14,757.93**		**13,576.92**
Less: Current portion of non-current investments disclosed under current investments			**(6,720.28)**		-
Total quoted Investments			**8,037.65**		**13,576.92**
II. Unquoted Investments (fully paid up)					
Investments in Equity Instruments					
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs - previous year ₹ 60.75 Lakhs)	1	562500	-	562500	-

* On demerger - see note 1 and 2.3

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8. Investments accounted for using the equity method (Contd..)

8 (b) Other Investments (measured at FVTPL)(Contd..)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020 Nos.	As at 31st March, 2020 Amounts	As at 1st April, 2019* Nos.	As at 1st April, 2019* Amounts
Investments in Mutual Funds					
SBI Blue Chip Fund - Regular Plan - Growth	10	3692780	1,098.66	3692780	1,447.91
Kotak Std. Multicap Fund Growth (formerly Kotak Select Focus) Fund - Growth (Regular Plan)	10	4634850	1,251.87	4634850	1,644.34
Principal Emerging Blue Chip Fund - Regular Plan Growth	10	1327857	1,082.87	1327857	1,382.96
L&T India Value Fund - Growth	10	1246296	308.56	1246296	450.40
Franklin Build India Fund - Growth	10	3891078	1,075.11	3891078	1,666.32
Franklin India Smaller Companies Fund - Growth	10	411175	138.80	411175	226.29
Nippon India Large Cap Fund - Growth option	10	2896402	699.94	2896402	1,026.81
Tata Equity P/E Fund Regular Plan-Growth	10	697682	685.64	697682	944.19
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	3054096	419.33	4289636	855.57
Total Mutual Funds			**6,760.78**		**9,644.79**
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Less: Current portion of non-current investments disclosed under current investments			(18.95)		(18.85)
			-		-
Investments in Alternate Investment Fund					
Varanium Dynamic Fund	100	15503388	4,239.42	15503388	10,863.53
Total Unquoted Investments			**11,000.20**		**20,508.32**
Total non-current other investments (I + II)			**19,037.85**		**34,085.24**
Total non-current investments (a + b)			**19,125.69**		**34,173.57**
Aggregate amount of quoted investments			8,037.65		13,576.92
Aggregate market value of quoted investments			8,037.65		13,576.92
Aggregate amount of unquoted investments			11,088.04		20,596.65
Aggregate amount of impairment in value of investments			60.75		60.75

* On demerger - see note 1 and 2.3

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8. Investments accounted for using the equity method (Contd..)

8 (c) Other Investments - (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			6,720.28		-
II. Unquoted Investments (fully paid up)					
Investments in Venture Capital Funds					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Total Unquoted Investments			**18.95**		**18.85**
Total current investments (I + II)			**6,739.23**		**18.85**
Aggregate amount of quoted investments			6,720.28		-
Aggregate market value of quoted investments			6,720.28		-
Aggregate amount of unquoted investments			18.95		18.85
Aggregate amount of impairment in value of investments			-		-
Summary of other investments					
Non-current investments			19,037.85		34,085.24
Current investments			6,739.23		18.85
Total			**25,777.08**		**34,104.09**
Category - wise other investments - as per Ind AS 109 classification:					
Investments carried at fair value through profit or loss			25,777.08		34,104.09
Total			**25,777.08**		**34,104.09**

* On demerger - see note 1 and 2.3

Notes:

1) The Group has pledged certain mutual fund investments having carrying amount of ₹ 14,639.33 lakhs against the borrowings of a fellow subsidiary (see Note 40).

2) The Group has pledged certain mutual fund investments having carrying amount of ₹ 5,226.17 lakhs against a term loan (see Note 39).

9. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Security deposits	820.19	745.22
Total	**820.19**	**745.22**
Current		
Security deposits	599.87	479.05
Inter corporate deposits and loans to other parties		
- Considered good	3,596.00	3,664.90
Total	**4,195.87**	**4,143.95**

* on demerger - See Note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Non-current bank balances (from Note 17)	29.02	3.53
Derivative assets	859.27	742.66
Total	**888.29**	**746.19**
Current		
Other receivables		
- from related parties (including interest on capital advance of ₹ 4,325.34 (previous year Nil) - (see Note 46)	4,808.71	9.32
- from others	25.49	181.63
Total	**4,834.20**	**190.95**

11. Deferred tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Deferred tax assets	23,852.80	32,376.73
Deferred tax liabilities	(7.68)	(5.84)
Net deferred tax assets	**23,845.12**	**32,370.89**

11.1 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	As at 1st April, 2019 on demerger (*)	Effect of foreign currency translation differences	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31st March, 2020
Property, plant and equipment	(36,417.50)	(0.63)	(4,428.93)	-	-	(40,847.06)
Expenses allowable on payment basis	175.38	0.09	263.56	-	-	439.03
Allowance for doubtful trade receivables and expected credit losses	138.49		66.28	-	-	204.77
Effect of measuring financial instruments at fair value	(125.44)		125.44	-	-	-
Effect of measuring derivative instruments at fair value	(94.05)		(33.56)	74.58	-	(53.03)
Expenses allowable in subsequent years	-		727.97			727.97
Gratuity and leave benefits	1,123.17		198.18	37.52	-	1,358.87
Other deferred tax assets	850.72		(302.19)			548.53
	(34,349.23)	**(0.54)**	**(3,383.25)**	**112.10**	**-**	**(37,620.92)**
MAT Credit Entitlement	66,720.12		2,985.40		(8,239.48)	61,466.04
Net Deferred tax assets/ (liabilities)	**32,370.89**	**(0.54)**	**(397.85)**	**112.10**	**(8,239.48)**	**23,845.12**

*See Note 1

*on demerger - See Note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

11. Deferred tax assets/(liabilities) (Contd..)

11.2 As at 31st March, 2020, the Group has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss	Financial Year	Gross amount (₹ in Lakhs)	Expiry date
Business losses of subsidiary	2016-17	673.65	31-03-2021
Business losses of subsidiary	2017-18	107.92	31-03-2022
Business losses of subsidiary	2018-19	2,320.43	31-03-2023
Business losses of subsidiary	2019-20	1,244.30	31-03-2024
Unabsorbed depreciation of subsidiary	Various	2,096.31	No limit

No deferred tax liability has been recognised in respect of temporary differences associated with the investments in subsidaires (on account of undistributed earnings of the subsidiaries and foreign currency translation differences) aggregating to ₹ 7,867.33 Lakhs as the holding company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

11.3 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Group w.e.f. 1st April 2019. The assets of the demerged Chemical Business Undertaking include MAT credit entitlement of ₹ 69,705.52 lakhs (comprising of ₹ 66,720.12 as at 1st April 2019 and ₹ 2,985.40 lakhs recognised during the year, see Note 38.2). The said MAT credit is transferred to the Group as per the aforesaid Scheme which is approved by Hon'ble NCLT. On the basis of legal position available, it is concluded by the management that the Group is entitled to utilise this MAT credit.

12. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Capital advances		
to related parties (see Note 46)	87,188.58	-
to others	5,578.25	3,169.13
Security deposits with Government authorities	261.70	311.48
Balances with government authorities		
- Balance in excise, service tax, VAT and GST accounts	1,376.60	1,255.59
Deferred rent expense	-	0.33
Prepayments - leasehold land (see Note 43)	-	4,409.98
Prepayments others	11.96	29.39
Total	**94,417.09**	**9,175.90**
Current		
Advance to suppliers		
Considered good	3,213.94	6,152.88
Considered doubtful	59.04	59.04
	3,272.98	**6,211.92**
Allowance for doubtful advances	(59.04)	(59.04)
	3,213.94	**6,152.88**
Balances with government authorities		
- Balance in excise, service tax, VAT and GST accounts	1,769.49	1,880.02
Electricity duty and custom duty refund claimed	699.24	2,076.16
Deferred rent expense	-	0.09
Prepayments - leasehold land (see Note 43)	-	50.57
Prepayments - others	912.67	366.91
Other advances	234.62	164.51
Total	**6,829.96**	**10,691.14**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

13. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Income tax paid (net of provisions)	1,658.47	20,505.88
Total	**1,658.47**	**20,505.88**
Current		
Current tax assets (net)	30,690.72	-
Total	**30,690.72**	**-**

14. Inventories

(at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Raw Materials	19,695.56	17,528.80
Work-in-progress	6,931.69	8,479.19
Finished Goods	40,357.04	27,273.27
Stock in trade	4.18	17.90
Stores, spares and consumables	10,540.86	9,447.54
Others		
- Fuel	2,990.36	443.46
- Packing Materials	622.54	850.07
- By products	140.31	165.97
Total	**81,282.54**	**64,206.20**

Notes:

(i) The cost of inventories recognised as an expense includes ₹ 2,232.67 Lakhs in respect of write downs of inventory to net realisable value.

(ii) The mode of valuation of inventories has been stated in Note 3.15.

15. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current		
Considered good	56,472.88	57,405.91
Trade receivables which have significant increase in credit risk	46.55	19.01
Trade receivables - credit Impaired	539.43	395.70
	57,058.86	57,820.62
Provision for expected credit loss and Impairment	(585.98)	(414.71)
Total	**56,472.88**	**57,405.91**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

16. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Balances with banks		
in current accounts	1,646.91	4,060.91
Cash on hand	12.23	5.50
Total	**1,659.14**	**4,066.41**

17. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Bank deposits with original maturity of more than 12 months	29.27	3.53
	29.27	3.53
Amount disclosed under Note 10 - 'Other financial assets - non current'	(29.02)	(3.53)
Total	**0.25**	**-**

Other bank balances includes ₹ 21.11 lakhs (previous year ₹ Nil) margin money deposits kept as security against bank guarantee.

18. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Authorized		
20,00,00,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	2,000.00	1.00
Issued and Subscribed and Fully Paid		
10,98,50,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	1,098.50	1.00
Total	**1,098.50**	**1.00**

18.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2020		
At the beginning of the year	1,00,000	1.00
Movement during the year ended 31st March, 2020 pursuant to demerger (see Note 1 and 50)		
Shares issued during the year	10,98,50,000	1,098.50
Shares cancelled during the year	(1,00,000)	(1.00)
At the end of the year	**10,98,50,000**	**1,098.50**
As at 31st March, 2019		
Shares issued during the year	1,00,000	1.00
At the end of the year	**1,00,000**	**1.00**

18.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

18. Equity share capital (Contd..)

18.3 Shares held by holding company

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	577.64
As at 31st March, 2019		
GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	1,00,000	1.00

18.4 Details of shareholders holding more than 5% shares in the company

Particulars	Nos.	holding %
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
Meenu Bhanshali	54,95,182	5.00%

Particulars	Nos.	holding %
GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	1,00,000	100.00%

18.5 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company has issued 10,98,50,000 fully paid-up share of ₹ 1 each, pursuant to the Scheme of demerger to the shareholders of the demerged company (See Note 1 and 50)

19. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Capital reserves	12,547.50	12,547.50
General reserves	3,20,000.00	3,20,000.00
Cash flow hedge reserve	(53.88)	84.98
Foreign currency translation reserve	2,102.84	986.41
Retained earnings	35,865.90	16,302.94
Total	**3,70,462.36**	**3,49,921.83**

19.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31st March, 2020
On account of demerger (see Note 1 and 50)	
Transferred pursuant to demerger	12,827.46
Cancellation of existing share capital	1.00
Adjusted as per the scheme of demerger	(280.96)
Balance at the end of the year	**12,547.50**

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismanteling of plant, unless otherwise used, as stipulated.

19.2 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	3,20,000.00
Balance at the end of the year	**3,20,000.00**

19. Other equity

19.2 General reserve (Contd..)

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

19.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	84.98
Other comprehensive income for the year, net of income tax	(138.86)
Balance at the end of the year	**(53.88)**

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedge. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non -financial hedged item, or when it becomes ineffective.

19.4 Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 50)	986.41
Other comprehensive income for the year, net of income tax	1,116.43
Balance at the end of the year	**2,102.84**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve and will be transferred to retained earnings on disposal of such foreign operations.

19.5 Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Opening balance	(1.25)
Transferred pursuant to demerger (see Note 1 and 50)	16,304.19
As at 1st April 2019	16,302.94
Profit for the year attributable to owners of the Company	19,632.81
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(69.85)
Balance at the end of the year	**35,865.90**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

20. Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	(314.69)
Share of Total Comprehensive Income for the year	(754.34)
Balance at the end of the year	**(1,069.03)**

For details of non-controlling interest - see Note 49

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

21. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	11,086.92	16,699.93
- Rupee loans	52,318.56	9,530.28
(b) From others		
- Rupee loans	4,558.43	116.05
Long-term maturities of finance lease obligations		
Obligations under finance leases	-	71.35
	67,963.91	26,417.61
Less: Disclosed under Note 22 Other current financial liabilities		
(i) Current maturities	19,711.12	7,727.53
(ii) Current maturities of finance leases	-	21.48
(iii) Interest accrued	380.23	96.86
Total	**47,872.56**	**18,571.74**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 39.

22. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Premium payable on option contract	70.97	149.70
Lease liabilities (See Note 43)	445.11	-
Creditors for capital expenditure	958.74	-
Total	**1,474.82**	**149.70**
Current		
Current maturities of long term borrowing (from Note 21)	19,711.12	7,727.53
Current maturities of finance lease (from Note 21)	-	21.48
Interest accrued (from Note 21 and 24)	725.43	371.12
Security deposits	547.44	531.91
Creditors for capital expenditure	6,851.84	5,011.19
Derivative financial liabilities	82.82	107.51
Employees dues payable	3,101.27	2,925.12
Premium payable on option contract	78.73	107.02
Lease liabilities (See Note 43)	227.14	-
Expenses payables	6,454.84	6,138.84
Other payables	447.79	406.35
Total	**38,228.42**	**23,348.07**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2020

23. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	1,729.56	1,346.67
- for Compensated absences	793.33	613.35
Total	**2,522.89**	**1,960.02**
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	555.01	493.19
- for Compensated absences	835.94	780.91
Total	**1,390.95**	**1,274.10**

24. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Secured		
(a) From banks		
Rupee loans - Short term / working capital demand loans	1,475.32	1,119.41
Unsecured		
(a) From banks		
Foreign currency loans - Packing credit /Buyers credit/Import finance	33,887.44	32,302.58
Rupee loans		
- Short term / working capital demand loans	58,918.38	16,071.91
- Cash credit / overdraft	8,430.46	-
- Packing credit	1,800.00	-
- Commercial papers	-	12,388.11
	1,03,036.28	**60,762.60**
(b) From other parties		
- Commercial papers	-	8,850.93
Sub-total - Unsecured	**1,03,036.28**	**69,613.53**
	1,04,511.60	70,732.94
Less: Amounts disclosed under Note 22 Other current financial liabilities		
- Interest accrued	(345.20)	(274.26)
Total	**1,04,166.40**	**70,458.68**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 39.

(iii) Maximum balance of Commercial papers during the year was ₹ 39,000 Lakhs.

25. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	82.63	0.85
b) total outstanding dues of creditors other than micro enterprises and small enterprises	36,629.58	23,163.37
Total	**36,712.21**	**23,164.22**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

26. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Advances from customers	967.72	302.34
Statutory dues and taxes payable	817.84	740.27
Total	**1,785.56**	**1,042.61**

27. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current tax liabilities (net of payments)	2,043.19	1,181.62
Total	**2,043.19**	**1,181.62**

28. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Revenue from contracts with customers:		
Sale of products	2,58,173.87	2,72,248.05
(b) Other operating revenue	2,463.42	678.56
Total	**2,60,637.29**	**2,72,926.61**

28.1 Disaggregated revenue information

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	14,610.99	28.53	1,201.04	28,030.83	43,871.39
Caustic Soda	35,200.68	-	-	-	35,200.68
Chloromethane	30,462.73	-	-	-	30,462.73
Poly Tetrafluoroethylene (PTFE)	23,178.88	29,743.95	19,588.83	18,056.97	90,568.63
Other products	20,288.74	18,124.32	9,758.12	9,899.26	58,070.44
Total	**1,23,742.02**	**47,896.80**	**30,547.99**	**55,987.06**	**2,58,173.87**

28.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Trade receivables	56,472.88
Contract liabilities - advance from customers	967.72

During the year ended 31st March 2020, the Group has recognized revenue of ₹ 296.19 lakhs arising from opening contract liabilities transferred pursuant to demerger (see Note 1 and 50)

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

28. Revenue from operations (Contd..)

28.3 Performance obligation

There are no remaining performance obligations as at the end of the year. For this purpose, as permitted under Ind AS 115, the transaction price allocated to contracts for original expected duration of one year or less are not considered.

28.4 Reconciliation of gross revenue with revenue from contracts with customers

(₹ in Lakhs)

Particulars	2019-2020
Gross revenue	2,59,523.58
Less: Discounts, rebates etc.	1,349.71
Net revenue recognised from contracts with customers	**2,58,173.87**

29. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Interest Income		
(I) On financial assets using effective interest method:		
- on fixed deposits with bank	4.50	21.85
- on Inter-corporate deposits and other loans	301.71	309.25
- on security deposits	0.08	0.03
(II) Other interest income		
- on income tax refunds	11,969.46	3,609.97
- on capital advances	4,805.93	-
- other interest	20.43	9.14
	17,102.11	**3,950.24**
(b) Other non-operating income		
Rental income from operating leases	564.32	634.10
Allowance for doubtful trade receivable reversed	-	23.18
Liabilities and provisions no longer required, written back	232.07	362.11
Miscellaneous income	476.80	157.43
	1,273.19	**1,176.82**
(c) Other gains and losses		
Net gain on foreign currency transaction and translation	2,894.73	2,211.32
Net gain on fair value changes in derivatives classified at FVTPL	354.74	674.84
Net gain on retirement/disposal of property, plant and equipment	3.43	583.48
	3,252.90	**3,469.64**
Total	**21,628.20**	**8,596.70**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

30. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Raw materials consumed	86,382.12	86,167.91
Packing materials consumed	9,005.21	9,414.22
Total	**95,387.33**	**95,582.13**

31. Material extraction and processing Cost

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Extraction cost		
Drilling, blasting, loading and stripping cost	2,103.82	140.06
Royalty	67.42	7.17
	2,171.24	**147.23**
Processing cost		
Material cost	852.66	94.19
Stores, spares & consumable expenses	170.33	36.09
Equipment hiring charges	475.29	45.61
Production labour charges	169.68	15.61
Laboratory expenses	19.32	1.11
Other expenses	33.91	3.23
	1,721.19	**195.84**
Total	**3,892.43**	**343.07**

32. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Opening inventories		
Finished goods	27,273.27	12,567.92
Stock-in-trade	17.90	10.22
Work-in-progress	8,479.19	3,207.97
By-products	165.97	151.95
	35,936.33 *	**15,938.06**
Initial measurement and recognition of inventory on commissioning of project of step down subsidiary	-	**837.04**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

32. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Less : Closing inventories		
Finished goods	40,357.04	27,273.27
Stock-in-trade	4.18	17.90
Work-in-progress	6,931.69	8,479.19
By-products	140.31	165.97
	47,433.22	**35,936.33**
Effect of changes in exchange currency rates	1,157.94	(253.90)
(Increase) / Decrease in inventories	**(10,338.95)**	**(19,415.13)**

33. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Salaries and wages	18,387.68	16,160.82
Contribution to provident and other funds	1,031.73	806.95
Gratuity	425.66	351.12
Staff welfare expenses	642.30	663.84
Total	**20,487.37**	**17,982.73**

34. Net loss on fair value changes in investments classified at FVTPL

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Net loss on fair value changes in Investment classified at FVTPL	8,158.23	3,664.33
Total	**8,158.23**	**3,664.33**
Note: Realised (gain) / loss on sale of investments	119.23	(2,643.24)

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

35. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	8,789.46	4,888.06
b) Interest on lease liabilities - (see Note 43)	46.49	-
c) Finance charges on lease	-	13.93
d) Interest on income tax	12.00	38.00
e) Other interest expenses	91.58	125.04
	8,939.53	5,065.03
(B) Net foreign exchange loss on borrowings (considered as finance costs)	1,480.62	855.19
(C) Other borrowing costs	58.93	52.43
Sub-total	10,479.08	5,972.65
Less: Interest capitalized	-	(356.62)
Total	**10,479.08**	**5,616.03**

36. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Depreciation on property, plant and equipment	18,101.83	15,533.63
Depreciation on right-of-use assets - (see Note 43)	295.38	-
Depreciation on investment property	21.27	21.27
Amortisation of intangible assets	822.84	882.36
Total	**19,241.32**	**16,437.26**

37. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Stores, spares and consumables	9,913.19	9,204.24
Freight	8,249.90	9,686.71
Insurance	1,252.24	624.98
Indirect tax expenses	563.51	289.77
Production labour charges	2,976.15	2,651.92
Processing charges	514.83	492.93
Rent, lease rentals and hire charges	1,852.29	1,701.97

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

37. Other expenses (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Factory expenses	1,745.96	837.66
Repairs to		
- Buildings	663.20	489.14
- Plant and equipment	5,943.38	5,111.61
- Others	688.82	571.60
Directors' sitting fees	17.00	8.80
Commission to non-executive director	417.46	692.34
Rates and taxes	640.50	600.27
Travelling and conveyance	2,095.28	2,160.60
Communication expenses	200.73	209.54
Legal and professional fees and expenses	4,558.84	4,429.25
Allowance for doubtful trade receivables and expected credit loss	189.66	-
Bad debts and remission	-	0.14
Commission	319.18	287.39
Royalty	1,687.27	1,110.73
Miscellaneous expenses	6,468.93	4,576.00
Total	**50,958.32**	**45,737.59**

38. Tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
(a) Income tax recognized in statement of profit and loss		
Current Tax:		
In respect of current year	14,593.23	-
In respect of earlier years	(705.33)	-
	13,887.90	-
Deferred Tax		
In respect of current year	814.10	-
In respect of earlier years	(424.33)	-
	389.77	-
	14,277.67	**-**
(b) Income tax recognized in other comprehensive income		
Deferred tax on remeasurement of defined benefits plan	(37.52)	-
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	(74.58)	-
	(112.10)	**-**
Total tax expense	**14,165.57**	**-**

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
Profit/(loss) before tax	33,209.14	(1.25)
Income tax using the Company's domestic tax rate @ 34.944% (2018-19: 34.944%)	11,604.60	(0.44)
Effect of expenses that are not deductible in determining taxable profits	456.81	0.44
Effect of income which is taxed at special rates	(4.82)	-
Effect of loss on fair vaue of investments on which deferred tax asset is not recognised	2,683.71	-
Effect of deferred tax on losses not recognised by subsidiary companies.	916.18	-
Effect of differential tax rates of foreign subsidiaries	(142.33)	-
Others (net)	(106.82)	-
	15,407.33	-
Taxation pertaining to earlier years	(1,129.66)	-
Tax expense as per the Statement of Profit and Loss	**14,277.67**	-

The tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

38.2 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April, 2019. After recording the assets and liabilities, acquired on demerger, at book values, the Company has reassessed and recomputed the deferred tax assets/liabilities which has resulted in increase in deferred tax liability by ₹ 2,591.39 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which is charged to the statement of profit and loss and included in 'tax pertaining to earlier periods'. Further, on receipt of ITAT orders during the year, the Company is entitled to net incremental tax benefit of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which is also included in 'tax pertaining to earlier periods'.

39. Nature of securities and terms of repayment

I. In respect of borrowings availed by Gujarat Fluorochemicals Limited

39.1 The terms of repayment of secured term loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	2,518.17	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,221.31	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	8,312.50	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Vehicle Loan	95.23	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)

39. Nature of securities and terms of repayment (Contd..)

I. In respect of borrowings availed by Gujarat Fluorochemicals Limited (Contd..)

39.1 The terms of repayment of secured term loans are as under: (Contd..)

As at 31st March, 2020 (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
7	Kotak Mahindra Bank Limited	Rupee Loan	7,500.00	Quarterly repayment, final maturity on 30th August, 2021	3M MCLR + 0.05% p.a.	(f)
8	Kotak Mahindra Bank Limited	Rupee Loan	6,250.00	Quarterly repayment, final maturity on 31st August, 2021	3M MCLR + 0.05% p.a.	(f)
9	HDFC Bank Ltd	Rupee Loan	29,913.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(g)
10	Axis Finance Ltd	Rupee Loan	4,462.50	Bullet repayment at the end of 24 months from the date of first disbursement, maturity on 16th November, 2021	12M MCLR + 0.90% p.a.	(h)

As on 1st April, 2019 (see Note 1 and 2.3)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	3,073.28	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,490.54	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	9,500.00	Quarterly repayment, final maturity on 19th March, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Vehicle Loan	115.21	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)

Notes to the Consolidated Financial Statements

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39. Nature of securities and terms of repayment (Contd..)

Notes:

a) **ICICI Bank Limited:** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/mortgage/hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.

b) **The Hongkong and Shanghai Banking Corporation Limited:** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation, is secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

c) **Mizuho Bank Limited:** The foreign currency term loan from Mizuho Bank Limited, is secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

d) **Kotak Mahindra Bank Limited:** The term loan from Kotak Mahindra Bank Limited, is secured by way of first and exclusive charge by way of hypothecation of movable fixed assets pertaining to Chloralkali Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

e) **Daimler Financial Services India Pvt. Limited:** The vehicle loan from Daimler Financial Services India Pvt. Ltd, is secured by way of hypothecation of vehicle.

f) **Kotak Mahindra Bank Limited:** The working capital term loan from Kotak Mahindra Bank Limited, is secured by way of first charge of hypothecation of movable fixed assets pertaining to A & H Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

g) **HDFC Bank Limited:** The term loan from HDFC Bank Ltd, is secured by way of exclusive first charge of hypothecation of specific tangible movable assets pertaining to CMS, CACL2 & TFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

h) **Axis Finance Limited:** The term loan from Axis Finance Ltd, is secured by way of first charge of lien on FMP/other select debt mutual funds of the Company.

In respect of the secured loans transferred to the Company pursuant to demerger, the process of transfer of charges is in progress.

39.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	Yes Bank Limited	Foreign Currency Loan - Import Finance	1,352.84	Repayment range from 13th April, 2020 to 9th July, 2020	Interest range from 6M LIBOR + 0.20% to 6 M LIBOR + 0.83%
2.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	9,511.99	Repayment range from 7th April, 2020 to 26th June, 2020	Interest range from 6M LIBOR + 0.30% to 6 M LIBOR + 0.85%
3.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	2,243.60	Repayment range from 4th June, 2020 to 28th August, 2020	Interest range from 6M LIBOR + 0.25% to 6M LIBOR + 1.50%
4.	RBL Bank Limited	Foreign Currency Loan - Import Finance	3,540.24	Repayment range from 6th July, 2020 to 25th August, 2020	Interest range from 6M LIBOR + 0.46% to 6M LIBOR + 0.84%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

39. Nature of securities and terms of repayment (Contd..)

39.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2020 (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
5.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,315.24	Repayment range from 17th April, 2020 to 25th September, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 1.15%
6.	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,486.87	Repayment on 10th June, 2020	Interest 6M EURIBOR + 0.70%
7.	BNP Paribas	Foreign Currency Loan - Packing Credit	3,315.82	Repayment range from 8th April, 2020 to 22nd April, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.88%
8.	BNP Paribas	Rupee Loan - Packing Credit	1,800.00	Bullet repayment on 2nd September, 2020	7.80% p.a.
9.	BNP Paribas	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 2nd May, 2020	7.92% p.a.
10.	BNP Paribas	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 12th May, 2020	7.89% p.a.
11.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 6th July, 2020	1M MCLR + 0.05% p.a.
12.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 11th September, 2020	1M MCLR + 0.20% p.a.
13.	HDFC Bank Limited	Rupee loan - Short term working capital	2,000.00	Bullet repayment on 12th June, 2020	1M MCLR + 0.15% p.a.
14.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Bullet repayment on 15th May, 2020	1M MCLR + 0.10% p.a.
15.	HDFC Bank Limited	Rupee loan - Short term working capital	3,000.00	Bullet repayment on 23rd June, 2020	1M MCLR
16.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Repayment of ₹ 2,875.75 Lakhs on 30th April, 2020 Repayment of ₹ 1,124.25 Lakhs on 16th May, 2020	1M MCLR
17.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 13th July, 2020	8.10% p.a.
18.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 17th July, 2020	8.10% p.a.
19.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 4th September, 2020	8.10% p.a.
20.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
21.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
22.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	500.00	Bullet repayment on 28th May, 2020	8.35% p.a.
23.	DBS Bank India Limited	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 5th May, 2020	8.70% p.a.
24.	ICICI Bank Limited	Rupee loan - Working Capital Demand Loan	925.17	Bullet repayment on 8th August, 2020	3M MCLR + 0.80% p.a.
25.	ICICI Bank Limited	Rupee loan - Working Capital Demand Loan	3,276.15	Bullet repayment on 15th August, 2020	3M MCLR + 0.80% p.a.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

39. Nature of securities and terms of repayment (Contd..)

39.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2020 (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
26.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	1,798.68	Bullet repayment on 22nd August, 2020	3M MCLR + 0.80% p.a.
27.	RBL Bank Ltd	Rupee loan - Short Term Loan	500.00	Bullet repayment on 3rd September, 2020	10.30% p.a.
28.	RBL Bank Ltd	Rupee loan - Short Term Loan	700.00	Bullet repayment on 6th May, 2020	10.30% p.a.
29.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 6th June, 2020	9.50% p.a.
30.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	1,500.00	Bullet repayment on 12th June, 2020	9.50% p.a.
31.	BNP Paribas	Rupee loan - Cash Credit	2,507.57	Daily working capital Limit / cash Credit	Overnight MCLR
32.	HDFC Bank Ltd	Rupee loan - Cash Credit	1,239.36	Daily working capital Limit / cash Credit	1Y MCLR + 0.40% p.a.
33.	Kotak Mahindra Bank	Rupee loan - Cash Credit	2327.42	Daily working capital Limit / cash Credit	6M MCLR
34.	ICICI Bank Ltd	Rupee loan - Cash Credit	2356.10	Daily working capital Limit / cash Credit	6M MLCR + 0.90% p.a.

As on 1st April, 2019 (see Note 1 and 2.3)

Sr. No.	Lender's Name	Loan Type	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	ICICI Bank Limited	Rupee loan - Commercial Paper	4,957.09	Bullet repayment on 13th May, 2019	7.60% p.a.
2.	ICICI Bank Limited	Rupee loan - Commercial Paper	7,431.02	Bullet repayment on 16th May, 2019	7.60% p.a.
3.	Invesco Mutual Fund	Rupee loan - Commercial Paper	8,850.93	Bullet repayment on 20th June, 2019	7.70% p.a.
4.	Yes Bank Limited	Foreign Currency Loan - Import Finance	13,529.83	Repayment range from 2nd April, 2019 to 20th September, 2019	Interest range from 6M LIBOR + 0.32% to 6 M LIBOR + 0.87%
5.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	6,374.43	Repayment range from 2nd April, 2019 to 23rd September, 2019.	Interest range from 6M LIBOR + 0.40% to 6 M LIBOR + 0.90%
6.	HSBC Limited	Foreign Currency Loan - Import Finance	1,962.42	Repayment range from 5th April, 2019 to 24th June, 2019	Interest range from 6M LIBOR + 1.00%
7.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	970.17	Repayment range from 11th July, 2019 to 27th August, 2019	Interest range from 6M LIBOR + 0.48%
8.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	7,717.97	Repayment range from 9th April, 2019 to 13th August, 2019	Interest range from 6M EURIBOR + 0.50% to 6M EURIBOR + 0.80%
9.	HSBC Limited	Foreign Currency Loan - Packing Credit	1,551.35	Bullet repayment on 10th April, 2019	Interest range from 6M EURIBOR + 0.65%

39. Nature of securities and terms of repayment (Contd..)

39.2 The terms of repayment of unsecured loans are as under: (Contd..)

As on 1st April, 2019 (see Note 1 and 2.3)

Sr. No.	Lender's Name	Loan Type	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
10.	HDFC Bank Limited	Rupee loan - Short Term Loan	3,000.00	Bullet repayment on 24th April, 2019	8.55% p.a.
11.	HDFC Bank Limited	Rupee loan - Short Term Loan	2,500.00	Bullet repayment on 10th June, 2019	8.65% p.a.
12.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 26th April, 2019	8.28% p.a.
13.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 19th July, 2019	8.75% p.a.
14.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 6th April, 2019	8.60% p.a.
15.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 26th April, 2019	8.30% p.a.

II. In respect of borrowings availed by GFL GM Fluorspar SA

(i) The terms of repayment of secured non-current borrowing is as under:

As at 31st March, 2020

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Exim Bank	2882.26	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2017.	6 Month Libor Plus 4% per annum

Note:

External commercial borrowing of USD 3.70 million is secured by way of exclusive charge on movable fixed assets of the project upto value of USD 9.50 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of the Company and unconditional irrevocable Corporate Guarantee of GFL Limited (Earlier know as Gujarat Fluorochemicals Limited), India a fellow subsidiary company.

As at 1st April, 2019 - see Note 1 and 2.3

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Exim Bank	3,938.47	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2017.	6 Month Libor Plus 4% per annum
Finance lease obligations	71.35	The obligation under finance lease is repayable in 60 equated monthly instalments of MAD 36,960	16.60% p.a.

Note:

Foreign currency term loan is secured by way of exclusive charge on movable fixed assets of the project up to value of USD 9.495 million, book debts, operating cash flows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of the Company.

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39. Nature of securities and terms of repayment (Contd..)

(ii) The terms of repayment of secured current borrowings is as under:

As at 31st March, 2020

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Exim Bank	1,469.35	The working capital loan is repayable at the end of 180 days from the date of disbursement.	6 Month Libor Plus 3.5% per annum

Note:

Working Capital borrowing of USD 1.94 million is secured by exclusive charge on inventories, present and future receivables from the Company and irrevocable Corporate Guarantee of the Company and GFL Limited (Earlier know as Gujarat Fluorochemicals), India a fellow subsidiary company.

As at 1st April, 2019 - see Note 1 and 2.3

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Exim Bank	1,113.47	The working capital loan is repayable at the end of 180 days from the date of disbursement.	6 Month Libor Plus 3.5% per annum

Note:

Working Capital borrowing of USD 1.61 million is secured by exclusive charge on inventories, present and future receivables and irrevocable Corporate Guarantee of the Company.

40. Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
a Claims against the Group not acknowledged as debts - in case of a step-down subsidiary	826.24	764.72
This is in respect of amount recovered by way of revocation of performance guarantee from a supplier of plant and equipment for mining project, on account of delays and non-commissioning of the project. The same is being contested by the supplier.		
b In respect of Excise duty matters –	3,612.94	3,794,.67
This includes:		
i. Demands for which the Group has received various show cause notices regarding input credit on certain items and freight charges recovered from buyers for supply of goods at buyers' premises. The Group has filed the replies or is in the process of filing replies.	930.88	992.07
ii. Demands on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and credit transfer to Dahej Unit on inter unit transactions. The Group has filed appeals before CESTAT.	2,682.06	2,802.60

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

40. Contingent Liabilities: (Contd..)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
c In respect of Custom duty matter –	1,383.94	1,312.79
This includes:		
i. Demands for which the Group had received show cause notices regarding inadmissible EPCG benefit on consumables imported. The Group has filed replies in this regard.	11.82	11.82
ii. Demands on account of differential custom duty on imported material on high seas basis. The Group has filed appeals before CESTAT and the matters are pending.	1,372.12	1,300.97
In respect of above Excise duty and Customs duty matters, the Group has paid an amount of ₹ 146.81 Lakhs (as at 1st April 2019 assumed on demerger: ₹ 187.00 Lakhs) and not charged to Statement of Profit and Loss.		
d In respect of Sales tax matters –	95.82	171.18
This includes:		
i. Demands under VAT on account of disallowance of proportionate Input tax credit	18.00	101.64
ii. Demands under CST on account of non-submission of C forms.	77.82	69.54
The Group has filed appeals before appropriate appellate authorities against the said orders.		
e Claims in respect of labour matters – amount is not ascertainable.		
f Details of corporate guarantees given to banks and financial institutions for loans taken by fellow subsidiaries lien on investments of the Group and working capital facilities of the Group used by the fellow subsidiaries: (See Note 46).	43,293.16	-
g In respect of the Supreme Court judgement dated 28 February 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/ notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability, if any, in respect of earlier period cannot be ascertained. The Group has made a provision on a prospective basis from the date of the said order.		

In respect of above matters, no additional provision is considered necessary as the Group expects favourable outcome. Further, it is not possible for the Group to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

(*) Contingent liabilities transferred and vested pursuant to demerger (See note 1 and 2.3)

41. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 9,263.41 Lakhs (₹ 46,503.74 Lakhs as at 1st April, 2019).

42. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' -comprising of Refrigeration gases, Caustic soda, Chloromethane, Polytetrafluoroethylene (PTFE), Fluoropolymers, Fluoromonomers, Specialty Fluorointermediates, Specialty Chemicals and allied activities. Electricity generated by captive power plant is consumed in chemical business and not sold outside. Hence the Group is having only one reportable business segment under Ind AS 108 on "Operating segment". The information is further analysed based on the different classes of products.

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

42. Segment information (Contd..)

42.1 Breakup of revenue from operations

a) Product-wise breakup

(₹ in Lakhs)

Particulars	2019-20
a) Sale of products	
Refrigerant Gases	43,871.38
Caustic Soda (Caustic Soda Lye & Flakes)	35,200.68
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	30,462.73
Poly Tetrafluoroethylene (PTFE)	90,568.64
Other products	58,070.44
	2,58,173.87
b) Other operating revenue	
Government grants	1,021.51
Sale of scrap	506.26
Others	935.65
	2,463.42
Total revenue from operations	**2,60,637.29**

b) Geographical breakup

(₹ in Lakhs)

Particulars	2019-20
India	1,26,205.43
Europe	47,896.81
USA	30,547.99
Rest of the world	55,987.06
Total	**2,60,637.29**

42.2 Information about major customers

There is no single external customer who contributed more than 10% to the Group's revenue during the financial year 2019-2020.

43. Leases

A. Group as a lessee

(a) The Group's significant leasing arrangements are in respect of leasehold lands. The Group has also taken certain plants and commercial premises on lease and plant and equipment on finance lease.

Effective 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 (transferred and vested with the Group on demerger - see Note 1 and 50) using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability. The Group is not required to restate the comparative information.

(b) On transition to Ind AS 116:

1) The opening balances in 'Prepayment - leasehold lands' (transferred and vested with the Group on demerger - see Note 1 and 50) are reclassifed as right-of-use assets.

2) The opening finance leases (transferred and vested on demerger - see Note 1 and 50) recognised as per earlier Ind AS 17 have been reclassified as follows:

a. Plant and equipments under finance lease' earlier classified in PPE is reclassified to Right of use assets

b. Finance lease obligation earlier classified in Borrowings is reclassified to Lease liabilities.

43. Leases (Contd..)

A. Group as a lessee (Contd..)

The lease arrangements of the Group comprises of lease arrangments transferred and vested with the Group pursuant to demerger (see Note 1 and 50). The following is the summary of practical expedients elected on initial application of Ind AS 116:

1) Applied a single discount rate to a portfolio of leases with reasonably similar charactertistics.

2) Applied the exemption not to recognize right-of-use assets and liabilities for leases expiring within 12 months of lease term on the date of initial application.

3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified by the demerged company, as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is in the range of 5.68% -10% p.a.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31st March, 2019, discounted to the present value at the date of initial application of Ind AS 116, and the value of the lease liability as at 1st April, 2019 (transferred and vested with the Company, pursuant to demerger), is on account of exclusion of short term leases.

The effect of adoption of Ind AS 116 on the line items in the financial statements, profit before tax, profit for the period and earnings per share is not significant. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(c) Particulars of right-of-use assets and lease liabilities

i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
On recognition and reclassification as at 1st April, 2019	4,460.55	272.26	414.46	5,147.27
Addition during the year	-	-	367.52	367.52
Deletion during the year	-	-	116.58	116.58
Depreciation for the year	50.57	79.61	165.20	295.38
Add: Effect of foreign currency translation differences (gain)/loss (net)	-	3.90	0.45	4.35
Balance as at 31st March, 2020	**4,409.98**	**196.55**	**500.65**	**5,107.18**

ii. Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	2019-2020
On recognition and reclassification as at 1st April, 2019	663.27
Addition during the year	367.52
Deletion during the year	(119.30)
Interest on lease liabilities	46.49
Payment of lease liabilities	(288.44)
Effect of foreign currency translation differences (gain)/loss (net)	2.71
Balance as of 31st March, 2020	**672.25**

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for the year ended 31st March, 2020

43. Leases (Contd..)

A. Group as a lessee (Contd..)

(c) Particulars of right-of-use assets and lease liabilities

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Maturity analysis - contractual undiscounted cash flows	
Less than one year	233.57
One to five years	450.37
More than five years	-
Total undiscounted lease liabilities	**683.94**

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	2019-2020
Interest on lease liabilities	46.49
Included in rent expenses: expense relating to short-term leases	170.74

v. Amount recognized in the statement of cash flow

(₹ in Lakhs)

Particulars	2019-2020
Total cash outflow for leases	288.44

B. Group as a lessor

Operating leases relate to Investment Properties owned by the Group with lease terms between 11 to 60 months and are usually renewable by mutual consent. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

As a lessor, the transition to Ind AS 116 'Leases' from Ind AS 17 'Leases' effective from 1st April, 2019 does not have any impact on the financial statements of the Group. The Group has used the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases, by the demerged Company and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March 2020 are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Less than one year	403.96
One to five years	251.33
More than five years	-

44. Employee Benefits:

(a) Defined Contribution Plans:

The Group contributes to the Government managed provident & pension fund for all qualifying employees of Indian entity. Contribution to Provident fund of ₹ 846.39 Lakhs is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Group.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2020 by Mr. G N Agarwal, fellow member of the institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

(b) Defined Benefit Plans: (Contd..)

(i) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	1,839.85
Current Service Cost	304.57
Interest cost	121.09
Actuarial gains / (losses) on obligation:	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Benefits Paid/transferred	(88.31)
Present value of defined benefit obligation as at year end	**2,284.57**

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Current Service Cost	304.57
Interest expense	121.09
Amount recognized in profit & loss	**425.66**
Actuarial gains / (losses):	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Amout recognized in other comprehensive income	**107.37**
Total	**533.03**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee Attrition Rate	**5.00%**
Mortality: IALM (2012-14) Ultimate Mortality Table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically exposes the Company to actuarial risks such as interest rate risk and salary risk

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

(b) Defined Benefit Plans: (Contd..)

(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Impact on Present Value of defined benefit obligation	As at 31st March, 2020
if discount rate increased by 1%	(157.83)
if discount rate decreased by 1%	184.06
if salary escalation rate increased by 1%	175.47
if salary escalation rate decreased by 1%	(153.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Expected outflow in 1st Year	555.01
Expected outflow in 2nd Year	118.08
Expected outflow in 3rd Year	111.83
Expected outflow in 4th Year	112.38
Expected outflow in 5th Year	174.86
Expected outflow in 6th to 10th Year	822.57

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.55 years

(c) Other short term and long term employment benefits:

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 292.58 lakhs, which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee attrition rate	5.00%
Mortality: IALM (2012-14) Ultimate Mortality Table	

45. Financial instruments:

45.1 Capital management

The Group manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and total equity of the Group. The Group is not subject to any externally imposed capital requirement. The Group has complied with the financial covenants in respect of its borrowings.

The Company's management reviews the capital structure of the Group. As part of this review, the management considers the cost of capital and risk associated with each class of capital.

45.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Total debt	1,72,475.51
Cash & bank balance	(1,667.30)
Net debt	**1,70,808.21**
Total equity	**3,70,491.83**
Net debt to equity Ratio	**46.10%**

Notes:

Debt is defined as Non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon.

Cash and bank balances include cash & cash equivalents and other bank balances (excluding margin money deposits).

45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2020
a) Financial assets	
Measured at fair value through profit or loss (FVTPL)	
(a) mandatorily measured as at FVTPL	
(i) Investments in mutual funds	21,518.71
(ii) Investments in venture capital funds	18.95
(iii) Investments in alternate investment fund	4,239.42
(b) Derivative instruments designated as Fair value hedge in hedge accounting	859.27
Sub total	**26,636.35**
Measured at amortised cost	
(a) Cash and bank balances	1,688.41
(b) Other financial assets at amortised cost	
(i) Trade receivables	56,472.88
(ii) Loans	5,016.06
(iii) Others	4,834.20
Sub total	**68,011.55**
Total financial assets	**94,647.90**
b) Financial liabilities	
Measured at amortised cost	
Borrowings	1,72,475.51
Trade payables	36,712.21
Other financial liabilities	19,183.87
Sub total	**2,28,371.59**
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	
Derivative instruments designated as cash flow hedge accounting relationship	82.82
Sub total	**82.82**
Total Financial liabilities	**2,28,454.41**

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

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45. Financial instruments: (Contd..)

45.3 Financial risk management

The corporate finance function of the respective companies provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Group doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

45.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates.
2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Group is subject to the risk that changes in foreign currency values impact the Group's export revenues, imports of material/ capital goods, services/royalty and borrowings etc. Exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps.

Foreign exchange transactions are covered within limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Group's approach to management of currency risk is to leave the Group with minimised residual risk.

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Liabilities	
USD	39,895.29
Euro	17,785.39
Others	38.86
Assets	
USD	20,778.24
Euro	15,260.08

45.5.1 Foreign Currency Sensitivity Analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

45. Financial instruments: (Contd..)

45.5.1 Foreign Currency Sensitivity Analysis (Contd..)

A 10% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

(₹ in Lakhs)

USD impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	1,243.68
Impact on total equity as at the end of the reporting period	1,243.68

(₹ in Lakhs)

Euro impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	164.29
Impact on total equity as at the end of the reporting period	164.29

45.5.2 Forward Foreign Exchange Contracts

The Group enters into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period included in Note 10 and Note 21 to the financial statements are as under:

Outstanding Contracts	Foreign currency	Exchange Rate	Foreign currency (USD in Lakhs)	Nominal amounts (₹ in Lakhs)	Fair Value derivative assets / (liabilities) (₹ in Lakhs)
Fair value hedges					
Principal only swaps (POS) contracts (Financial Assets)	USD	75.55	92.13	6,960.21	859.27

The line-items in the standalone balance sheet that include the above hedging instruments are 'other financial assets'.

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Group's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. The short term foreign currency borrowings are at fixed rate of interest. Certain rupee term loans and short term loans carry variable rate of interest.

45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities in foreign currency, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

45. Financial instruments: (Contd..)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended 31st March, 2020 would decrease/increase by ₹ 102.92 Lakhs (net of tax). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

(₹ in Lakhs)

Interest Rate Swap Contracts outstanding	Average Contracted Fixed Interest Rate %	Notional Principal Value	Fair value derivative assets / (liabilities)
HSBC Bank	8.24%	2,221.02	(1.76)
MIZUHO Bank	8.24%	2,221.02	(1.76)
ICICI BANK	10.55%	2,518.17	(79.30)
1 to 5 years	-	6,960.21	(82.82)
Total		**6,960.21**	**(82.82)**
Balance in the cash flow hedge reserve (net of tax)			**(53.88)**

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the Standalone balance sheet that include the above hedging instruments are "Other financial assets"and "Other financial liabilities".

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Group is exposed to equity price risks arising from equity investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Group is also exposed to price risk arising from investments in debt mutual funds, but these being debt instruments, the exposure to risk of changes in market rates is minimal.

45.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for Investments in equity shares (including investments in equity oriented mutual funds) of companies other than joint ventures at the end of the reporting period.

If equity prices had been 10% higher/lower, profit for the year ended 31st March, 2020 would increase/decrease by ₹ 485.94 Lakhs as a result of the change in fair value of equity investments which are designated as FVTPL.

45. Financial instruments: (Contd..)

45.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products varies from company to company. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There is no external customer representing more than 10% of the total balance of trade receivables. All trade receivables are reviewed and assessed for default on a quarterly basis.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates for each Group Company depending on credit risk of each company.

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger - see Note 1 and 50	19.01
Movement in expected credit loss allowance	27.54
Balance at the end of the year	**46.55**

b) Loans and other receivables

The Group applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Group to the external parties. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

The Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

c) Other financial assets

Credit risk arising from balances with banks, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies. There are no collaterals held against such Investments.

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45. Financial instruments: (Contd..)

45.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the of Board of Directors of the Company, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

45.9.1 Liquidity and interest risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31st March 2020				
Borrowings	1,24,552.06	40,976.57	6,946.88	1,72,475.51
Trade payables	36,712.21	-	-	36,712.21
Security deposits	547.44	-	-	547.44
Other payables	17,161.61	1,474.82	-	18,636.43
Derivative financial liablities	82.82	-	-	82.82
Total	**1,79,056.14**	**42,451.39**	**6,946.88**	**2,28,454.41**

45.10 Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities

45.10.1 Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at	Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1. Principal only swaps designated in hedge accounting relationships (Note 10)	Assets - ₹ 859.27 Lakhs and Liabilities Nil	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/ interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA

45. Financial instruments: (Contd..)

45.10 Fair Value Measurements (Contd..)

This note provides information about how the Group determines fair values of various financial assets and financial liabilities

45.10.1 Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Contd..)

Financial Assets / financial liabilities	Fair Value as at	Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
2. Interest rate swaps designated in hedge accounting relationships (Note 22)	Assets - Nil and Liabilities ₹ 82.82 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/ interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3. Forward foreign currency contracts	NIL	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/ interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
4. Investments in Mutual Funds (Note 8(b) & 8(c))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 21,518.71 Lakhs	Level 1	Quoted prices in an active market	NA	NA
5. Investment in Venture Capital Funds (Note 8(b) & 8(c))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.95 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of investment in venture capital fund

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

45. Financial instruments: (Contd..)

45.10 Fair Value Measurements (Contd..)

45.10.1 Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Contd..)

Financial Assets / financial liabilities	Fair Value as at	Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
6. Alternate Investment Funds (Note 8(b))	Alternate Investment Funds: aggregate fair value of ₹ 4,239.42 Lakhs	Level 1	Quoted prices in an active market	NA	NA

During the year, there were no transfers between Level 1, Level 2 and Level 3.

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. Related Party disclosures

(A) Where control exists:

Holding company

Inox Leasing and Finance Limited - On demerger (see Note 1 and 50)

GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - Upto demerger, and subsequently classified as a fellow subsidiary (see Note 1 and 50)

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Whole-time directors

Mr. V K Jain (also appointed as Managing Director w.e.f. 01.08.2019)
Mr. Sanath Kumar Muppirala (w.e.f. 28.04.2019)
Mr. Sanjay Borwankar (w.e.f 15.02.2020)
Mr. D K Sachdeva (upto 14.02.2020)
Mr. Anand Bhusari (upto 27.04.2019)

b) Non-executive directors

Mr. D K Jain
Mr. P K Jain
Mr. Deepak Asher
Mr. Shailendra Swarup
Mr. Om Prakash Lohia
Mr. Shanti Prasad Jain
Ms. Vanita Bhargava
Mr. Chandra Prakash Jain
Mr. Rajagopalan Doraiswami (upto 24.09.2019)

Enterprises over which a Key Management Personnel, or his relatives, have significant influence

Devansh Gases Private Limited
Devansh Trademart LLP
Inox India Private Limited
Inox Air Products Private Limited
Inox Chemicals LLP
Refron Valves Private Limited
Rajni Farms Private Limited
Siddhapavan Trading LLP
Siddho Mal Trading LLP
Swarup & Company

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

46. Related Party disclosures (Contd..)

Fellow subsidiaries and their associates

GFL Limited (holding company upto demerger and subsequently a fellow subsidiary)

Subsidiaries of GFL Limited:

- Inox Leisure Limited
- Inox Wind Limited
- Inox Renewables Limited

Subsidiaries of Inox Wind Limited:

- Inox Wind Infrastructure Services Limited
- Waft Renergy Private Limited

Subsidiaries of Inox Wind Infrastructure Services Limited:

Haroda Wind Energy Private Limited
Khatiyu Wind Energy Private Limited
Vigodi Wind Energy Private Limited
Ripudaman Urja Private Limited
Vasuprada Renewables Private Limited
Suswind PowerPrivate Limited
Vibhav Energy Private Limited
Sri Pawan Energy Private Limited
Vuelta Wind Energy Private Limited
Tempest Wind Energy Private Limited
Ravapar Wind Energy Private Limited
Nani Virani Wind Energy Private Limited
Aliento Wind Energy Private Limited
Flurry Wind Energy Private Limited
Flutter Wind Energy Private Limited

Associates of Inox Wind Infrastructure Services Limited

Wind One Renergy Private Limited
Wind Two Renergy Private Limited
Wind Three Renergy Private Limited
Wind Four Renergy Private Limited
Wind Five Renergy Private Limited

Shareholder having significant influence in a subsidairy

Global Mines SARL, Morocco

Particulars of transactions during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Sale of Goods				
Inox Air Products Private Limited			1.39	1.39
Refron Valves Limited			0.08	0.08
Total			**1.47**	**1.47**
Purchase of Power				
Inox Wind Limited	284.68			284.68
Total	**284.68**			**284.68**
Purchase of Assets				
Inox Wind Limited	2,062.02			2,062.02
Total	**2,062.02**			**2,062.02**
Purchase of Goods				
Inox Air Products Private Limited			1,319.51	1,319.51
Inox India Private Limited			3,755.60	3,755.60
Refron Valves Private Limited			0.24	0.24
Total			**5,075.35**	**5,075.35**
Purchase of Services				
Inox India Private Limited			13.78	13.78
Total			**13.78**	**13.78**
Purchase of Movie Tickets				

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

46. Related Party disclosures (Contd..)

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Inox Leisure Limited	8.87			8.87
Total	**8.87**			**8.87**
Interest income (on capital advances)				
Inox Wind Infrastructure Services Limited	962.65			962.65
Inox Wind Limited	3,843.28			3,843.28
Total	**4,805.93**			**4,805.93**
Advances given towards purchases of assets				
Inox Wind Limited	70,439.60			70,439.60
Inox Wind Infrastructure Services Limited	16,748.98			16,748.98
Total	**87,188.58**			**87,188.58**
Gurantees given				
Inox Wind Infrastructure Services Limited	41,793.16			41,793.16
Inox Wind Limited	1,500.00			1,500.00
Total	**43,293.16**			**43,293.16**
Reimbursement of expenses (paid)/Payments made on behalf of the Company				
Devansh Gases Private Limited			7.32	7.32
Total			**7.32**	**7.32**
Reimbursement of expenses (received)/Payments made on behalf by the Company				
Inox Leisure Limited	8.08			8.08
Inox Renewables Limited	8.23			8.23
Inox Wind Limited	159.53			159.53
Inox Air Products Private Limited			5.38	5.38
Inox Wind Infrastructure Services Limited	359.99			359.99
GFL Limited	114.83			114.83
Total	**650.66**		**5.38**	**656.04**
Guarantee Commission Income				
Inox Wind Infrastructure Services Limited	328.38			328.38
Total	**328.38**			**328.38**
Rent Received				
Inox Air Products Private Limited			75.19	75.19
Inox Wind Limited	72.39			72.39
Inox Leisure Limited	29.69			29.69
Others	3.30		0.72	4.02
Total	**105.38**		**75.91**	**181.29**
Rent paid				

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2020

46. Related Party disclosures (Contd..)

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Inox Air Products Private Limited			1.00	1.00
Devansh Gases Private Limited			24.00	24.00
Mr. D K Sachdeva		1.05		1.05
Total		**1.05**	**25.00**	**26.05**
O&M Charges & Lease Rents paid				
Inox Air Products Private Limited			200.85	200.85
Inox Wind Infrastructure Services Limited	487.25			487.25
Total	**487.25**		**200.85**	**688.10**

Transaction with shareholder having significant influence in a subsidairy during the year ended 31st March, 2020

(₹ in Lakhs)

Royalty expense	Total
Global Mines SARL, Morocco	46.32

Particulars of transactions during the period ended 31st March, 2019

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Shares issued				
GFL Limited	1.00			1.00
Total	**1.00**			**1.00**
Reimbursement of expenses paid				
GFL Limited	0.41			0.41
Total	**0.41**			**0.41**
Rent paid				
GFL Limited	0.09			0.09
Total	**0.09**			**0.09**

Note: The above amounts are exclusive of duties and taxes, wherever applicable.

Particulars of amounts outstanding as at 31 March 2020

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Enterprises over which KMP or their relatives have significant influence	Total
Amounts payable			
Inox India Private Limited		203.49	203.49
Refron Valves Private Limited		0.17	0.17
Inox Air Products Private Limited		224.05	224.05
Inox Wind Infrastructure Services Limited	150.21		150.21
Inox Wind Limited	2,663.88		2,663.88
Total	**2,814.09**	**427.71**	**3,241.80**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

46. Related Party disclosures (Contd..)

Particulars of amounts outstanding as at 31 March 2020 (Contd..)

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Enterprises over which KMP or their relatives have significant influence	Total
Amounts Receivable			
a) Trade / Other receivables			
Inox Leisure Limited	3.70		3.70
Inox Renewables Limited	19.61		19.61
Inox Wind Infrastructure Services Limited	1,260.64		1,260.64
GFL Limited	114.83		114.83
Inox Wind Limited	3,652.61		3,652.61
Others	14.44		14.44
Total	**5,065.83**		**5,065.83**
b) Advances for purchase of assets			
Inox Wind Limited	70,439.60		70,439.60
Inox Wind Infrastructure Services Limited	16,748.98		16,748.98
Total	**87,188.58**		**87,188.58**
c) Guarantees			
Inox Wind Infrastructure Services Limited	41,793.16		41,793.16
Inox Wind Limited	1,500.00		1,500.00
Total	**43,293.16**		**43,293.16**

Particulars of amounts outstanding as at 31st March, 2020 in case of shareholder having significant influence in a subsidairy

(₹ in Lakhs)

Particulars	Total
Global Mines SARL, Morocco	34.24

Particulars of amounts outstanding as at 31st March, 2019

(₹ in Lakhs)

Particulars	Fellow subsidiaries and their associates	Enterprises over which KMP or their relatives have significant influence	Total
Amounts payable			
GFL Limited	0.50		0.50
Total	**0.50**		**0.50**

Compensation of Key Management Personnel during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Total
(i) Remuneration and commission	
Mr. V K Jain	717.90
Mr. D K Jain	417.46
Mr. D K Sachdeva	20.06
Mr. Anand Bhusari	10.96
Mr. Sanath Kumar Muppirala	72.33
Mr. Sanjay Borwankar	8.55
Total	**1247.26**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

46. Related Party disclosures (Contd..)

Compensation of Key Management Personnel during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Total
(ii) Director sitting fees	17.00
(iii) Professional fees	
Mr. Deepak Asher	180.00
Swarup & Co.	3.85
Total	**183.85**

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Group, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 23.23 lakhs included in the amount of remuneration reported above.

Notes

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31st March, 2020 for bad or doubtful trade receivables in respect of amounts owed by related parties.

47. Earnings Per Share

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit/(loss) for the year (₹ In lakhs)	18,931.47	(1.25)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	109850000	100000
Nominal value of each share (in ₹)	1	1
Basic and Diluted Earnings per share (in ₹)	**17.23**	**(1.25)**

48. Exceptional Items

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020
Expenses on demerger of Chemical Business Undertaking from GFL Limited (see Note 1 and 50)	2,604.05
Total	**2,604.05**

49. Non controlling interest

Details of non wholly owned subsidiary:

(₹ in Lakhs)

Particulars	Total
Name of Subsidiary	GFL GM Fluorspar SA
Place of incorporation and principal place of business	Morocco
Proportion of ownership interest and voting rights held by non-controlling interest	26.00%
Accumulated non-controlling interest	(1,069.03)

Note: The above non controlling interest is not material to the Group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

50. Demerger of Chemical Business

The Scheme of Arrangement ("the Scheme") for the demerger of Chemical Business Undertaking from Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") to Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the resulting company" or "the Company") and the respective shareholders of the two companies, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 i.e. making the Scheme operative. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company. Further, in respect of the secured loans transferred to the Company, the process of transfer of charges is in progress.

The demerger is accounted as per 'pooling of interest' method in accordance with Appendix C of Ind AS 103 - Business Combinations, being common control business combination.

Accordingly, following effects are given in the books of account of the Company:

(i) All the assets and liablities pertaining to the Chemcial Business Undertaking, transferred to and vested in the Company, are recorded at their respective carrying values as appearing the books of the demerged company.

(ii) The Company has issued 10,98,50,000 fully paid-up equity shares of ₹ 1 each to the shareholders of the demerged company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company.

(iii) The pre-demerger shareholding of the demerged company in the Company comprising of 1,00,000 fully paid-up equity share of ₹ 1 each, are cancelled and the amount is credited to the capital reserve.

(iv) The identity of the reserves transferred by the demerged company is preserved and are carried in the same form and manner by the Company.

After giving effect to the demerger, as above, the consolidated finanical statements are prepared as per the accounting policy stated in Note 3.1. The difference between the net assets transferred from the demerged company (including those of the subsidiaries), and the aggregate of the fresh share capital issued by the Company and the reserves transferred by the demerged company, is adjusted against the Capital Reserve as under:

(₹ in Lakhs)

Particulars	Amount
Assets of the dermerged undertaking	4,91,861.24
Less: Liabilities of the demerged undertaking	(1,41,155.35)
Net assets of the dermerged undertaking (a)	3,50,705.89
Transferred reserves:	
Capital reserve	12,827.46
General reserve	3,20,000.00
Cash flow hedge reserve	84.98
Foreign currency translation reserve	986.41
Retained earnings	16,304.19
Non-controlling interest	(314.69)
Total transferred reserves	3,49,888.35
Face value of fully paid-up equity shares issued to the shareholders of demerged company	1,098.50
Aggregate of transferred reserve and fresh issue of equity shares (b)	3,50,986.85
Net amount adjusted against the capital reserve (a) - (b)	**(280.96)**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2020

50. Demerger of Chemical Business (Contd..)

Summary of the assets and liabilities of the Chemcial Business Undertaking (including those of the subsidiaries), transferred and vested with the Company is as under:

(₹ in Lakhs)

Particulars	Amount
a) Assets transferred	
Property, plant & equipment	2,26,150.43
Capital work-in-progress	22,867.56
Investment property	1,032.00
Intangible assets	3,365.35
Financial assets	
Investments	
Investments in joint venture	88.33
Other investments	34,104.09
Trade receivables	57,405.91
Cash & cash equivalents	4,065.41
Loans	4,889.17
Other financial assets	937.14
Inventories	64,206.20
Deferred tax assets (net)	32,376.73
Income tax assets (net)	20,505.88
Other assets	19,867.04
Total assets transferred	**4,91,861.24**
b) Liabilities transferred	
Financial liabilities	
Borrowings	89,030.42
Trade payables	23,164.22
Other financial liabilities	23,496.52
Provisions	3,234.12
Deferred tax liabilities (net)	5.84
Current tax liabilities	1,181.62
Other liabilities	1,042.61
Total liabilities transferred	**1,41,155.35**

See Note 2.3 for presentation of in the financial statements on account of demerger

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

51. Details of subsidiaries at the end of the reporting period are as follows:

a) Subsidiaries of the Company

Particulars	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31st March, 2020	As at 1st April, 2019*
Gujarat Fluorochemicals Americas, LLC (GFL Americas)	Trading in fluoropolymers (PTFE, PVDF, PFA, FEP & FKM) and allied products	USA	100.00%	100.00%
Gujarat Fluorochemicals Singapore Pte. Limited (#)	Investment activities.	Singapore	100.00%	100.00%
Gujarat Fluorochemicals GmbH, Germany (GFL GmbH)	Trading in fluoropolymers (PTFE, PVDF, PFA, FEP & FKM) and allied products	Germany	100.00%	100.00%

b) Subsidiary of GFL Singapore Pte. Limited

Particulars	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31st March ,2020	As at 1st April, 2019*
GFL GM Flourspar SA	Exploration of fluorspar mines and sale of resultant fluorspar.	Morrocco	74.00%	74.00%

The above investments are pertaining to the Chemical Business Undertaking and received on demerger (see Note 1 and 50). Prior to demerger, this companies were subsidiaries of the demerged company.

The financial year of the above entities is 1st April to 31st March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

(#) The Group has provided undertaking to the lenders of GFL GM Flourspar SA that the Group will not dilute its stake below 100% in Gujarat Fluorochemicals Singapore Pte. Limited.

* On demerger - see note 1 and 2.3

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2020

52. Disclosure of additional information as required by the Schedule III

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Gujarat Fluorochemicals Limited	99.67%	3,69,242.08	100.33%	18,994.75	(24.42%)	(208.71)	94.94%	18,786.04
Subsidiaries (Group's share)								
Foreign Subsidiaries								
GFL GmbH	0.71%	2,648.04	3.75%	709.37	21.33%	182.27	4.51%	891.64
GFL LLC USA	1.23%	4,551.74	4.50%	851.40	44.57%	380.94	6.23%	1,232.34
GFL Singapore	2.53%	9,373.13	0.96%	182.28	82.37%	704.05	4.48%	886.33
GFL GM Moroccoo	(1.11%)	(4,111.63)	(14.25%)	(2,697.44)	(23.85%)	(203.84)	(14.67%)	(2,901.28)
Minority Interest in all subsidiaries	(0.29%)	(1,069.02)	(3.70%)	(701.34)	(6.20%)	(53.00)	(3.81%)	(754.34)
Joint Ventures (Investments as per equity method)								
Indian Joint Venture								
Swarnim Gujarat Flourspar Private Limited	0.02%	87.84	0.00%	(0.49)	0.00%	-	0.00%	(0.49)
Intercompany eliminations								
Consolidation eliminations / adjustments	(2.76%)	(10,230.35)	8.41%	1,592.94	6.20%	53.01	8.32%	1,645.95
Total	**100.00%**	**3,70,491.83**	**100.00%**	**18,931.47**	**100.00%**	**854.72**	**100.00%**	**19,786.19**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

Place : New Delhi

B. V. DESAI
Company Secretary

Place: Vadodara
Dated: 30th July 2020

V. K. JAIN
Managing Director
DIN: 00029968

MANOJ AGRAWAL
Chief Financial Officer

GRI Standards

General Disclosures

		Reference/ Page Number/ Direct Answer
Organizational Profile		
GRI 102: General Disclosures 2016	102-1 Name of the organization	Gujarat Fluorochemicals – Delivering Value through Green Chemistry (Page no. 008) Business Responsibility Report (Page no. 146)
	102-2 Activities, brands, products, and services	Gujarat Fluorochemicals – Delivering Value through Green Chemistry (Page no. 008) Manufacutred Capital (Page no. 049) Intellectual Capital (Page no. 053) Business Responsibility Report (Page no. 146, 148-149)
	102-3 Location of headquarters	Corporate Information (Page no. 003) Business Responsibility Report (Page no. 146)
	102-4 Location of operations	Corporate Information (Page no. 003) Business Responsibility Report (Page no. 146)
	102-5 Ownership and legal form	Shareholding Pattern (Page no. 140)
	102-6 Markets served	Growing Footprints (Page no. 012-013) Business Responsibility Report (Page no. 146)
	102-7 Scale of the organization	Tracking Growth – our Performance Highlights (Page no. 010-011) Manufactured Capital (047) Business Responsibility Report (Page no. 146, 149)
	102-8 Information on employees and other workers	Business Model of Human Capital (Page no. 060-061) Business Responsibility Report (Page no. 149)
	102-9 Supply Chain	Social and Relationship Capital (Page no. 081)
	102-10 Significant changes to the organization and its supply chain	Relationship Capital (Page no. 081) Shareholding Pattern (Page no. 140)
	102-11 Precautionary principle or approach	Protecting Stakeholder Interest - Mitigating Risks (Page no. 030-033)
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GUJARAT FLUOROCHEMICALS

VALUE THROUGH GREEN CHEMISTRY

Gujarat Fluorochemicals Limited

Integrated Annual Report 2019-20

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