GUJARAT FLUOROCHEMICALS
VALUE THROUGH GREEN CHEMISTRY
CIN : L24304GJ2018PLC105479

Gujarat Fluorochemicals Limited

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Old Padra road, Vadodara-390007, Gujarat, India
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Fax: +91-265-2310312 | www.gfl.co.in

GFCL: BRD: 2022

23rd September, 2022

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Scrip Code: FLUOROCHEM

Dear Sir/Madam,

Sub: Re-submission of Notice of 4th (Fourth) Annual General Meeting of the Company and Annual Report for Financial Year 2021-22, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

This is with reference to the announcement submitted with the Stock Exchanges on 05th September, 2022 regarding Annual General Meeting of the Company and the email dated 23rd September, 2022 received from Stock Exchange, wherein they advised to re-submit the announcement regarding Annual General Meeting, with the digital signature certificate and in machine-readable format.

Considering the above, please find enclosed herewith the Notice of 4th (Fourth) Annual General Meeting along with Annual Report of the Company for the Financial Year 2021-22.

We request you to kindly take the Notice of AGM and Annual Report attached with this letter on your record and update the same on website of the Stock Exchange.

Thanking you,

Yours faithfully,
For Gujarat Fluorochemicals Limited

BHAVIN VIPIN DESAI
Digitally signed by BHAVIN VIPIN DESAI
Date: 2022.09.23 18:08:55 +05'30'

Bhavin Desai
Company Secretary
FCS: 7952

Encl.:a/a.

An INOXGFL Group Company

GFL™
GUJARAT FLUOROCHEMICALS
VALUE THROUGH GREEN CHEMISTRY

Growing with Green Chemistry.

ENHANCING SCALE
BUILDING VALUE-ADDED PORTFOLIO
EXPANDING GLOBAL PRESENCE

Gujarat Fluorochemicals Limited
Annual Report 2021-22

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For more information, please, visit our website

Gujarat Fluorochemicals Limited (GFL) has always focused on growing across markets globally with continuous portfolio expansion and environment-friendly products and processes.

For over three decades, we have built an illustrious track record of performance, credibility, and a strong reputation in global markets, with our corporate brand increasingly being associated with materials for advanced applications, superior-quality and industry-leading customer service. Notwithstanding Industry cycles and other macro headwinds, our resilient business model and future-focused strategies have propelled us to a position of Industry leadership.

In line with our expansion plans, we are implementing a significant capex for battery chemicals, new fluoropolymers, PTFE, refrigerant gases etc riding on a strong backward integrated model complete with allied infrastructure. Our plans are underway to add capacities in high-value niche as well as new age product segments that will drive growth and profitability. Backed by our robust supply chain and long-term contracts for raw material sourcing, we have embarked upon the next phase of strong growth and firming up our leadership in fluoropolymers space. We are also gearing towards being part of the Electric Vehicles (EV) ecosystem, which will unveil new avenues of growth for us.

We believe in responsible industry leadership, and our emphasis on green chemistry exceeds regulatory mandates. Our responsible approach is evident in every process that we implement, every technology that we adopt, every resource that we deploy and every product that we launch. Sustainability is integral to our business philosophy and we are committed to reduce our environmental footprint across every facet of our operations.

We are enhancing our value-added portfolio, driving operational excellence and cost efficiencies and expanding our global footprint. At the heart of whatever we do is our commitment to green chemistry.

Corporate Information

Board of Directors

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Shailendra Swarup
Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Mr. Om Prakash Lohia
Independent Director

Mr. Chandra Prakash Jain
Independent Director

Ms. Vanita Bhargava
Independent Director

Mr. Sanath Kumar Mupiralla
Whole-Time Director and Non-Independent Director

Mr. Sanjay Borwankar
Whole-Time Director and Non-Independent Director

Mr. Niraj Agnihotri
Whole-Time Director and Non-Independent Director

Board Level Committees

Audit Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shailendra Swarup
Independent Director

Ms. Vanita Bhargava
Independent Director

Nomination and Remuneration Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Shailendra Swarup
Independent Director

Mr. Om Prakash Lohia
Independent Director

Stakeholders' Relationship Committee

Mr. Shailendra Swarup
Chairman and Non-Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Corporate Social Responsibility Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shailendra Swarup
Independent Director

Risk Management Committee

Mr. Vivek Jain
Chairman - Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Mr. Shailendra Swarup
Independent Director

Committee of Directors for Operations

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Key Managerial Personnel

Mr. Vivek Jain
Managing Director

Mr. Manoj Agrawal
Chief Financial Officer

Mr. Bhavin Desai
Company Secretary

Bankers

DBS Bank India Limited
RBL Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
Yes Bank Limited
Emirates NBD Bank
Bank of Baroda
CTBC Bank Company Limited
Axis Bank Limited

Locations

Registered Office

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

Dahej Plant A

Plot Number 12 A GIDC Dahej
Industrial Estate, Taluka Vagra,
District Bharuch-392 130, State Gujarat
Tel.: +91 2641 618031

Dahej Plant B

Plot No. D-2/CH/173/222, GIDC
Industrial Estate, Taluka Vagra,
Village Galenda,
District Bharuch-392 130, State Gujarat
Tel.: +91 2641 618031

Vadodara Office

ABS Towers, Second Floor
Old Padra Road
Vadodara – 390007, State Gujarat
Tel.: +91 265 6198111

Corporate Office

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

Auditors

Statutory Auditor

Patankar & Associates,
Chartered Accountants,
19, Gold wing, Parvati nagar Sinhgad
Road, Pune – 411030

Cost Auditor

Kailash Sankhlecha and Associates,
Cost Accountant
Saffron Complex, 414, Abbas Tyabji
Rd, Opposite Indian Airlines Office,
Jayesh Colony, Fatehgunj,
Vadodara 390002, State Gujarat

Secretarial Auditor

Samdani Shah & Kabra,
Practising Company Secretaries
702, Ocean, Sarabhai Compound,
Near Centre Square Mall, Dr. Vikram
Sarabhai Road, Vadodara 390 023
State Gujarat

About This Report

We are pleased to present to you our Third Integrated Annual Report for FY 2021-22. The report addresses all stakeholders, with whom we partner and to whom we are accountable. It contains leadership insight and disclosures on which our stakeholders can base their assessments of our ability to meet their expectations and align their interests to create enterprise and societal value over the short, medium and long term.

Scope and boundary

The integrated report's scope and boundary covers the risks, opportunities and outcomes associated with the following aspects of our business activities:

Strategy
Page **42**

Business model
Page **20**

External environment
Page **24**

Stakeholder engagement
Page **32**

Materiality Assessment
Page **30**

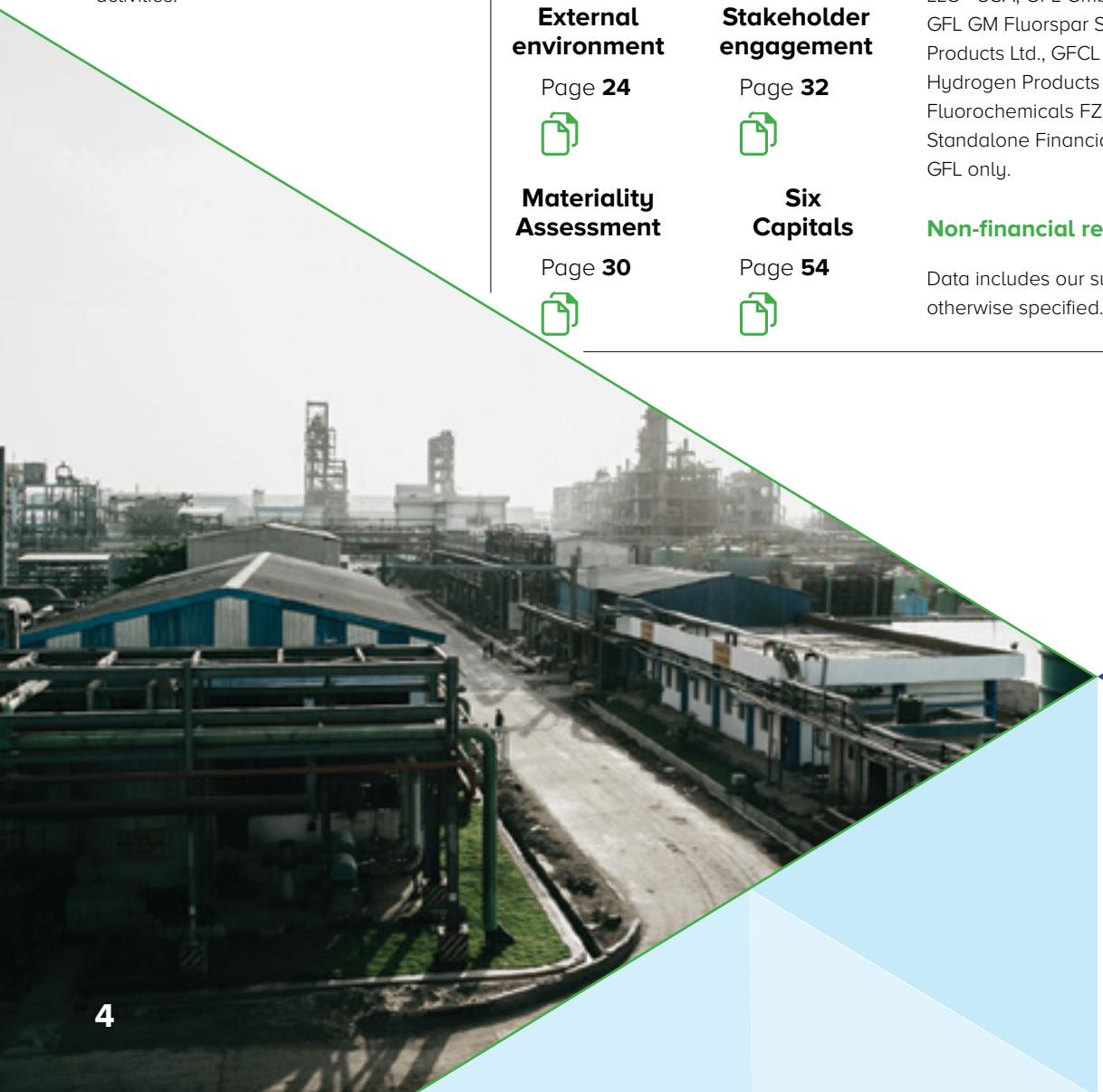
Six Capitals
Page **54**

Financial reporting boundary

Covers our subsidiaries, joint ventures and key associates. The Consolidated Financial Statements cover GFL, GFL Singapore Pte ltd., GFL Americas LLC - USA, GFL GmbH, Germany, GFL GM Fluorspar SA, GFCL EV Products Ltd., GFCL Solar and Green Hydrogen Products Ltd., and Gujarat Fluorochemicals FZE, Dubai and the Standalone Financial Statement covers GFL only.

Non-financial reporting boundary

Data includes our subsidiaries unless otherwise specified.



Reporting principle

The Integrated Report 2021-22 adheres to the principles and requirements of the IIRC's International Integrated Reporting <IR> Framework. The Report is prepared in accordance with the Seven Guiding Principles as required by the IR Framework covering the Eight Content Elements. The Details of the same are given below:

Guiding Principles (GP)	Relatedness within the Report	Page No.
GP-1: Strategic focus and future orientation	The report provides an insight into our strategy and how we are creating value in the short, medium and long term, and its linkage to the capitals.	Across the report
GP-2: Connectivity of information	The information in the report reflects the interlinkages, interrelatedness and dependencies between the factors that affect our ability to create value over time.	Across the report
GP-3 Stakeholder Relationships	Through this report, we have highlighted the nature and quality of our relationships with the key stakeholders, including how and to what extent we understand, takes into account and responds to their needs and interests.	Page **32**
GP-4: Materiality	The report highlights the matters that substantively affect our ability to create value over the short, medium and long term.	Page **30**
GP-5: Conciseness	The report is kept concise while covering all the material and strategic information.	Across the report
GP-6: Reliability and Completeness	The report covers all material matters, both positive and negative, in a balanced way and the key figures have been assured by the management and third party consultant.	Across the report
GP-7: Consistency and Comparability	All the facts and figures stated in the report are consistent with our previous integrated and annual reports.	Across the report

Content Elements (CE)	Relatedness within the Report	Page No.
CE-1: Organizational overview and external environment	Covered in **'The dynamic external environment'** section.	Page **22**
CE-2: Governance	Covered in **'Steered by robust and visionary governance'** chapter.	Page **46**
CE-3: Business Model	Covered in **'Building value with a long-term perspective'** chapter.	Page **20**
CE-4: Risks and Opportunities	Covered in **'Managing risks prudently in a dynamic environment'** chapter.	Page **38**
CE-5: Strategy and Resource Allocation	Covered in **'Forward-looking strategies'** chapter and six capitals.	Page **42**
CE-6: Performance	Highlights of Financial and non-financial KPIs within six capital and in other sections of the report.	Across the report
CE-7: Outlook	Opportunities and Uncertainties, strategies, performance and external environment under which business operate has been addressed under appropriate headings in the report.	Across the report
CE-8: Basis of Presentation	Highlighted in 'About the Report' section.	Page **4**

Additionally, we have complied with The Companies Act, 2013, Indian Accounting Standards and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to draft the financial and statutory section of the report.

Moreover, this also serves as our Communication on Progress (CoP) for United Nationals Global Compact (UNGC) Advanced covering Ten principles in each of four areas (human rights, labour, environment, anti-corruption).

Reporting Period

The Annual Report considers the primary reporting period as April 01, 2021 to March 31, 2022. However, some sections of the report represent facts and figures of previous years to provide a comprehensive view to the readers, and especially anyone who has a stake in GFL's success — customers, business partners, employees, investors and other stakeholders.

Assurance

To ensure the integrity of facts and information, the Management has reviewed the Integrated Report. The Statutory Auditors, M/s 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 & vibhu.agarwal@gfl.co.in

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

Website: www.gfl.co.in

Navigate through the report

Our Capital

Financial Capital

Manufactured Capital

Human Capital

Intellectual Capital

Natural Capital

Social and Relationship Capital

Our Stakeholders

Customers

Investors /Shareholders

Employees

Suppliers and Business Partners

Community

Regulatory, Government and Industry Bodies

A closer look at Inox GFL Group

The Inox GFL Group with a legacy of more than 90 years is one of the largest business Group's in India. The Group is a forerunner in diversified business segments comprising specialty chemicals, fluoropolymers, gases, wind turbines and renewables. The Group currently with 3 listed entities has a market capitalization ~ 5 bn USD

Key highlights

3
Companies listed on BSE & NSE

4,000+
Workforce

₹ 6,086 Crore+
Group net worth

₹ 4,551 crore
Group revenue

₹ 34,044 crore
Market capitalisation (for listed companies) as on 31st March, 2022

Inox GFL Group

Chemical business

Gujarat Fluorochemicals Limited

Leading chemical company with over 30 years of experience in fluorine chemistry, GFL is India's largest producer of Fluoropolymers. It also manufactures Refrigerants, Chemicals and Fluorospecialities for its customers worldwide.

GFCL EV Products Limited

GFCL EV offers a range of solutions for the entire value chain of batteries, battery components and products for Electric Vehicles.

GFCL Solar & Green Hydrogen Products Limited

GFCL Solar & Green Hydrogen Products provides fluoropolymer solutions for the entire value chain of solar power systems and green hydrogen production including proton exchange membranes for electrolysers and fuel cells.

Gujarat Fluorochemicals FZE, Dubai ("GFL Dubai")

GFL Dubai is engaging in the business of Trading and Processing of Refrigents and polymers.

Gujarat Fluorochemicals LLC, USA ("GFL America")

Gujarat America is engaged in the business of trading and ware housing of all fluoropolymers.

Gujarat Fluorochemicals GmbH ("GFL Germany")

GFL Germany is engaged in the business of trading and ware housing of all fluoropolymers.

Gujarat Fluorochemicals Singapore Pte Limited ("GFL Singapore")

The Company has been set up for the purpose of investment activities. The Company has invested in joint venture in Morocco for mining of fluorspar.

GFL GM Fluorspar SA ("GFL Morocco")

GFL Morocco is engaged in the business of exploration of Fluorspar mines.

Renewable energy business

INOX Wind Limited

With state-of-the-art manufacturing plants spread across India, INOX Wind is one of the largest wind energy solution providers in the market.

INOX Green Energy Services Limited

IGESL is India's leading wind O&M services player with more than 8 years of operating history.

INOX Wind Energy Limited

INOX Wind Energy Ltd is the holding company of Inox Wind.

ABOUT US

Growing with innovation, integration and professionalism

Established in 1987, Gujarat Fluorochemicals Limited (GFL) has emerged as one of the acclaimed and major player in the Fluoropolymers, Fluorospecialties and Refrigerants space on the strength of relentless R&D, deep integration across the value chain and a culture of professionalism.

It has the largest Refrigerant manufacturing unit at Ranjitnagar, Gujarat. GFL, Dahej is India's only Fluoropolymer producer and among the top few globally. It is also a major supplier of Fluoropolymers to Europe and USA.

At GFL, we have expanded our operations to cater to growing customer demand through our three state-of-the-art manufacturing facilities in India, a captive Fluorspar mine in Morocco, offices and warehouses in Europe and USA, and a marketing network spread across the world. Our expertise in Fluorine Chemistry, full vertical integration right from natural minerals to value added Fluoropolymers and strong R&D have been the cornerstones of our success.

Our Brands

INOFLON®

INOFLON® represents PTFE, PFA and FEP manufactured and marketed by GFL

Explore Inoflon »

FLUONOX®
Fluoroelastomers

FLUONOX® represents Fluoroelastomers (FKM) manufactured and marketed by GFL

Explore Fluonox »

INOFLAR™

INOFLAR™ represents PVDF manufactured and marketed by GFL

Explore Inoflar »

INOLUB™
Fluoropolymer Additives

INOLUB™ represents PTFE Additives and PPA manufactured and marketed by GFL

Explore Inolub »

Refron

REFRON represents Refrigerants manufactured and marketed by GFL

Explore Refron »

Vision

- To become preferred global suppliers of Fluoropolymers, Fluoroelastomers and new generation products and achieve this status 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 for the environment and society at large.

Our 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
Excellence in quality.

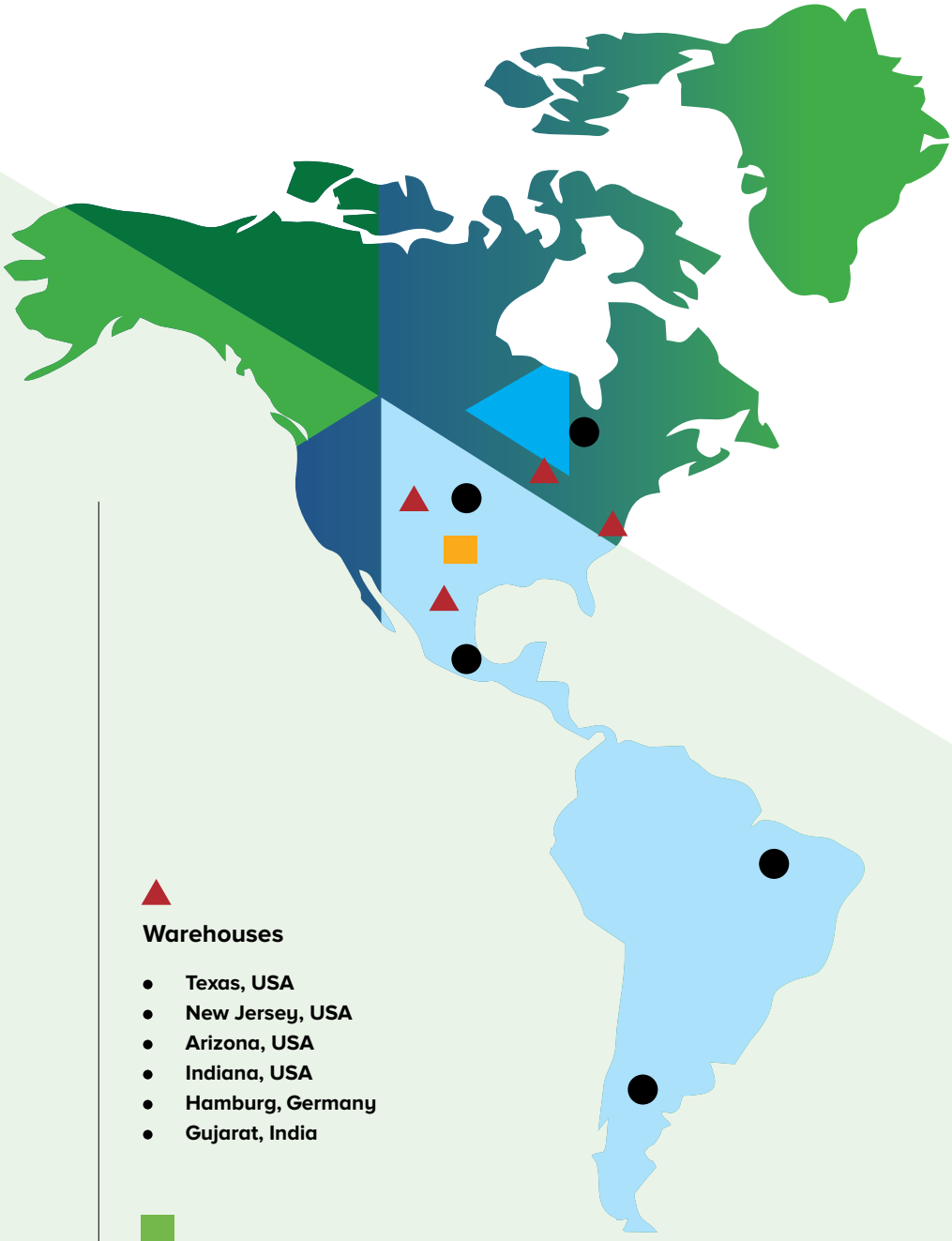
Excellence
Excellence in services & manufacturing practices for our stakeholders.

Integrity
Building trust in dealings with all stakeholders.

Innovation
Enthuse our customers through our innovative approach.

Customer value
Delight the customer & deliver the value.

Growing our global reach and relevance



Corporate HQ

- Noida, India

Subsidiary

- India
- Hamburg, Germany
- Texas, USA
- Casablanca, Morocco
- Singapore
- Dubai

Sales & Distribution

- Americas: Michigan, Philadelphia, Atlanta, New Jersey, Mexico, Brazil, Argentina
- EU: UK, Belgium, Italy, Germany
- ROW: South Africa, Thailand, China, Korea, Taiwan, India, Japan

Warehouses

- Texas, USA
- New Jersey, USA
- Arizona, USA
- Indiana, USA
- Hamburg, Germany
- Gujarat, India

Manufacturing

- Dahej, Gujarat, India
- Jolwa, Gujarat, India
- Ranjitnagar, Gujarat, India
- Casablanca, Morocco

Strengthening our competitive advantages

Being the leading manufacturer of Fluoropolymers and Fluoro Specialty chemicals in India today, we enjoy significant advantages of scale and innovation. We are building scale and investing aggressively in innovation and upskilling our teams

What sets us apart

Trusted brand

Our brand salience is recognised by our customers worldwide. Our emergence as a preferred supplier is underpinned by our strong product suite, robust distribution network and excellent supply chain and network of warehouses. We also work along our customers to undertake collaborative technical engagement from the conceptual stage till end use.

Strong R&D and Product Development capabilities

The success we have achieved so far is owing to our state-of-the-art R&D facilities, experienced team and product development capabilities. Our ability to adapt to changing market demand, diversity of our offerings and ability to develop products with quick turnarounds enables us to unlock value.

Integrated facilities

GFL is the largest, technologically advanced, cost-effective, and fully integrated producer of chloromethanes, refrigerant gases and fluoropolymers in India. Our backward integration model has enabled us to provide industry-leading quality products at best value to our customers.

We have a significant capex plan and are currently expanding our capacities for Bulk and Specialty Chemicals, Fluoropolymers and New Age Products.

Available resources

Our business is supported by our robust capital structure and financial resources, along with latest and increasingly efficient physical and digital infrastructure. Our strong balance sheet provides flexibility to manage any uncertainty and provide sustainable growth to our business.

Why partner with us?

Cost competencies

Our state-of-the-art manufacturing facility, backward integration of key inputs and access to raw materials worldwide has enabled us to maintain low cost of production and deliver high margins across our business segments.

Strong customer base and reach

Our partnerships and alliances with global organisations, along with our strong marketing team enable us to grow and expand our market presence. Our market distribution, marketing team and customer service remain our key differentiating factors.

Expertise and technical know-how

Our multifarious expertise and technical insight enable us to capitalise on emerging opportunities across diverse markets.

We are making big strides towards further enhancing customer experience, strengthening our portfolio and driving sustainable growth and value.

We have built a robust platform for growth and a business model that supports rapid scale-up of capacities.

We constantly look for best practices and technologies to make our operations more agile, resilient and efficient.

We are developing new products and fostering new partnerships to serve our customers better and grow our revenue and profitability.

We maintain optimum capital structure and undertake cost control measures to ensure superior margins and returns with a long-term perspective.

Message from Managing Director

Vivek Jain
Managing Director

Dear Shareholders,

FY22 has been a year marred by recurring waves of the pandemic, global geopolitical tension and a challenging and uncertain macro-economic environment. The pandemic-induced disruptions put brakes on the growth engine of the Indian economy, as businesses suffered and millions of people lost their lives and livelihoods.

The global turmoil has had its ripple effect on the Indian economy as well. Although India continues to be among the fastest growing major economy but inflationary pressures, sharp spike in commodity prices, global political uncertainty, continue to pose risk to our country's growth prospects in the near term.

Despite global turmoil and macro-economic challenges posing a threat to the Company's business, GFL posted strong growth and sustained its market leadership by deploying various strategies. The Company has delivered strong performance by steadily enhancing its operational efficiency, deploying robust technology and leveraging a fully integrated business model.

The raging pandemic (which spanned for two years) posed many operational challenges but we successfully managed our working capital and delivered a solid performance. In FY22 our revenue from operations grew from ₹ 2651 crore to ₹ 3954 crore, registering 49% growth. Our EBITDA stood at ₹ 1198 crore, vis-à-vis ₹ 638 crore in 2020-21. Our PAT stood at ₹ 775 crore, compared to ₹ 361 crore in the previous year, growing by 115%. Sustained profit growth was achieved by implementing capacity expansions, further increasing market reach and having stringent operation control programmes, while making no comprises on the product quality.

The growth in consumption across the globe has helped bolster demand for GFL's products. As the world limps back to normalcy we expect the retail spending to touch pre-pandemic levels. This will enable manufacturing to hasten its path to recovery with a positive trade momentum.

GFL plans to ride the wave of rising global consumption and has geared up to expand production capacity of its key products. In order to increase our market share globally and meet the growing demand we have planned further capacity augmentation and intend to add new products to expand our portfolio.

GFL aims to be part of the globally growing environment-conscious industry fraternity and is accordingly re-aligning its long-term vision and strategy. Its plan is in alignment with India's goal to be carbon neutral by 2070. We intend to widen our product offering to serve sunrise sectors such as electric vehicles, solar panels and green hydrogen electrolysers and fuel cells among others. We have incorporated two new 100% owned subsidiaries, namely GFCL EV Products Limited as well as GFCL Solar and Green Hydrogen Products Limited to build separate brands and have deployed dedicated teams for the purpose.

When it comes to sustainability, it is gratifying to see that GFL's sustainability culture is deeply ingrained across all levels of its operations. Aligned to the seventeen UN SDGs, we are committed to taking immediate actions to build a better tomorrow for all our stakeholders.

At GFL, our efforts are directed towards enhancing and incorporating existing environmental, social and governance aspects of sustainability into our long-term business strategy. At GFL, we are embracing inclusive growth, with an aim to co-create sustainable business value for our stakeholders.

Backed by a talented and committed team of professionals we remain upbeat about our performance in the coming years. We continue to invest in research and development for introducing new products and strengthening our manufacturing capabilities. We believe, our new-age products are poised to deliver growth in the near short term, with higher margins leading better profitability and value creation.

Everything we have accomplished would not have been possible without our team and I extend my heartfelt gratitude to the GFL family for their unstinted support and commitment to GFL. I am also grateful to all our stakeholders for the trust they have bestowed on us, and we are committed to fulfil their expectations.

Thanks and Regards

Vivek Jain
Managing Director

Despite global turmoil and macro-economic challenges posing a threat to the Company's business, GFL posted strong growth and sustained its market leadership by deploying various strategies. The Company has delivered strong performance by steadily enhancing its operational efficiency, deploying robust technology and leveraging a fully integrated business model.

CEO's perspective

Dr. Bir Kapoor
Chief Executive Officer

Dear Shareholders,

A raging pandemic and challenging macro-economic environment posed many business challenges, but despite many hinderances GFL has grown and is on the cusp of entering a new phase of growth.

Uncertainty around Covid-19 induced lockdowns, inflationary pressures, unavailability of raw materials due to supply chain disruptions and the outbreak of fire at our Ranjitnagar plant, were some of the major challenges faced by us. Despite the setbacks, we achieved superlative revenue growth.

During the year under review, we have navigated the challenging environment by bolstering our capabilities and envisaging newer growth strategies. I am grateful to my colleagues at GFL who despite challenging circumstances have shown their unwavering support and commitment and enabled GFL to attain steady growth.

GFL has been a pioneer in the fluoropolymers space in India and over the years we have grown from strength to strength with continuous portfolio expansion. I am pleased to inform that GFL is now among the top five global manufacturers of fluoropolymers. A feat which wouldn't have been possible without the continuous support and dedication of its talented teams.

During its illustrious corporate journey spanning over three decades, GFL has built credibility and a strong reputation in the global market, with our brand being associated with high quality and superior customer service. Our value creation approach and collaborative ethos have propelled us to a position of market leadership.

In line with our expansion plans, we have announced a capex of about ₹ 2,750 crore during 2022-24 for battery chemicals, new fluoropolymers, PTFE, backward integration and allied infrastructure. Currently in the

fluoropolymer space are focus is on adding PVDF and FKM and backward integration to ensure raw material availability and optimise costs.

Our plans are underway to add capacities in high-value product segments that will drive margins and profitability. Backed by our robust supply chain and long-term contracts for raw material sourcing, I am confident GFL will begin the new phase of strong growth and firm up its leadership in the fluoropolymers space.

As I envision the future, I believe our diverse portfolio coupled with an exciting new product pipeline will enable us to cater to several downstream industries. Our major outlays of PVDF binders for EV batteries, PVDF Film for Solar Panels, Battery Chemicals for EV batteries and Proton Excahnge Membranes (PEM) for hydrogen electrolysers and fuel cells are promising products.

With the growing global environment consciousness, EV is at the forefront of transforming the global automobile industry. GFL aims to be a part of the ecosystem and is excited about penetrating the EV space that will open new avenues of growth. Having commenced operations for establishing a dedicated plant for the EV sector, we are hoping to establish ourselves as a major player in this space in India.

Going ahead, our focus will continue to be on building a business with green chemistry, enhancing our value-added portfolio, driving cost efficiencies and expanding our global presence. Greater operational efficiency and delivering sustained growth will be our consistent strategy at GFL.

I extend my heartfelt gratitude to all our stakeholders for their encouragement and support. Our commitment towards them is only growing stronger, as we work towards amplifying value for all.

Thanks and Regards

Dr. Bir Kapoor
Chief Executive Officer

GFL has been a pioneer in the fluoropolymers space in India and over the years we have grown from strength to strength with continuous portfolio expansion. I am pleased to inform that GFL is now among the top five global manufacturers of fluoropolymers. A feat which wouldn't have been possible without the continuous support and dedication of its talented teams.

Building value with a long-term perspective

Input

Financial capital
- ₹ **11 Crore** Shareholders' funds
- ₹ **1553 Crore** Debt fund

Manufactured Capital
- **3** Manufacturing facilities
- ₹ **3,436 Crore** Gross Block

Intellectual Capital
- **2 R&D** facilities
- **Decades** of industry experience and know-how

Human Capital
- **6182 Man hours** on EHS training

Social and Relationship Capital
- ₹ **10.57 Crore** Spent towards CSR activities (including excess amount of CSR spent in earlier year)
- **44,320** shareholders

Natural Capital
- **35.71%** Renewable energy consumed at Dahej unit

Risks

- Economic and geopolitical uncertainty
- Volatility in raw material prices and fluctuation in forex rate
- Occupational health and safety of employees
- Performance of existing products and new product development
- Technological obsolesce
- Succession planning and talent retention
- Regulatory, governance and compliance risk (including ESG compliance)

Stakeholder Expectations

- Innovative and eco-friendly products
- Constant growth in revenue and profitability
- Smart and sustainable technology development
- Increased consumption of renewable energy
- Decreasing carbon footprints
- Ethical and transparent code of conduct
- Preparing the next generation of leaders
- Creating employment opportunities
- Upliftment of the community

Internal Perspective

- Our Vision
- Our Mission
- Our Credo

Our Strengths

- Trusted brand
- Strong R&D and product developmentcapabilities
- Integrated Facility
- Available resources
- Cost competencies
- Esteemed clients and reach
- Expertise and technical know-how

Strategic focus areas

- Maximise value from our core capabilities
- Investment towards product development and innovation
- Broadening our portfolio
- Brand building
- Be the preferred partner of our customers
- Maintaining sustainable operations
- Strengthening our team

Value creation process

Customer Expectation → Research and development → Raw material sourcing and procurement → Distribution → Manufacturing → Logistic → Sales and marketing → Product end use

Output	Outcomes	SDGs impacted
Financial capital • **₹ 3954 crore** Revenue from operations • **₹ 1198 crore** EBDITA • **₹ 26 crore** Cash and Cash Equivalent	**Financial capital** • Constant and sustained growth in revenue and profitability • Strong balance sheet and liquidity position • Long-term value creation for shareholders through increased returns	
Manufactured Capital • **4** Offices across geographies • **847** Sales and distribution centres • **20+** Industries served	**Manufactured Capital** • Increased operational efficiency • Production of industry-leading quality products with minimum lead time • State-of-the-art machineries and equipment	
Intellectual Capital • **ISO27001** Accredited organisation • **Adopted** disruptive technologies	**Intellectual Capital** • Innovation of new, one-of-its kind and eco-friendly products • Development of sustainable technologies and processes • Building strong brand value and recall	
Human Capital • **₹ 265 Crore** Spent as employee benefit expenditure	**Human Capital** • Increased retention rate • Safe, inclusive and open work environment • Diverse and committed workforce	
Social and Relationship Capital • **22,074** Beneficiaries for CSR activities • CSR spent in **One Country**	**Social and Relationship Capital** • Sustained and consistent value creation for stakeholders • Upliftment of the communities in which we operate	
Natural Capital • **100%** of our operations is covered in ISO 14000 • **100%** Non-hazardous waste recycled at our Ranjitnagar facility	**Natural Capital** • Reduced environmental footprints • Efforts to alleviate the impact of climate change • Ensured resource efficiency and waste minimization	

MACRO-ECONOMIC LANDSCAPE

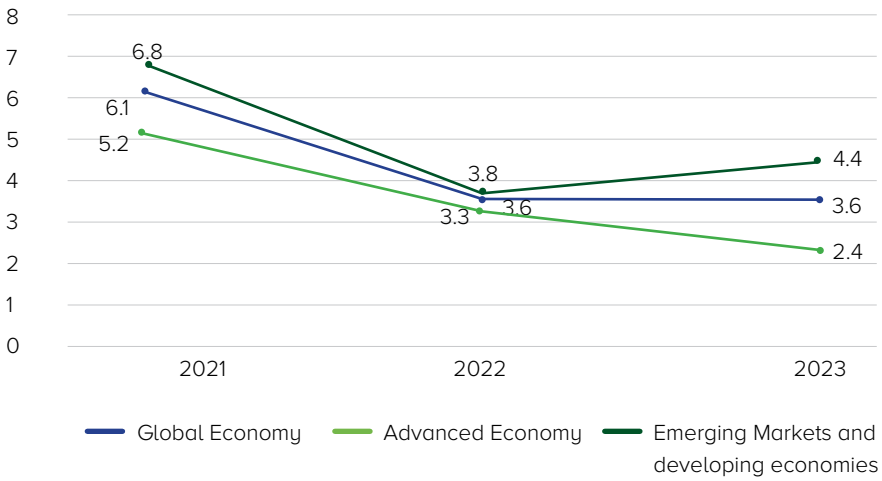
The dynamic external environment

Our ability to generate sustainable value and make big strides towards accomplishing our vision is impacted, both positively and adversely, by various factors in our external environment. We constantly evaluate the dynamic macro environment to ensure that we are best positioned to seize emerging opportunities and mitigate challenges.

Economic momentum

Post the pandemic-induced inertia, the global economy showed signs of recovery in 2021, even though downside risks will persist over the medium term. Russia's invasion of Ukraine in early 2022 further aggravated the prevailing challenges such as surging inflation, supply shortages and shifting geopolitical realities across the world with no definite end in sight. However, gradual opening up of economies, increasing access to vaccines and strong policy support are expected to accelerate the growth momentum across all economies.

GDP Growth (in%)

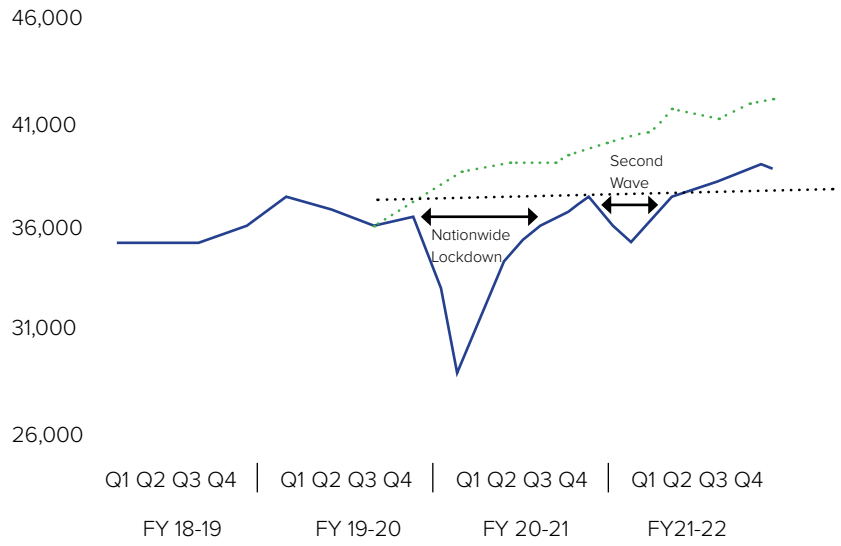


(Source: IMF WEO April 2022)

India's economy, like all other economies, was severely impacted by macro-economic headwinds such as elevated commodity prices, global logistics, supply side bottlenecks and prices of industrial raw materials in FY22. Real gross domestic product (GDP) grew by 8.7% in FY22 after contracting 6.6% in the previous fiscal, while the nominal GDP saw 19.5% growth in FY22 after contracting 1.4% in FY21.

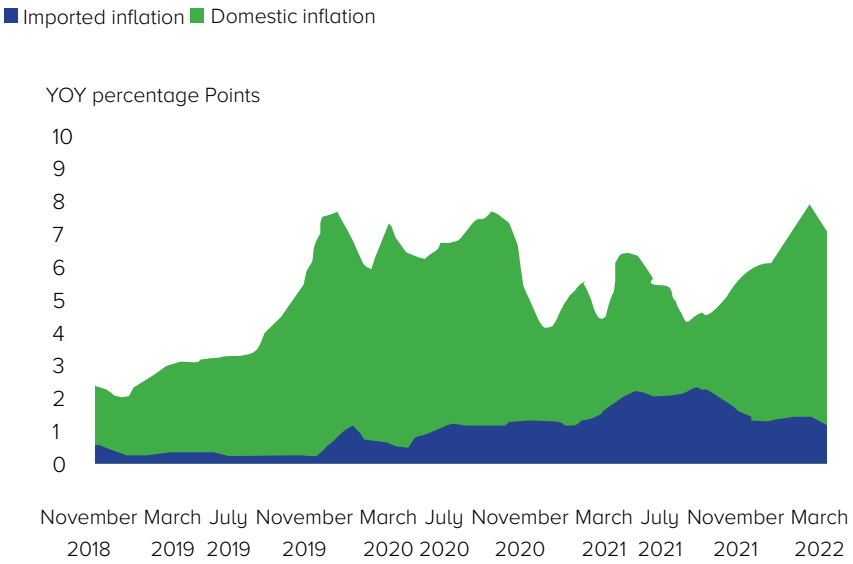
The country's GDP growth is expected to be higher in the next fiscal year 2022-23. Incomes and output are anticipated to increase not only because of the low base effect, but also due to the recovery in business expectations and the anticipated improvement in both global and domestic demand.

Real GDP (seasonally adjusted level values, INR Billion)



Higher import prices are pushing up domestic inflation

Consumer price inflation (CPI) drivers



Note: Imported components of the CPI account for 11.8% of the total CPI basket.

Sources: Haver analytics; the Centre for Monitoring Indian Economy

High inflation

High inflation — the outcome of accommodative policy stance by Central Banks around the world, along with supply chain disruptions created by Covid-19 — was further exacerbated due to the war in Ukraine and the subsequent sanctions on Russia. Accelerating growth, while managing inflation, has become the toughest challenge for both advanced and developing economies. Inflation in advanced economies and emerging economies has surged to multi-decadal high levels.

In India, retail inflation is surging beyond the upper band of RBI's tolerance level (4-6%), warranting tightening of policy rates. High fuel and food prices have contributed to it. Lately, a surge in demand for services has contributed to inflationary pressures. Most importantly, rising prices of commodities and raw materials globally have also contributed to inflationary pressures.

The Wholesale Price Index (WPI)-based price, which captures these global factors, surged to a 30-year high of 12.96% in FY22 and rose to a record high at 15.08% in April 2022. The Consumer Price Index (CPI)-based retail inflation surged to a near 8-year high of 7.79% in April 2022. The wide gap between WPI and CPI reflects price pressures on the wholesale side, which is likely to be passed on to the retail level in the coming months.

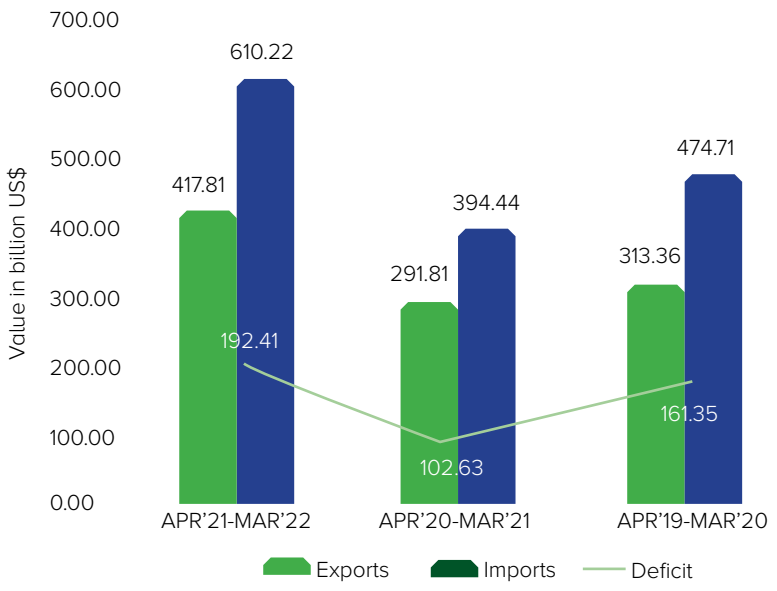
The dynamic external environment (Contd.)

Foreign trade

During the fiscal year 2021-22, India achieved an all-time high annual merchandise exports of USD 417.81 billion an increase of 43.18% from FY 2020-21 which was over USD 291.81 billion and an increase of 33.33% in FY 2019-20 which was over USD 313.36 billion. For the first time, India's monthly merchandise exports crossed the USD 40 Billion mark, reaching USD 40.38 billion in March 2022, an increase of 14.53% over USD 35.26 billion in March 2021. It was primarily driven by petroleum products, engineering goods, gems and jewellery and chemicals. There was also a significant increase in exports to developed countries such as the US, the Netherlands, Hong Kong, Singapore, the UK, Belgium and Germany.

On the import front, India's merchandise import for FY22 was USD 610.22 billion, an increase of 54.71% over USD 394.44 billion in FY21 and an increase of 28.55% over USD 474.71 billion in FY20. The trade deficit stood at USD 192.41 billion in FY22 as compared to USD 102.63 billion in previous year.

Indias Merchandise trade during April 2021-March 2022



Manufacturing sector

The manufacturing sector, which has lagged for multiple years, has been witnessing new investment and uptick in ordering activity, which led to this growth. The growth was contributed by the traditional sectors such as petrochemicals, steel, cement, and automobiles, as well as new-emerging sectors such as electronics, e-vehicles, and data centres.

Additionally, various government policies such as Production-Linked Incentive (PLI) schemes, Make in India initiative and Aatmanirbhar Bharat are providing the much-needed impetus to the growth of India's manufacturing sector. The PLI scheme by the Government for API manufacturing in pharma sector and specialty chemical sector will surely boost the requirements for fluoropolymer in the coming years. The future roadmap of the sector remains optimistic as several multinational companies will look for cost-effectiveness in light of the China Plus One strategy.

Climate change risks and opportunities

Climate and environmental concerns have been identified as one of the top government agendas, alongside increasing recognition of the importance of human dignity, with new regulations,

standards and mandatory disclosures. The government has set targets to reduce the overall emission of the country and have been setting stringent rules and regulations to achieve it.

Companies are also investing in innovative ways to reduce their environmental impact as well as re-looking at their product portfolio and raw materials to ensure environmental sustainability across all aspects. Within the chemical space, Fluoropolymers are the most convenient and superior material to manufacture green technology applications, from wind turbines to photovoltaic panels. Fluoropolymers help in improving durability by providing protection against extreme weather and environments, including hail, rain, humidity, UV light, wind, and extreme temperatures. In addition, improved efficiency and safety, insulation against electricity and chemicals, protection against corrosion, tensile strength, and resistant to high working pressures are some of the factors expected to create opportunities for the investors in the global fluoropolymers market, in the coming years.

Digital and technology disruption

With the advent of new technologies and digital platforms, digitisation has emerged as a powerful tool to make businesses more agile and efficient. Likewise, the increased availability of data, use of analytics and artificial intelligence (AI), continued adoption of cloud computing and the emergence of new technologies, are rapidly transforming business operations.

Within the chemical industry, there has been investment in digitisation aimed at optimising production, through increasing equipment efficiency, automating of key processes, predictive and remote monitoring, and streamlining maintenance. Advanced technologies are also being adopted to track the cost trajectory of raw materials, demand forecasting, designing of new materials or chemical structures and development of new synthesis pathways that improve sustainability.

Growing demand from downstream industries

The fluoropolymer industry can be classified into oil & gas, semi-conductor, automotive, healthcare, electronics, construction and industrial processing. The growing use of Fluoropolymers in the above sectors will propel growth in the markets globally. The global arena is witnessing a paradigm shift in the automobile and telecom sectors with requirements of batteries for electric vehicles, semi-conductors and 5G networking for communication. Given this backdrop, it is anticipated that the consumption of Fluoropolymers will increase significantly.

As India faces the challenge of food grain wastage due to a lack of cold storage infrastructure, the cold storage infrastructure in the country is expected to improve in the coming years. The production of refrigerants segment is also anticipated to increase due to rising feedstock requirements. Further, in the near to mid-term, refrigerant gases are also expected to witness a sharp uptick following the demand for cold storage.

Climate and environmental concerns have been identified as one of the top government agendas, alongside increasing recognition of the importance of human dignity, with new regulations, standards and mandatory disclosures. The government has set targets to reduce the overall emission of the country and have been setting stringent rules and regulations to achieve it.

MATERIALITY

ENGAG

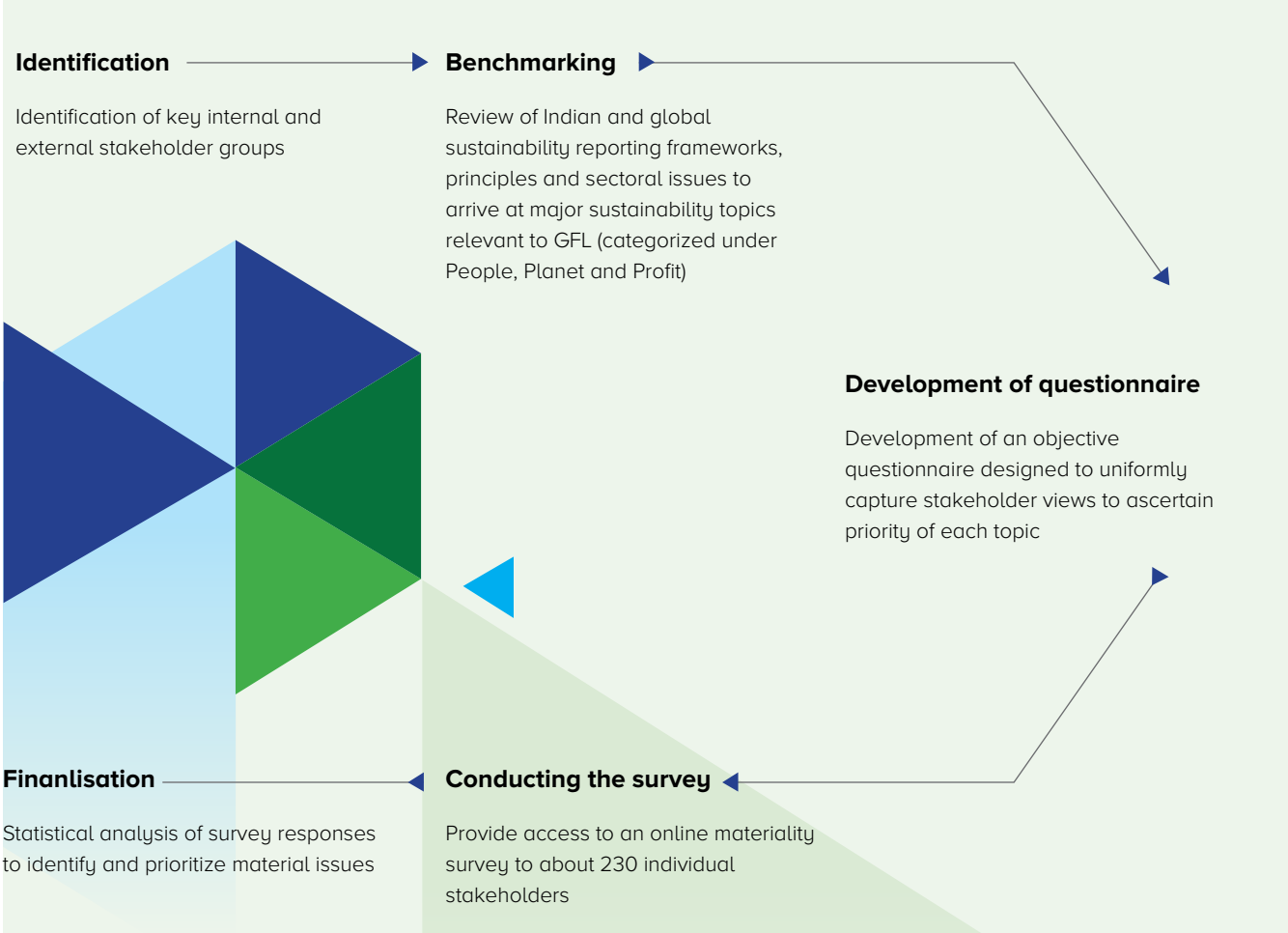
AND
STAKEHOLDER
EMENT

Evaluating material issues core to the business

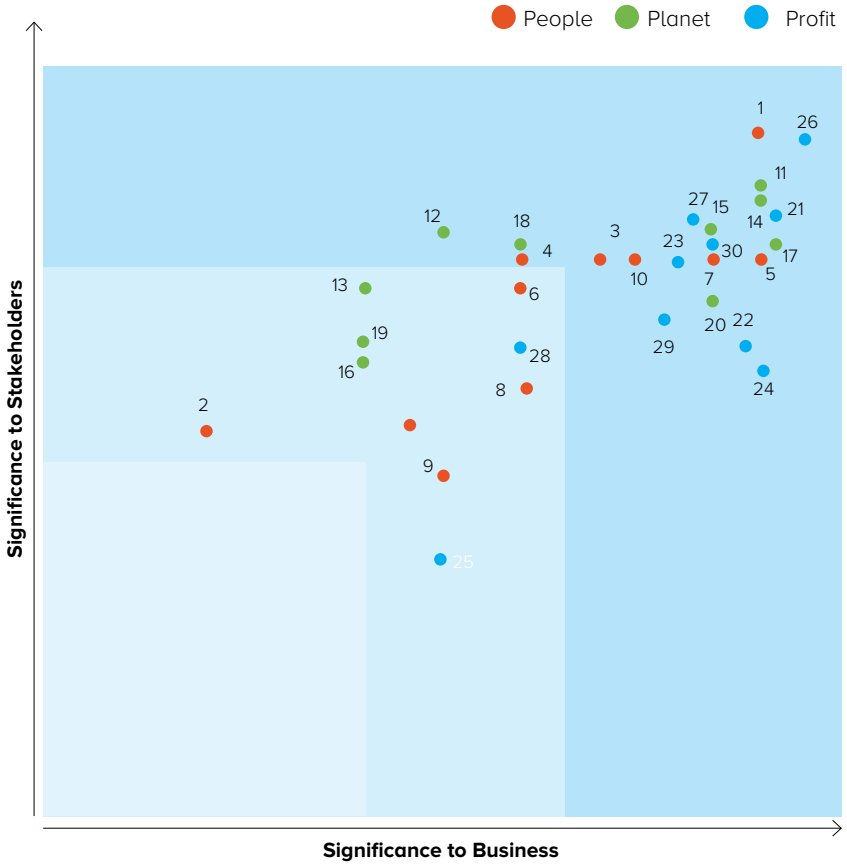
Since inception, we have been contributing towards the upliftment and improvement in the economic activity of the country, along with expanding our operations and creating value for our stakeholders. Many factors affect our ability to create value, including our operating environment, stakeholders, responses to risks and opportunities and our chosen strategy.

In order to identify the material matters – those which can significantly affect our ability to create or preserve value, or lead to value erosion, over the short, medium, and long term – we had conducted a materiality assessment in the previous year.

Our materiality determination process is discussed and illustrated as follows:



Material Matrix



Key Material Topics Identified

The following material topics were identified as important to business and stakeholders:

1. Occupational Health and Safety
2. Employment practices
3. Human rights
4. Talent development and training
5. Employment creation and skill development
6. Emissions, effluents & waste
7. Energy efficiency
8. Water consumption
9. Climate change
10. Opportunities in clean technology
11. Growth and continuity
12. Profitability and Shareholder Value
13. Product development
14. Customer satisfaction
15. Anti-corruption
16. Business risk mitigation
17. Good governance practices

People

1. Occupational Health and Safety
2. Employee diversity
3. Employment practices
4. Talent attraction and retention
5. Human rights
6. Fair & transparent people process
7. Talent development and training
8. Supplier assessments
9. Local community involvement and development
10. Employment creation and skill development

Planet

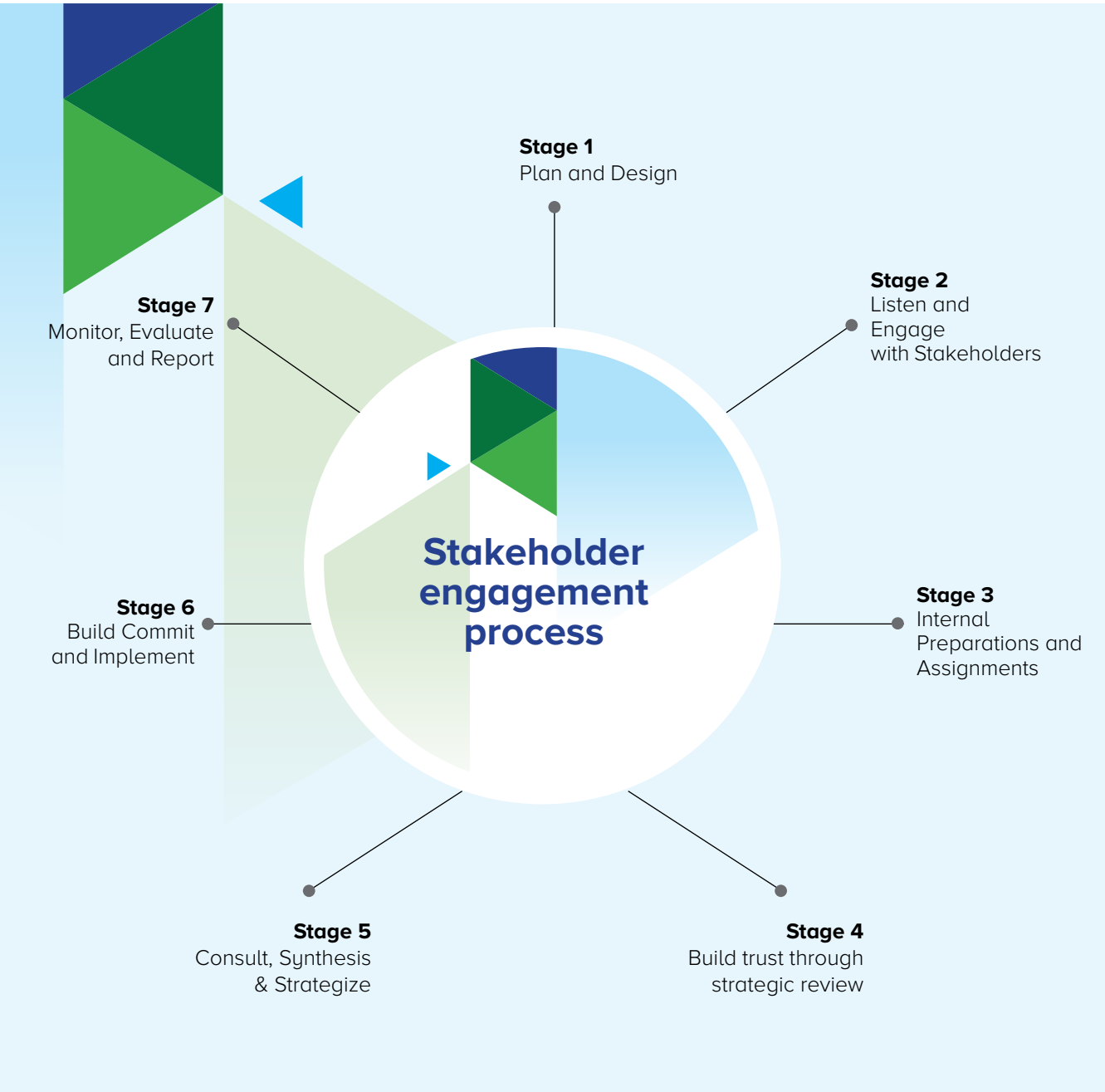
11. Emissions, effluents & waste
12. Chemical spills
13. Materials
14. Energy efficiency
15. Water consumption
16. Biodiversity
17. Climate change
18. Product safety and stewardship
19. Product design for use-phase efficiency
20. Opportunities in clean technology

Profit

21. Growth and continuity
22. Profitability and Shareholder Value
23. Product development
24. Cost optimisation
25. Geographical presence
26. Customer satisfaction
27. Anti-corruption
28. Anti-competitive behaviour
29. Business risk mitigation
30. Good governance practices

Engaging with stakeholders to create value that endures

Stakeholders are integral to our value creation process, and we acknowledge our role and responsibility to address their expectations and concerns. We have identified various stages of the stakeholder engagement process, which are periodically reviewed and changes are incorporated on the basis of a dynamic operating environment.



Shareholders & Investors

Expectations
- Transparency
- Profitability
- Growth and expansion
- Operational and resource efficiencies

Mode of engagement
- Annual General Meeting (AGM)
- Press conferences
- Updates on Company website
- Investor/analyst meetings
- Stock exchange announcements

Value created
- Appreciation in return on investment and capital employed
- Growth and expansion in customer base, geographical footprints and financial performance

SDGs impacted

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Customers

Expectations
- Safety and data privacy
- Ethical business practices
- Eco-friendly products and solutions
- Superior quality products and services

Mode of engagement
- Website
- Periodic market research
- Customer meets
- Customer visits
- Conferences
- Trade fair

Value created
- Partnering for growth
- Differentiated products and services
- Engineering support
- Timely delivery
- Maintain quality of products
- Competitive pricing

SDGs addressed

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Engaging with stakeholders to create value that endures (Contd.)

Suppliers

Expectations
- Access to new markets
- Fair margins
- Revenue growth
- Long-term partnerships
- Resource efficiency

Mode of engagement
- Supplier development initiatives
- Online/offline workshops
- Annual suppliers' meet (online/offline)
- Supplier feedback surveys
- On-boarding process

Value created
- Building capabilities through skill development
- Opportunities to innovate
- Development opportunity
- Secure operations

SDGs impacted

Page **81**

Employees

Expectations
- Safety and job security
- Employee wellbeing
- Positive and open workplace
- Capability building, development and enhancement of skills
- Career growth opportunity

Mode of engagement
- Training and performance management
- HR forums
- Focused group discussions
- Employee engagement events
- Regular updates through email communication
- Employee satisfaction surveys

Value created
- Diverse and transparent workspace
- Fair wages
- Opportunity for learning and growth
- Safety and wellbeing (physical and mental)

SDGs addressed

Page **66**

Community

Expectations

- Livelihood opportunities
- New technologies and smart solutions
- Reduced environmental footprint
- Community development
- Preservation of culture and heritage

Mode of engagement

- Interactions during implementation of CSR projects
- Interviews with local community representatives
- Public Hearing
- CSR Cell engagement with community
- Community Development Newsletter

Value created

- Significant and enduring effect on communities in close proximity to our operating locations

SDGs impacted

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Regulatory, Government and industry bodies

Expectations

- Timely compliance with law and regulations
- Transparent and open operations
- Adherence to environmental laws
- Timely payment of taxes
- Support to various schemes of central and state governments

Mode of engagement

- Meetings, presentations and networking in different forums
- Regular visits
- Annual and quarterly compliance reports
- Press conferences and media events
- Published articles and newsletters
- Online meetings and interviews

Value created

- Advocacy towards shaping policies for the future
- Timely filing of returns and payment of tax
- Sharing best practices
- Initiate ideas to enhance overall industry experience

SDGs addressed

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STRATEGY AND

RISK MANAGEMENT

Managing risks prudently in a dynamic environment

At GFL, we have a structured and systematic process of identifying and managing all material risks across the vast canvas of our operations. We conduct a meticulous risk assessment every year as per our Risk Management Framework. In every assessment, we evaluate the impact of the existing risks as well as identify emerging risks, along with defining a relevant mitigation. Post risk management committee review the Board of Directors evaluate the risk assessment and mitigation plan.

Risk management process

Identifying the Risks

In this stage, all risks applicable to company are identified via various methods such as Management interviews, Industry exposure and Public Literature

Assessing Impact and Likelihood of Risks

Impact and likelihood of risks are assessed as per Risk Management Framework

Determining Gross Risk Score(GRS)

Impact and likelihood of Risks identified above are multiplied to obtain Gross Risk Score

Assess Mitigation Risk Score (MRS) and Determining Residual Risk Score (RRS)

Interviews are taken of respective stakeholders and according to their strategies mitigation scores are given, which ultimately is reduced from Gross Risk Score to obtain Residual Risk Score (RRS)

Create Risk Rainbow

Risk Rainbow is created and final outcomes are shared

Key risks identified and their mitigation plan for the year under review:

Economic and Geo-political uncertainty

Description

The fiscal year 2022 continued to witness several headwinds such as rising inflation and supply chain disruptions, which might have adverse impact on our operations. Additionally, the geo-political uncertainty such as increasing competition between the US and China and Russia's invasion of Ukraine is causing sever disruption across the globe. These macro-economic factors have direct and indirect impact on our operations.

Mitigation plan

Our expansive operations spanning across the globe safeguards us from temporary slowdown in a particular region or geography. Further, the diverse use case of our products and certain products that are not highly sensitive to price enables us to maintain our growth trajectory. Moreover, our products have significant potential globally as it can be used in array of application. We believe, this will enable us to safeguard our operations from any downturn in the global economy.

Capital impacted

Material topics identified

- Growth and continuity
- Profitability and Shareholder Value

Volatility in raw material prices and fluctuation in forex rate

Description

Owing to high inflationary pressure, the prices of key raw materials - water, fluorspar and energy surfactants such as GX-902 and 905 remain volatile. Further, given our global operations, we earn decent portion of revenue in foreign currency which are subject to changes in forex rate. Increased input cost and adverse forex rate impact have unfavourable impact on our profitability.

Mitigation plan

We have undertaken backward integration of key raw materials as well as have identified and build long-standing relationship with key suppliers which enables us to mitigate any adverse impact of raw material price fluctuation. Additionally, we have also built a strong hedging policy for our forex transactions which empowers us to safeguard from adverse fluctuation of forex rate.

Capital impacted

Material topics identified

- Growth and continuity
- Profitability and Shareholder Value

Occupational health and safety of employees

Description

There are inherent safety risks associated with manufacturing and chemical handling activities across the value chain. Our failure to manage occupational hazards that will impact the health of employees and workers may result in additional costs (liabilities, legal costs, reputational damage and diseases outbreaks)

Mitigation plan

Across all our facilities, we have feel safe mechanism for all the plants. We also conduct training on periodical basis to understand safety risk attached with daily work and what safety compliances should be followed. Mock drill is also conducted on periodical basis. Additionally, we have designed the contracts with labour contractors in such a way that all safety compliances and other compliances are covered. On violation of any compliance by contractors, penalties are initiated and if violations are repeatedly done by contractors, then we have a policy to terminate the contract with them.

Capital impacted

Material topics identified

- Occupational Health and Safety
- Employment practices
- Human rights

Performance of existing products and new product development

Description

It is pivotal for us to ensure that we create demand for our existing products as well as develop new and differentiated products that addresses the growing needs of our customers worldwide. It is of significant importance for us to ensure that we develop products that have minimum impact on the environment and review products that might have adverse impact on the environment.

Mitigation plan

We continue to invest towards building a diverse and sustainable portfolio of products. We have also reduced stock of non-moving inventory by application-based allocation of material and converting it into micropowder for further value addition. Our focus is on developing products for emerging sectors such as EV batteries and 5G network.

Capital impacted

Material topics identified

- Product development

Technological obsolesce

Description

With technological landscape rapidly evolving, it is pivotal for us to embrace these technologies in order to remain competitive, increase of efficiency and streamline our operation.

Mitigation plan

At GFL, we continue monitor the changes in technological landscape and embrace state-of-the-art technologies and upgrade our existing infrastructure. We have integrated SAP into our operations across all the key function. This has enabled us to streamline our operations and automate manual processes. We also leveraging other state-of-the-art technologies such as Customer Relationship Management tool (Salesforce), and SCADA control operations.

Capital impacted

Material topics identified

- Opportunities in clean technology
- Growth and continuity

Succession planning and talent retention

Description

To ensure business continuity and long-term success, it is vital to have a strong succession planning framework that prepare next-gen leaders and to retain and attract key talents.

Mitigation plan

At GFL, we have a developed a comprehensive Performance Management System and Development Planning Process (PMSDP) which ensure objective evaluation of performance annually. This is ably supported by the process of half- yearly midterm reviews. We now have been placing a detailed career growth structure which is called the 'Career Ladder' which is the base for career advancement. To bring in more focus, both our manufacturing sites have unit talent review committees (UTRC). The performance management process has a two-level evaluation - at the Appraiser level and the Reviewer level to bring in Fairness and Transparency.

We have identified all critical position at leadership level as well as Unit Level. We also have identified the high potential employees in the managerial levels and their Individual development plan is already in place. We have a clear strategy in place for succession planning of key positions. The matter is regularly reviewed by the top management.

Capital impacted

Material topics identified

- Talent development and training
- Employment creation and skill development

Regulatory, governance and compliance risk (including ESG compliance)

Description

Our inability to comply with applicable laws and regulations including the aptitude to identify and respond to regulatory amendments and new taxes in a timely manner might have an adverse impact on our operations. It might also result in monetary loss and impact our brand reputation.

Mitigation plan

We have installed a vision 360 tool which ensures that all the compliances are separately tracked and any non-compliances are duly reported. These reports are reviewed every quarter. To ensure environmental compliances and create awareness among the employees, we have undertaken an array of initiatives such as Responsible Care and Suraksha Setu Programme under guidance of Dupont Safety Systems. We also have a well-established policy of anti- bribery, anti-competitive and other governance policy.

Capital impacted

Material topics identified

- Anti-corruption
- Good governance practices

Forward-looking strategies

Our broad strategies for the future are set by the Board and the Leadership Team. They are reviewed periodically in line with evolving business realities, nationally and internationally.

Maximise value from our core

We continue to focus on expanding our operations and maximising value from our core of manufacturing and supplying of Fluoropolymers, Fluorospecialties and Refrigerants. We embrace disruptive technologies to strengthen our operations and make it more agile, while ensuring to remain resilient to price fluctuations and deep market downsides as well as increasing our cash generation potential in an upside scenario.

Material issue addressed

- Growth and continuity
- Profitability and Shareholder Value

Capital linkage

Investment towards R&D

At GFL, we have our own in-house research centre – GFRC located in Dahej, India. Our team of experts is constantly working to enhance the quality of products and making processes more efficient by developing newer technologies. We also collaborated with renowned educational and research institutes such as Indian Institute of Technology and Indian Institute of Chemical Technology as well as with few leading global domain experts as our consultants. Our R&D activities are centred around two focus areas i.e. new product development and sustainable manufacturing technologies. Our R&D centre serves as bedrock to our growth trajectory as it has the dexterity to support and sustain our business by providing swift responses to customer's investigations.

Material issue addressed

- Product development
- Opportunities in clean technology

Capital linkage

Strengthening our team

At GFL, we strive to build a winning team by developing a competitive advantage through our culture, attracting and being a home for India's leading talent and supporting our people. We are an equal employer and ensure the physical and mental well-being of our employees and their dependent family members through an array of initiatives. In line to rapidly changing market context, we continue to invest in upgrading the skills of our employees. We also provide immense opportunities to our employees to grow and expand in their professional and personal lives alike.

Material issue addressed

- Occupational Health and Safety
- Employment practices
- Talent development and training
- Employment creation and skill development

Capital linkage

Broadening our portfolio

At GFL, we believe that product development and innovation intertwined with sustainability goals are the key factors for competitive advantage in the fluoro-products market. Thus, we continue to combine research and customer insights to create one of the industry's broadest and most flexible portfolios of Fluorospecialties. Our solutions for the pharmaceutical and agrochemical industries are derived from extensive research capabilities with analytical development chemists engaged in Process Development. We are also undertaking projects that enabled improvement in upstream value chain helping us increase our cost-competitiveness.

We are making big strides towards servicing future requirements owing to the emerging megatrends in sunrise sectors such as alternative energy and digital economy that are driving the evolved needs of the market globally.

Moreover, the growing using of fluoropolymers in newer applications such as Automobile, Telecom and semiconductor is further encouraging us to diversify our offerings further.

Material issue addressed

- Product development

Capital linkage

Brand building

In order to establish a strong brand value and recall across regions, we continue to participate in various industry events and trade organizations. We actively participated in several important discussion forums focused on product innovation, sustainability, industry developments and technology. Additionally, our CSR team worked assiduously towards community development projects centred around health, women empowerment, social upliftment and environment. We also keep our customers and business partners updated with information on our key developments through corporate website and social media platforms. We are harnessing the power of technology and social media platforms to further increase our awareness about our brands and offerings.

Material issue addressed

- Growth and continuity

Capital linkage

Be the preferred partner of our customers

Our endeavour is to strengthen our market leadership by providing our customers the latest, most innovative and best-in-class technologies, products and services. We strive to constantly provide value for money to our customers by ensuring industry-leading quality products at competitive price.

At GFL, we believe maintaining global excellence in quality, excellence in service and manufacturing practices, building and maintaining integrity with all the stakeholders and a continuous approach to enthuse all our customers through innovativeness are key ways to delight and deliver the values to our customer.

Through our integrated operations and integrity built over the years with our customers, GFL has proven itself to be the most reliable and established leader in the Indian market. For global markets, GFL is considered as the preferred supplier because of our strong dealers' network, excellent supply chain and warehousing networks.

Material issue addressed

- Product development
- Customer satisfaction

Capital linkage

Maintaining sustainable operations

We all know that our planet is warming and the emissions of greenhouse gases have substantially increased. At GFL, we have taken preventive measures, so that we can build a safe environment for future generations. To name a few, we have stopped using the refrigerants, which have a negative impact on the environment.

Moreover, at our facilities, the gases we vent or the liquids we discharge are within the permissible PPM levels. We have taken initiatives such as Responsible Sales and Marketing, sustainable procurement, and comply with the standards such as UNGC and ISO 26001. We have set stringent sustainability goals and parted necessary training to all our employees in order to ensure we timely meet our sustainability goals.

Material issue addressed

- Emissions, effluents & waste
- Energy efficiency
- Water consumption
- Climate change

Capital linkage

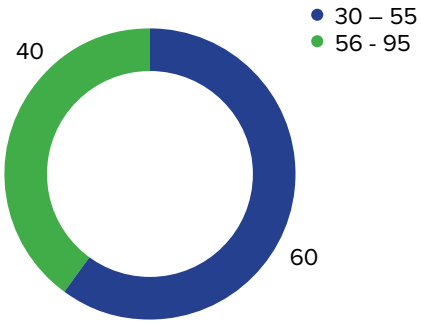
GOVERNANCE

Steered by robust and visionary governance

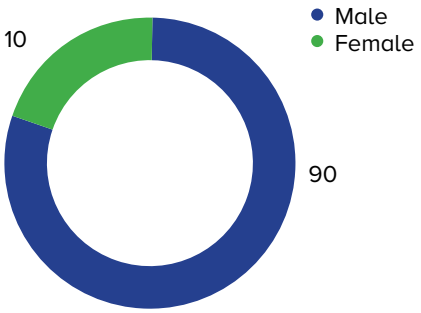
We, at GFL, believe that sound corporate governance practices are essential for creating and sustaining shareholder value and ensuring that our behaviour is ethical, legal and transparent – thereby reducing the risk of value erosion.

Our Board of Directors are committed to continuously improving our corporate governance principles, policies, and practices by remaining abreast of evolving regulations and benchmarking best practises. This is further enhanced through engagement with regulators and industry bodies, and through seeking regular feedback from other stakeholders. This has enabled us to build a strong corporate governance framework that assures good governance, in areas of corporate governance, compliance, risk and sustainability.

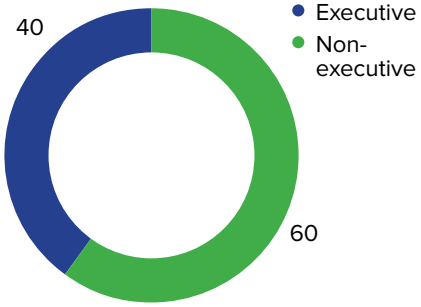
By age (%)



By gender (%)



By designation (%)



Board of Directors

The Board is accountable for the performance of the Company, considering the possible positive and negative outcomes of our activities and outputs on the economy, society and the environment in which we operate. Our Board of Directors comprises ten Directors having dynamic and diverse experience and know-how. They possess the required skills, expertise and competences in different areas of works/functions such as Business Strategy, Financial Management and Taxation, Corporate Governance, Legal and Compliance, which enable the Board to identify the opportunities and risks associated to us. The Board reviews the strategies, polices and budgets related to different risk as and when required.

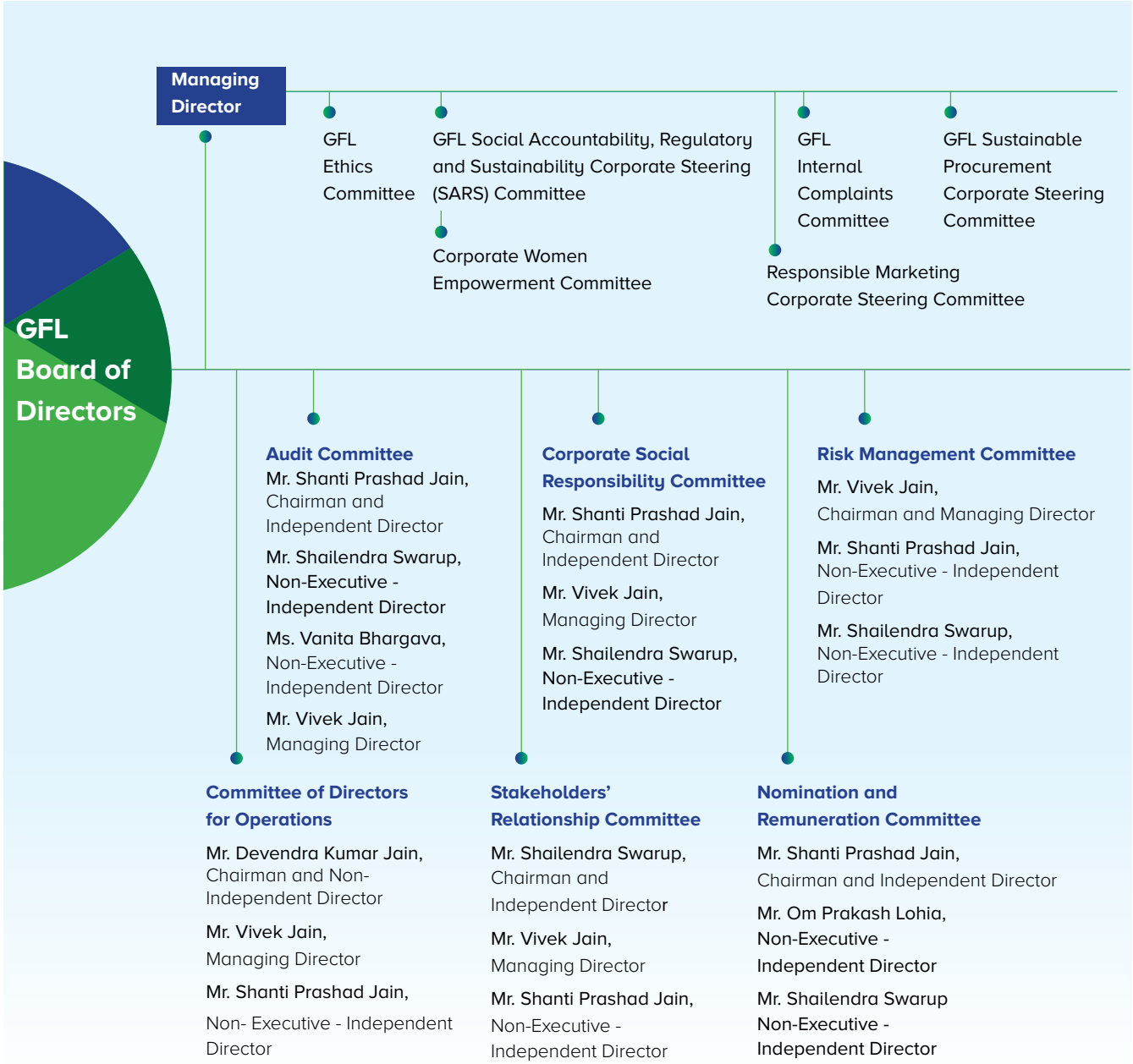
Board diversity

While onboarding any new Director/ Directors, the aim is to induct diverse experience, expertise and opinions. Our Board review takes tenure and succession, retirement, resignation, skills, Board evaluation outcomes and regulatory requirements into account. We are proud to have a Board of Directors that is diverse in nature in age, race, gender, ethnicity, culture, educational background, skills, experience and knowledge.

07
Number of board meetings conducted in FY22

69.52%
Average attendance in board and committee meeting

Governance framework



[For more details on the roles & responsibilities of the committees please refer Corporate Governance Report for the FY22]

Profile of Board of Directors

Detailed procedures

Mr. Devendra Kumar Jain

Chairman

Mr Devendra Kumar Jain is a graduate in History (Hons.) from St. Stephens College, Delhi. He possesses over 62 years of experience in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was made an Honorary Member of the Civil Division in the Order of the British Empire, by Her Majesty, the Queen of England. Mr. 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 is a member of the Indian delegation to the Davos symposium on several occasions in the past.

Mr. Shanti Prashad Jain

Independent Director

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

Mr. Vivek Kumar Jain

Managing Director

Mr. 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 35 years of rich business experience in setting up and managing several businesses. Mr. Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL), since its inception.

Mr. Shailendra Swarup

Independent Director

Mr. Shailendra Swarup is a law graduate and a Senior Advocate. He is a practicing lawyer in the High Court and Supreme Court of India, at New Delhi. He has around 45 years of experience in handling various legal matters. He is also on the Board of several professionally managed companies. Mr. Swarup was a member of the Task Force on Corporate Governance, constituted by the confederation of Indian Industry under the Chairmanship of Mr. Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr. AS Ganguly.

Mr. Om Prakash Lohia

Independent Director

Mr. 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, he joined the family textile business, which gave him management exposure in all disciplines of business management. Mr. Lohia has been awarded Udyog Ratna award by the Madhya Pradesh Government in 2005.

Mr. Chandra Prakash Jain

Independent Director

Mr. Chandra Prakash Jain is a 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.

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 19 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.

Mr. Sanath Kumar Mupiralla

Whole-time Director

Mr. Sanathkumar Muppirala is Chemical Engineer and has over 35 years' experience in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & commissioning.

Mr. Sanjay Borwankar

Whole-time Director

Mr. Sanjay Sudhakar Borwankar is a Chemical Engineer and MBA and has over 27 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.

Mr. Niraj Agnihotri

Whole Time Director

Mr. Niraj Kishore Agnihotri has done his Bachelor's in Chemical Engineering from HBTI, Kanpur. He has over 31 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning. In his last assignment, he was associated with Glenmark Pharmaceuticals Limited. His prior assignments were with United Sprits Limited., Nitrex Chemicals India Limited and United Phosphorus Limited.

Key policies and practises

In order to ensure robust corporate governance, accountability and transparency, we have adopted Code of Conduct policy, Whistle Blower Policy, Guideline on Prevention of Corruption and Bribery for Employees and Third parties, Guideline on Prevention of Fraud and Guideline on Conflict of Interest in compliance with the Statutory Laws applicable to the Company. We constantly review and update such policies and guidelines as and when required for ensuring fair business practices and good Corporate Governance purpose by hiring services of third party. Further, we believe in Ethical Business Practices and are proud to received ISO 37001 Certificate from third party i.e Intertek, United Kingdom.

intertek

CERTIFICATE
OF REGISTRATION

Gujarat Fluorochemicals Limited

ISO 37001:2016

Key policies and its coverage

Key polices

- Guideline on Prevention of Corruption & Bribery
- Guideline on Code of Conduct
- Guideline on Prevention of Fraud
- Guideline on Conflict of Interest
- Guideline on Whistle-blower
- Responsible Marketing Policy
- Code of Conduct and Sustainable Procurement Policy for Suppliers/Vendors and Service Providers

Stakeholders covered

- Employees
- Vendors
- Management
- Customers
- Other business partners

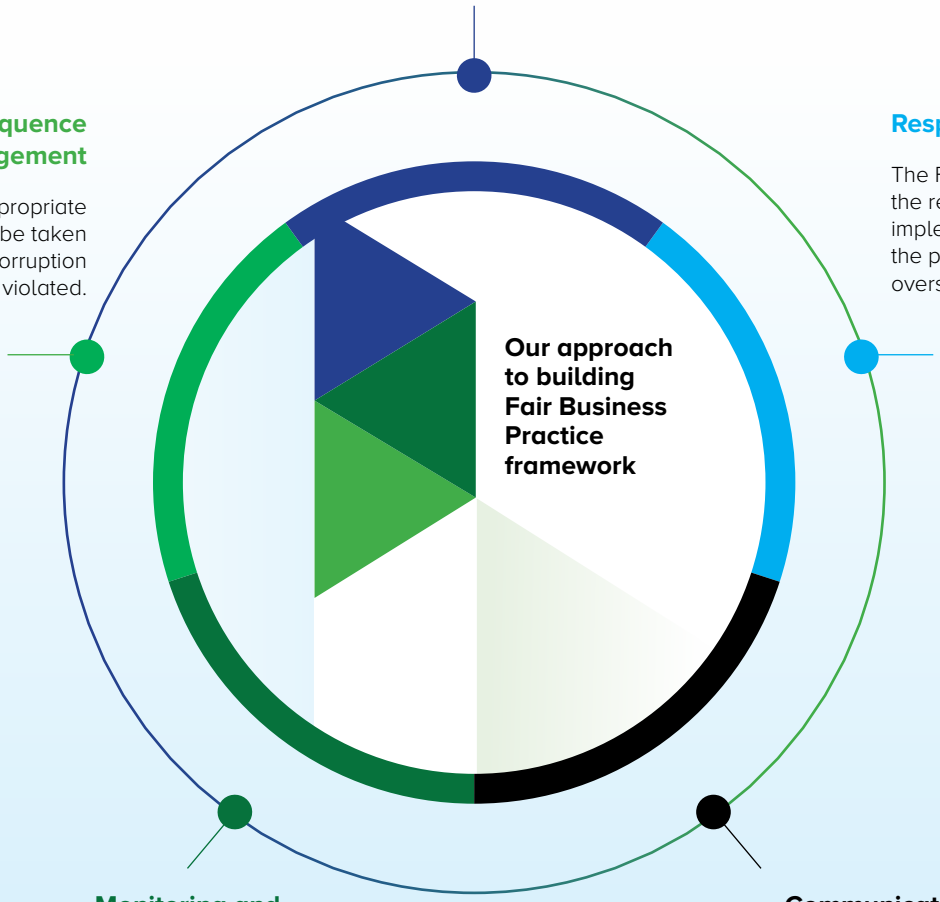
For more details on our policies please visit www.gfl.co.in

Detailed procedures

Develop detailed procedures that support our anti-corruption commitment and cover forms of corruption such as bribes, gifts, entertainment and expenses, donations and sponsorships, political contributions, facilitation payments and conflicts of interest.

Consequence management

We ensure that appropriate measures shall be taken if the anti-corruption programme is violated.



Responsibility

The Functional Heads have the responsibility to devise, implement, monitor and improve the programme under the oversight of top Management.

Monitoring and continuous improvement

We carry out regular reviews of the anti-corruption programme including internal audits. We also provide resulting reports to top Management and the Board takes necessary actions to improve our system.

Communication to Stakeholders

We communicate our anti-corruption commitment to our business partners and obtain anti- corruption standards of them. We also provide communication and training to our employees so they understand our policies and procedures as well as the Leadership's commitment to zero tolerance of corruption.

Anti-corruption

At GFL, we have adopted zero tolerance Guideline on Prevention of Corruption and Bribery for employees and third parties and it is applicable to all employees working at all levels and grades, consultants and contractors, associated with us and our subsidiary companies – GFL Americas LLC., GFL GmbH and GFL GM Morocco. We have issued the guideline to all our employees and create awarness at the time of joining of the Company that they should follow and obey the guideline of anti-corruption and bribery. Further the Company also give training to the employee as and when require. We have also joined hands with third party to promote Anti Bribery and Corruption and necessary training and brain storming sessions are also be conducted through the third party if required.

Fair, ethical and transparent

We are proud to announce that we are certified in compliance with Anti-competitive & Anti-trust principles based on Competition Act 2012 (CCI-Ministry of Corporate Affairs – GOI), ISO 26000, UNGC Principles (Anti-competitive & Anti-trust principles).

CONFIRMATION

Gujrat Fluorochemicals Limited

This stands as testimony to the fact that we are committed at conducting our businesses in a fair, ethical, transparent, and lawful manner. GFL is also committed to collaborative action on Environment, Health & Safety and ethical business operations.

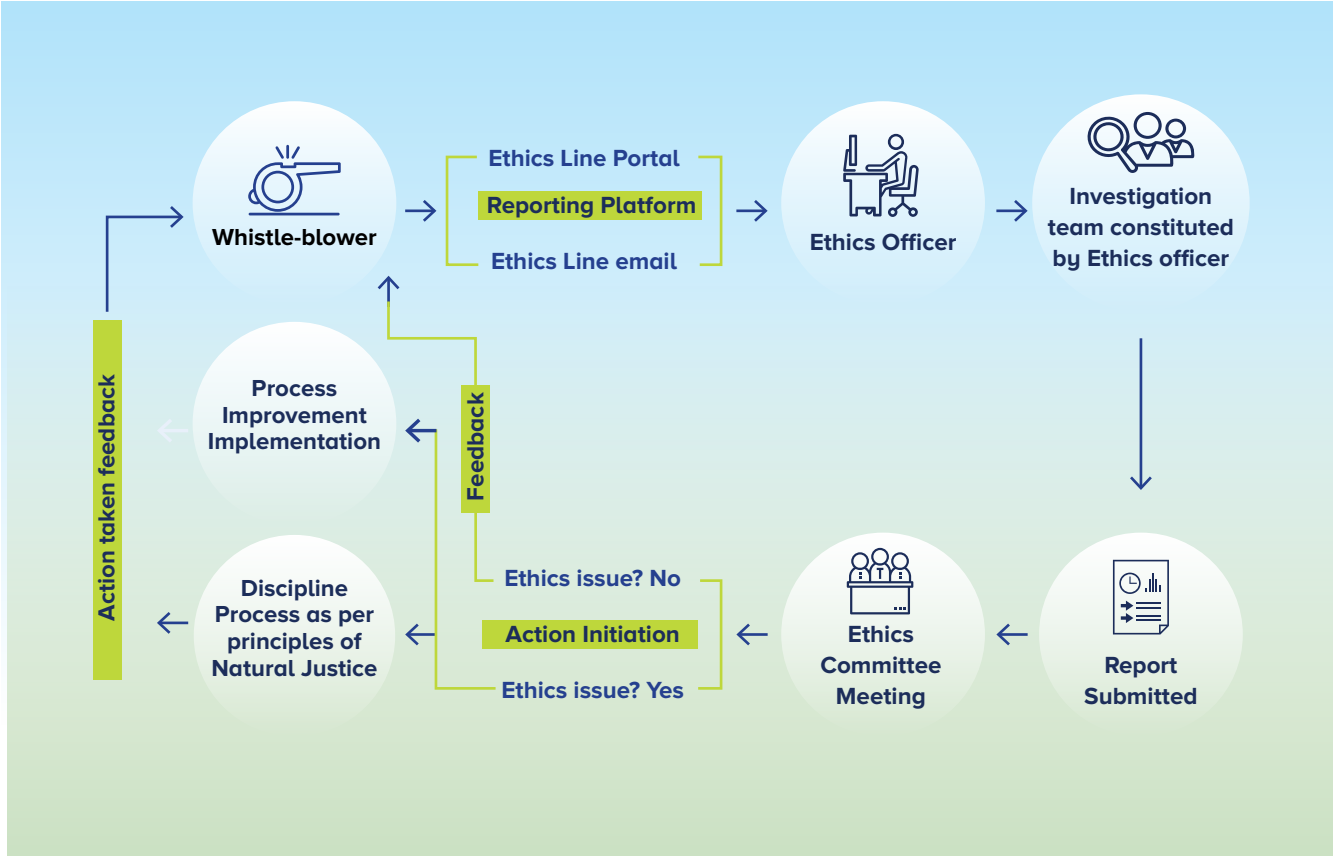
We believe, to be a 'Responsible Organisation', now requires focus across a wide spectrum of business areas including sales and marketing. For us, Responsible Sales & Marketing (RSM) means how we are perceived as a company by our customers, competitors and employees when it comes to fair businesses practices. With this conviction, we define the roadmap to identify areas of improvement and delineate future of RSM at GFL for years to come.

Incident reporting

We have established a strong mechanism through which an employee can report any unethical conduct anonymously – 'Ethics Line' an online portal. It is the duty of the Ethics Officer to investigate and report back to the whistle blower. For our stakeholders, we have created an email id (ethicsline@gfl.co.in) which is available on our website to report any grievances. We are proud to report that during the FY 2021-22, we have not received any unethical conduct complaints.

Zero
Unethical complaint received in FY 2021-22

Governance mechanism to address concerns about ethics, protection to whistle blowers and 'right to refuse'



Training and creating awareness

Employees and stakeholders can avail detailed information on various codes and polices governing our operations on our corporate website. Additionally, we make governance body members, employees, business partners and other stakeholders to sign a declaration after reading and understanding the rules followed at GFL. The guidelines are also included in the Employee Handbook and is available at all Company locations.

We also encourage employees to identify and report instances of corruption, bribery and fraud as part of the 'Spot on – Value Champion' spontaneous recognition process. We not only encourage our employees to speak out but, also empower them to follow these policies, raise concerns, ask questions and always make the right choice.

We prohibit retaliation in any form, against anyone who raises a business conduct concern in good faith, even if it is found to have no merit during the internal investigation. All employees also have the right to refuse an instruction or direction given by a superior, if it violates the Fair Business Practice Policies.

Financial Capital

At GFL, our financial capital is created year-on-year from the surplus arising from our business operations and through financing activities. We focus on maximising returns from our deployed financial resources to fund our growth targets across global markets, create and distribute value to our shareholders, and ensure long-term sustainability of our business.

Our operating efficiencies continued to improve in FY22, the ROCE improving to 24.48% as compared to 11.92% in FY21. Our ROE has also improved to 20.1% as compared to 9.87% in FY21. Our financial performance is expected to improve further with improved operating leverage efficiencies and additional capacities getting commissioned.

115%
YoY growth in Consolidated PAT

378%
YoY growth in Market Capitalisation (as on 31st March, 2022)

24.48%
ROCE for FY22

Material issues addressed

- Growth and continuity
- Profitability and shareholder value

SDGs impacted

Input

We continue to maintain an optimum mix of debt and equity capital that enables us to expand our operations and make big strides towards realising our vision. During the year under review, we improved our Net Debt-equity ratio from 0.33 in FY21 to 0.26 in FY22. We intend to reduce this further to be a net-debt zero company in the near future.

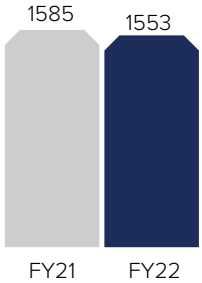
In line with the growing demand for our products, we have planned significant CAPEX for the next few years in emerging sectors such as EV, solar and green hydrogen as well as in strengthening our existing products. These strategic decisions aim to further bolster our revenue, profitability and cash flow.

Equity Share Capital

(₹ in crore)

Debt fund

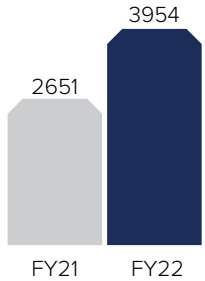
(₹ in crore)



Output

Revenue from operations

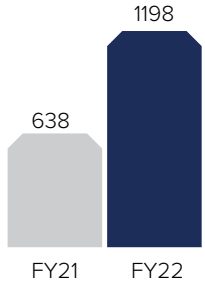
(₹ in crore)



49%
YoY growth

EBITDA

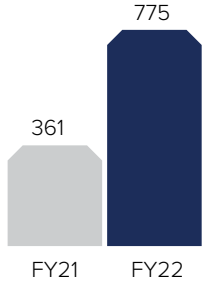
(₹ in crore)



88%
YoY growth

PAT*

(₹ in crore)

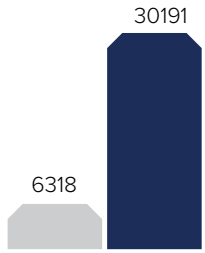


115%
YoY growth

* Before taxation pertaining to earlier period.

Market Capitalization

(₹ in crore)



378%
YoY growth

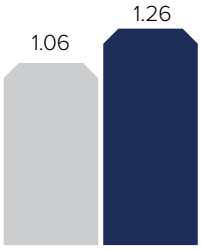
Outcome

Our persistent focus on expanding and diversifying our operations has resulted in growth in revenue by 49% YoY. Our profitability matrix demonstrated robust growth – our EBITDA grew by 88% YoY and PAT grew by 115% YoY. Our EBIDTA margin grew from 24% in FY21 to 30% in FY22 and our PAT margin increased from 13% in FY21 to 20% in FY22. Notwithstanding macro headwinds (supply chain disruptions caused by the pandemic, geo-political tensions in Europe and inflation in key raw material), this growth was achieved through better product mix and higher operating efficiencies.

Financial Capital (Contd.)

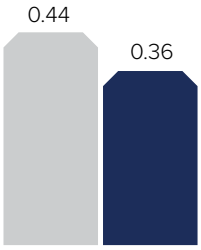
Key Ratios (Standalone)

Current Ratio
(in times)



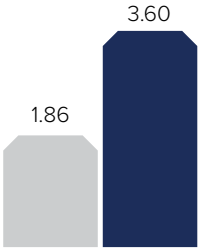
19%
YoY Change

Debt - Equity Ratio
(in times)



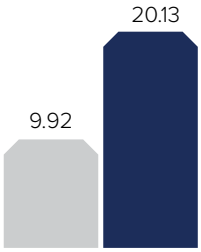
18%
YoY Change

Debt Service Coverage Ratio
(In times)



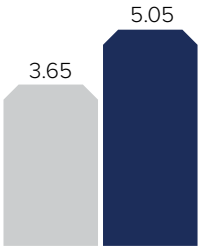
94%
YoY Change

Return on Equity (ROE)
(In%)*



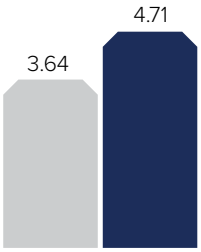
103%
YoY Change

Inventory Turnover Ratio
(in times)



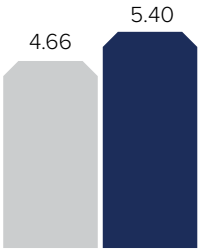
38%
YoY Change

Trade Receivable Turnover Ratio
(In times)



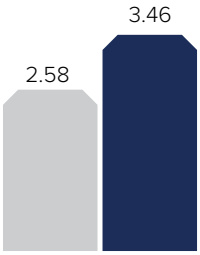
29%
YoY Change

Trade Payable Turnover Ratio
(In times)



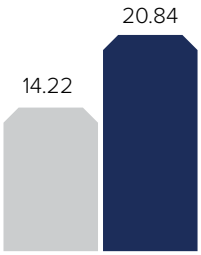
16%
YoY Change

Net Capital Turnover Ratio
(In times)



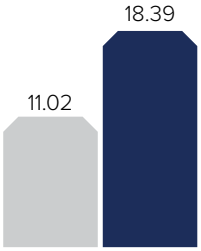
34%
YoY Change

Net Profit Ratio
(In %)*



47%
YoY Change

Return on Capital Employed (ROCE)
(in%)



67%
YoY Change

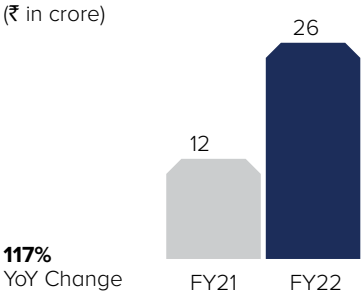
* Net profit after tax is excluding taxation pertaining to earlier years.

Cash flow analysis (Consolidated)

Despite rising input costs in FY22, we were able to increase our cash flow from operations by 20% and cash and cash equivalent increased by 117% YoY. On the back of our expanding opportunity landscape, our cash used for investments grew by 57% YoY. We have been efficiently utilising our cash flow in capacity expansion, new product development, R&D and innovation, rather than entirely relying on funding such requirements through external debt or equity.

Cash and Cash Equivalent

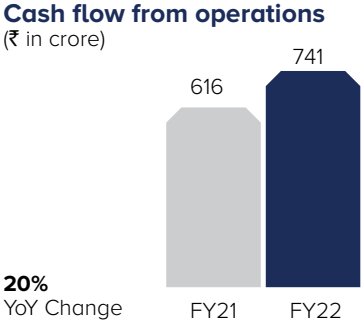
(₹ in crore)



117%
YoY Change

Cash flow from operations

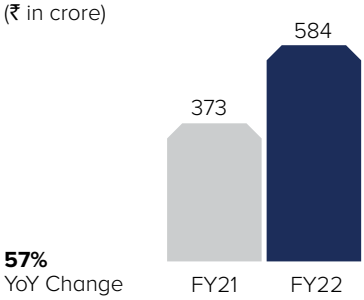
(₹ in crore)



20%
YoY Change

Cash used for investment

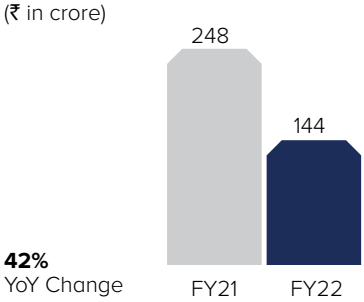
(₹ in crore)



57%
YoY Change

Net cash used in financing activities

(₹ in crore)



42%
YoY Change

Value created and distributed

We focus on optimum utilisation of assets and funds, ensuring consistent growth and financial reliability. This has enabled us to create stable and long-term value for all our stakeholders. We strive toachieve our goals of sustainable growth by investing effectively across R&D, capacity & capability building and shareholder returns.

(₹ in crore)

Direct Economic Value Generated

4,114

Economic Value Retained

775

Economic Value Distributed

3,339

- **Operating Cost** — **2,721**
- **Employees** — **265**
- **Provider of Capital** — **78**
- **Government** — **270**
- **Community** — **5**

Note: The above figures are excluding taxation pertaining to earlier period.

Manufactured Capital

Our vertically integrated facilities make us one of the most reliable producers of innovative and environment-friendly products. Our state-of-the-art production units enable us to meet evolving customer expectations, while being cost-competitive. Our integration play helps us maximise value addition.

3
Manufacturing plants

₹3,436 Crore
Gross Block

Material issues addressed

- Opportunities for the use of clean technology
- Growth and continuity
- Product development
- Customer satisfaction
- Good governance practices

SDGs impacted

Operational performance

Within the bulk chemicals segment caustic soda, chloromethanes and refrigerants continue to witness strong demand, which in turn resulted in plants working at full capacity. Fluoropolymers continue to do extremely well for GFL and would continue to be the growth drivers for the company. In line with rising demand for our fluoropolymer products, we have laid out significant capex plans to increase our overall capacity in near future.

In the specialty chemicals business we are particularly focusing on battery chemicals and we believe they will be the major growth drivers for the company going forward.

Backward integration

To ensure production and development of industry-leading quality with minimum lead time at cost-effective price, we continue to build backward integration capabilities for key raw materials. Through our Fluorspar, HF, Refrigerants, Monomer and Polymers, we offer a fully backward and forward integrated system. Most of our products become the raw material for another unit, resulting in the finest possible integration between multiple units.

Enhancing operational efficiency

We are constantly working towards enhancing our operational efficiency to optimise cost and maintain a healthy revenue trajectory. To increase the overall efficiency of our processes, we constantly identify the areas of improvement and increase our throughput. We have also been increasing productivity, utilising disruptive technologies and platforms.

We are also investing towards improving equipment and system dependability and efficiency. Inter-site cooperation and production planning based on business scenarios have also helped us achieve operational excellence.

We have also been increasing our production capacities to contribute to the growing global demand. During the year under review, we increased the capacity for Fluoroelastomers, VDF, PVDF, and R 142b. Our equipment efficiency resulted in increased production across the plants.

Technology-driven process

To improve the efficiency of our operations, we are continually implementing cutting-edge technologies at our manufacturing facilities. Our trained engineers, with the help of various software, monitor key plant parameters for process optimisation and safety. Green technologies have been introduced, and IoT sensors are deployed to track end-product performance with fully automated back-end procedures. We have also implemented an automated Distributed Control System to maintain product quality uniformity and minimise losses, ensuring the process's overall safety.

Manufactured Capital (Contd.)

Green technology

To meet our present and future needs, we are significantly investing in the development of greener products and technologies. Due to increasing awareness on climate change, modern regulatory requirements are becoming more stringent. The following are some of the initiatives that we have implemented to make our manufacturing operations greener:

In our production, **we follow the consumption guidelines for raw materials and other inputs such as water and electricity.** We strive to utilise as little steam, water, and energy as possible in our manufacturing processes, and any variations in specific consumptions are investigated for root causes and remedial steps are performed.

Integrating sustainability

At GFL, we regularly undertake product mapping and perform benchmarking analysis in line with market requirements and enforce necessary process optimisation to ensure smooth conduct of operation. We use environmentally friendly greener alternatives in the polymerisation process which has improved the environmental performance of fluoropolymer products.

Polytetrafluoroethylene (PTFE) dispersions and polyvinylidene fluoride (PVDF) are developed with the Green NFPA standard. Minimum effluent and minimum waste generation with environment-friendly treatments are the primary focus areas for all our operations. We have also been utilising wind power to run our operations and are also enhancing our renewable energy usage.

In our production, we follow the guidelines for consumption of raw materials and other inputs such as water and electricity. We strive to utilise as little steam, water, and energy as possible in our manufacturing processes, and any variations in specific consumptions are investigated for root causes and remedial steps are performed. We have also implemented a circular economy approach with recovered processing aids to make quality products.

Quality

We have implemented an integrated quality management system to ensure the industry-leading quality and consistency of our products. Our laboratories are NABL accredited and product tested and monitored taking into cognizance customer feedback, internal rejection rates and overall cost of poor quality. We also upgrade our manufacturing technology including hardware for product quality consistency. We conduct internal audits as per the requirements of ISO9001, ISO14001, ISO45001 and IATF 16949.

Quality culture

Employees are educated on the importance of quality through the organisation's quality policy and awareness training on quality management systems such as ISO 9001 and IATF 16949. Customer complaints and internal rejection data are communicated with concerned employees. Various toolbox briefings and departmental meetings are also used to communicate the impact of their operations on product quality.

Future plans

The global industry's focus on sustainability, the Green Deal, and the circular economy have resulted in an increased focus on greener technologies and processes. The transition from internal combustion engines to electric vehicles presents a significant potential for new product development. The growing demand for semiconductors, as well as the increased focus on semiconductor manufacturing, provides us the opportunity to develop new products. We believe our future growth trajectory will be led by fluoropolymers and fluorochemicals needed for EVs, solar power and green hydrogen – products, which currently are under various phases of development.

Intellectual Capital

Our intellectual capital plays a significant role in our sustainable growth with green chemistry. Our efficient systems and processes, consistent focus on innovation to improve the product mix, along with technological improvements help us accomplish targeted outcomes. To retain our industry leadership and cost competitiveness, we are constantly implementing best-of-breed technologies and digital solutions. We leverage our intellectual capital to manufacture sustainable, environment-friendly and innovative products that help us grow our market share across domestic and international markets.

2
R&D facilities

Material issues addressed

- Opportunities in clean technology
- Product development
- Business risk mitigation

SDGs impacted

Intellectual property

We have worked with national and international legal companies and intellectual property rights (IPR) firms to safeguard and maintain our intellectual property over the years. We established an in-house IP department with IPR experts during the year under review to further boost our IP capabilities. This will enable us to further improve and streamline the management of our IP-related activities.

We have filed new patents Li based salt in lithium-ion battery, I-SAN and Non fluorinated Processing Aid (NFPA) for PVDF & other fluoropolymers. We have further expanded our patent portfolio this year and have entered into various countries, including USA, United Kingdom, European Union, China, Japan, Korea, Russia and Switzerland for Dispersion PTFE & PTFE Micropowders. We received patent approval for Non fluorinated surfactant last year. We have filed 18 patents and 67 trademarks till date.

Our in-house IPR Department has also helped in fostering internal capability for patent filing, (NEW)patent searching and prosecution, trademark filing and prosecution, reviewing NDAs and finalising standardised NDAs/other Agreements for various purposes and control on data privacy by reducing third-party dependence. We introduced copyright marks on every document for maintaining and protecting intellectual property rights. Most of the documents are digitally available and protected by our IT team.

Research and development

To strengthen our R&D facility, we have upgraded equipment and testing facilities. We commissioned a new state-of-the-art piloting facility for fluoropolymers at the Dahej plant. We also collaborate with other research institutes to strengthen our R&D backbone. In our Ranjitnagar R&D center, we introduce a new operation of R142b and successfully commercialized it, as well as modified the old operation technique with modern advanced technology equipment. We are giving more emphasis to the products which include green chemistry with a sustainable market such as EV battery molecules.

Some of our R&D partners comprises:

- Indian Institute of Technology (IIT), Delhi
- Indian Institute of Chemical Technology (IICT), Hyderabad
- Indian Institute of Technology (IIT), Kanpur
- Indian Institute of Technology (IIT), Kharagpur
- National Chemical Laboratory (NCL), Pune

We also constantly invest towards strengthening our R&D capabilities and develop new products to meet customer's requirement for specialised applications. We are also trying to attain market growth through new product launches.

Intellectual Capital (Contd.)

Product life cycle management

Alongside of developing new and improved products, we monitor the growth and performance of the products across their life cycle – right from development, introduction, growth, maturity and decline phase. The product development cycles are categorised into short term (< 6 months) and long term (1-3 years) projects based on the complexity of the products. Our Advance Product Quality Planning (APQP) helps minimise the development cycle time and the risk management tracking sheet manages the product life across the whole cycle.

Sustainable design

With stringent environmental regulations and emphasis of customers on more sustainable products, technologies and processes, we are stepping up our investments in developing greener products and technologies to meet the current and future demand for resources.

We are improving legacy products by implementing contemporary techniques and processes. This strategy also helps us optimise our cost. We also analyse parameters such as Product Hazard Assessment, Regulatory Risk Assessment, and Environmental Footprint Analysis before starting an R&D project.

Digital transformation

Our advanced information technology capabilities and disruptive digital platforms forms an integral part of our operations and future plans. These capabilities and platforms allow us to produce unique and sustainable products and sharpen our efficiency, which in turn, enables us to strengthen our market standing. Our robust technological capability ensures resilient cyber security and robust automation of our operations. To improve our business processes, we have implemented best-in-class Enterprise Resource Planning (SAP), Customer Relationship Management (Salesforce) and SCADA control operations.

ERP journey with SAP

We began our digital transformation in 2007 with the implementation of SAP's world-class Enterprise Resource Planning software. It aided in the integration of our procurement system, production planning, quality control, quality assurance, inventory management, financial accounting and control systems, distribution, sales, and marketing channels, as well as financial accounting and control systems. Plant maintenance, warehouse management, Export & Import, compliance management, and project management were also streamlined.

We have automated several business functions and gained increased visibility into business process and function performance through ERP. With increased governance of systems processes and monitoring under defined roles and duties, it improved our internal and external customer satisfaction.

Salesforce adaptation

To support frontline marketing and sales functions around the world, we have implemented Salesforce – the world's premier CRM system, which is fully integrated to our SAP platform. For marketing campaigns and to monitor customer experience, service, and support, we have upgraded salesforce technologies with latest artificial intelligence and Machine Learning capabilities.

Business Intelligence Tool

We have started business intelligence platform for online complete business performance dashboards for top management. This platform is having in built capability of artificial intelligence with in built business logics which helps to take quick business decisions and complete control on various business functions.

SCADA

It is critical to use sophisticated technologies and continuously enhance processes in order to keep up with changing business trends. As a result, we employ SCADA to assure product quality consistency and to enable seamless technological operations at our facilities.

We have implemented the Yokogawa Data Historian system to analyse production data and improve plant performance. We have also launched ESPEN, a virtual plant process analysis system that is coupled with the SCADA system to get objective insights into various processes for evaluating new plant capacity and adjustments.

Quality assurance and control

We adhere to globally benchmarked quality parameters to ensure customer delight and long-term sustainability of the business.

As a result, our labs have Dima-based molecule analysis technology that runs on MATLAB software. For molecular analysis of HPLC, GC, FT and IR based solutions, the quality labs are equipped with the newest Agilent technology which is also linked to our Dima and SAP databases.

We are improving our technologies, including hardware, to ensure consistent product quality. We have implemented and are certified for an integrated Management System (ISO 9001, ISO 14001 & ISO45001) and the IATF: 16949 automotive standards, ensuring product

quality and consistency. NABL has accredited Finished Goods Testing Laboratories, and our test certifications meet NABL requirements. Information to customers is provided using well-documented and peer-reviewed product literature.

Quality certifications and accreditations
ISO 9001
IATF: 16949 automotive standards
NABL accredited labs

Communication platform

We use new-age virtual communication tools to stay in touch with our suppliers, vendors, and consumers. Polycom, Cisco Webex, Zoom, and Microsoft Teams are among the systems used to ensure audio visual collaboration with stakeholders across the organization's verticals.

Cyber security

We are dedicated to promoting the highest levels of cyber security for all our manufacturing facilities. To monitor dangerous content and prevent unfortunate situations that could jeopardise sensitive data, we rely on advanced systems. The SD Wan architecture spans all of our factories and offices, and our network is fully protected with 128-bit Secure Socket Layer. To authenticate user connections, we also leverage Fortinet's Unified Threat Management system. With SSL (Secured Socket Layer) and a web application firewall, GFL servers and websites are absolutely secure.

Firewalls based on Intrusion Prevention Systems (IPS) and Intrusion Detection Systems (IDS) are also placed across our factories and offices to provide optimal network security. All of our network servers and devices are additionally monitored by a centralised Security Operation Centre (SOC) and Network Operation Centre (NOC). In order to combat cyber threats, security log analysers and security incident management systems (SIEM) are essential.

ISO27001
Accredited organisation

Data privacy

To protect our data, we have invested in advanced technology and have guaranteed that only authorised users have access to critical information kept on our servers. To monitor and regulate actions on all end-point devices, we use EDR technology, IDS, IPS, Antispam, Antimalware, AV Signature, and behaviour-based threat protection solutions. Data held in central repositories are additionally protected using DLP (Data Leakage Prevention) technology.

Internet access is also controlled in accordance with ISMS security regulations, allowing for thorough oversight of emails received and sent from work accounts. In addition, the ISMS policy restricts access to USB and CD drives, as well as Bluetooth and Wi-Fi. The data on our Central Systems and Backup Servers are fully protected and SAP servers have digital signatures installed to generate third-party documents in encrypted digital formats, such as invoices. To enable encrypted customer contact, digital certificates are also given for Sales, Marketing, Finance and Accounts operations.

Human Capital

SDGs impacted

At GFL, we believe we are only as strong as our people, because they are our key strength, our critical differentiators. We provide our go-getters a wide canvas to unleash their innovative spirit, perform, achieve their professional ambition and make the business prosper. It is our continuous endeavour to attract the right talent, support them in developing the right capabilities and skills, and encourage them continuously by providing them with the right culture and work environment, so that they are inspired to bring out their best for achieving Company's as well as their own professional goals.

6182 hours
EHS training provided

Material issues addressed

- Occupational Health and Safety
- Employment practices
- Human rights
- Talent development and training
- Employment creation and skills development

Talent Acquisition And Retention

At GFL, we focus on attracting, developing and retaining the right talent across our business verticals. Our Company diligently promotes diversity and inclusion, human rights, continuous learning and development for skill up-gradation and employee engagement to make a value-based culture where employees work with passion and commitment to excel.

We are committed to providing equal employment opportunities without any discrimination to all stakeholders and comply with prevailing labour laws and ILO Conventions in all areas of recruitment, selection, appointment, training, learning and development, promotion, Company activities and other terms and conditions of employment. We, however, give preference to the sons of the soil and support the local population by hiring employees from the communities surrounding our manufacturing unit.

Our Company has a strong talent acquisition framework in place for hiring energetic, ethical, and, talented young minds. Our talent hunt encompasses India's top institutes and B-schools. Through our wide-ranging systematic training programme, the onboarded talent is empowered to take the organisation to a new level of growth. GFL continuously engages with reputed institutes to build long-term relationships with the academia and to ensure young talent is inducted directly from these campuses.

Terms of Employment

At GFL, we have always been at the forefront of ensuring the health, safety, and well-being of our employees, contractual associates, and other stakeholders, including local communities.

Health & Safety at our Workplace is governed by policy, principles & processes. We have various policies in this regard with a commitment to shaping a better and developing environment for its employees across the globe. Our Remuneration Policy, Social security schemes, and various other welfare measures support the right to human dignity and the right to be recognized as a person.

We cover 100% of our employees in Group Medical Insurance and Group Personal Accident Insurance/ Social Security Schemes, Bonus, and Ex-gratia schemes. All labour/workers of contractors who are working in our premises are also given bonus and benefits of social security schemes. We also ensure that all labour/ workers or contractors are provided leaves as per the Factories Act, 1948.

Various other benefits like the Flexi timing system, alternate Saturday extended weekends, special leaves, parental leaves, etc, are offered to the employees. For detailed information on the working hours, leaves and health and safety. Please refer to our Social Accountability & Human Rights Report which can be downloaded from the link below:

https://www.gfl.co.in/upload/pages/Social-Accountability--Human-Right-Progress-Report-2020-21.pdf

Performance Management and People Development

Our Performance Management System supports the right to fair treatment, objectivity, transparency, and non-discrimination. Thus, ensuring a performance-driven culture.

Training and Education & Talent Development

To build an agile and future-ready organisation, this year, we launched an indigenous digital training platform i.e. Learning Management System – 'ODventure' – Organisation Development venture, thus, making learning accessible to all and allowing the flexibility to access the training course from anywhere and at any time. The LMS gives the employees full control over their learning which includes inbuilt assessments.

Our training and development process ensures the right to education for all our employees including contract labourers across locations.

Our Unit & Corporate level Talent Review Committees monitor the Talent Development process across our Company. For fair identification and specific development plans, we adopts various development tools – Identifying High Potentials through 9 Box Matrix, 360-degree Feedback, Assessment Development Centre, and Individual Development Plan. All the identified A player's employees are taken through the one-year high potential programme for Leadership Development conducted by a reputed external organisation. Few of the high potentials have also been sponsored by our company for the Executive Development programme through IIM. High Skilled Technicians who are consistently high performers are taken through a higher education scheme for career progression.

Human Capital (Contd.)

Employee Training Details

Training Man-Hours

Year	2021-2022	2020-2021	2019-2020
Total	59338	26756	36227

Training Man-hours

Year	2021-2022	2020-2021	2019-2020
Training Categories	Total Training Man-hours	Total Training Man-hours	Total Training Man-hours
Behavioral	11850	10740	5812
Technical	7607	7020	10616
Safety	6182	3663	7821
Management System Topics	16602	1003.7	6158
Social Accountability (SA8000) & Social Responsibility (ISO26000)	3584	1395	1567
Prevention of Sexual Harassment (POSH)	1921	889	251
Fair Business Practices (Corporate Ethics, Anti Corruption/ Bribery ISO37001, Fraud, Conflict of Interest)	5748	1491	3096
Cyber Security	1950	597	906
Human Rights	2118	NA	NA
Gender Sensitivity	1776	NA	NA

Our Company is committed to employee well-being and the health and safety at our Workplace are governed by policy, principles & processes.

To build awareness and encourage workmen to take initiative in all areas of OH&S, various celebrations such as Safety Day/ Week, Environment Day, and Ozone Day are organized at the sites.

To involve and empower employees from the grassroots in building an enduring safety culture, we have launched the 'I am a Safety Leader' intervention on National Safety Day this year. As part of this initiative, the employees are continuously being trained, appreciated, and empowered to take leadership in safety in their work area.

Employee Engagement, Participation & Wellbeing

Employee Engagement & Wellness are of crucial importance at GFL. We make sure that all occasions are celebrated with our employees and wellness measures are taken.

Regular employee engagement programmes like – Connectalkavity, Townhall, Skip meetings, Let's Talk, Newsletters, PHRRO, Prayas, festival celebrations, family day, Sports tournaments, etc, are conducted across locations with a focus on creating a strong bond between the employees and Company.

Volleyball Tournament at Dahej

'I am a Safety Leader' campaign at Ranjitnagar

Our commitment to a clean and healthy workplace has been reiterated with the signing of the WASH pledge this World Water Day (22nd March, 2022).

Furthermore, a Workplace Wellness Survey was conducted across locations this year covering 70% of the total population. Based on the result, more than 20 wellness and engagement programmes were organised this year across locations during the year.

Employee Recognition

Our Company believes in motivating and retaining talent by identifying and recognizing the employees for the good work done. This is done through a digitalized platform – 'SPOT ON'. Apart from rewarding performance, GFL also rewards employees for long service to the Organisation.

Long Service Felicitation Programme at Noida

Women Empowerment & Diversity

For GFL, Women Empowerment & Diversity is an integral part of its people strategy. As a signatory to UN Women and UNGC Women's Empowerment Principles, our Company has demonstrated its commitment to Gender Equality and Women Empowerment.

GFL's women population has been steadily increasing and we are proud to now have young lady engineers in our workforce.

Continuous wellness programmes, especially for our women employees are conducted on irregular menstruation, Cervical Cancer, Breast Cancer Awareness, Female Health, Hygiene factors, and so on.

We are an equal opportunity employer and plan to improve the gender ratio in leadership positions and the inclusion of women employees in all functional roles. Besides equal employment, all employees have equal access to relevant training and skill enhancement programmes.

Continuous training and awareness programmes are conducted for all women employees on the Prevention of Sexual Harassment (POSH) in the workplace.

We support and create awareness about employing differently-abled people. During this Financial Year, the total number of permanent employees with disability (as of 31st March, 2022) was 11.

International Women's Day – Break the Bias Campaign

For detailed information on Women Empowerment & Diversity, please refer to our Women Empowerment & Diversity Progress Report available on Company's website at the below link:

https://www.gfl.co.in/assets/images/Women-Empowerment-Diversity-Progress-Report-2021-22.pdf

Human Capital (Contd.)

Labour & Human Rights

Our Company's approach to upholding human rights is based on the United Nations Guiding Principles on Business and Human Rights and is centered around 4 core pillars: i) embedding respect for Human Rights; ii) conducting ongoing human rights due diligence; iii) engaging our stakeholders and driving collaborative action and; iv) providing effective grievance mechanisms and access to remedies.

Using this approach as our foundation, we strengthened our policies, enhanced our due diligence systems, and brought targeted action to deal with our 11 salient human rights issues across our value chain. For detailed information on Labour & Human Rights, please refer to our Social Accountability & Human Rights available on Company website at the below link:

https://www.gfl.co.in/upload/pages/Social-Accountability--Human-Right-Progress-Report-2020-21.pdf

Continuous training and awareness programmes are conducted for employees and contractors on social accountability and responsibility.

This year, our first Human rights Compliance Assessment (HRCA) was carried out across locations through an external certified agency to review our implemented processes for taking corrective actions for continual improvement.

There was a comprehensive third-party human rights assessment conducted during the reporting period since there was no significant project or new acquisition-related investment during the reporting period.

During FY 2021-22, there were no complaints or incidents relating to child labour, forced labour, discrimination or sexual harassment at GFL.

Labour-management Relations

We value the healthy labour relations that have been developed at our businesses and manufacturing plants with our employees which are based on fairness, transparency, and mutual respect.

At different locations, we have established various empowered committees with equal participation of workmen representatives in different areas of their work life. These include Work Committee; Social Performance Team (SPT); Canteen Committee; Sports Committee; Transport Committee; Cultural Committee; Magazine Committee; Safety Committee & Quality Circle.

All workmen including contract labour are made aware of their rights through the Social Accountability Workshop.

We adhere to the provisions of section 9A of the Industrial Dispute Act, 1947, in case of any significant change in terms of employment. We recognize that the right to exercise freedom of association and collective bargaining may be at risk in the operations of our suppliers and contractors. As such, under the Sustainable Procurement Governance structure of GFL, all suppliers/vendors must provide Company a declaration that such rights are protected for their workmen.

During the financial year, there are no operations where the right to exercise freedom of association and collective bargaining is found to be at significant risk.

Grievance & Suggestion Mechanism

Our company has several platforms to seek feedback and suggestions from its workforce and voice their concerns about the violations of the laws & company policies.

This is done through the digital platform – ethics line, feedback surveys, employee associations, etc. Any stakeholder if confronted with any such violation may also report the concern on Ethics Line ethicsline@gfl.co.in Additionally, employees can also raise concerns and give suggestions through our online platform HR Buddy.

Our sites are equipped with suggestion boxes where employees and workers can submit their grievances anonymously.

Awards & Achievements

GFL Dahej team warrior from the power plant won the category first Category-Par Excellence Award at the International Convention on Quality. Team Prayas from Mechanical CA Plant won the "Excellence" Award and Team Avatar won the "Distinguish" Award.

In the year 2021, four teams also participated at the state level and were selected for National Convention.

GFL Dahej Team won at QCFI

GFL Ranjitnagar team won the 1st Category award – 'Gold Award' in the 22nd annual TQM Convention at QCFI Vadodara chapter. The theme was - Tiny quality leaps forward ensure growth & sustainability".

GFL Ranjitnagar Team won at QCFI

Occupational Health and Safety

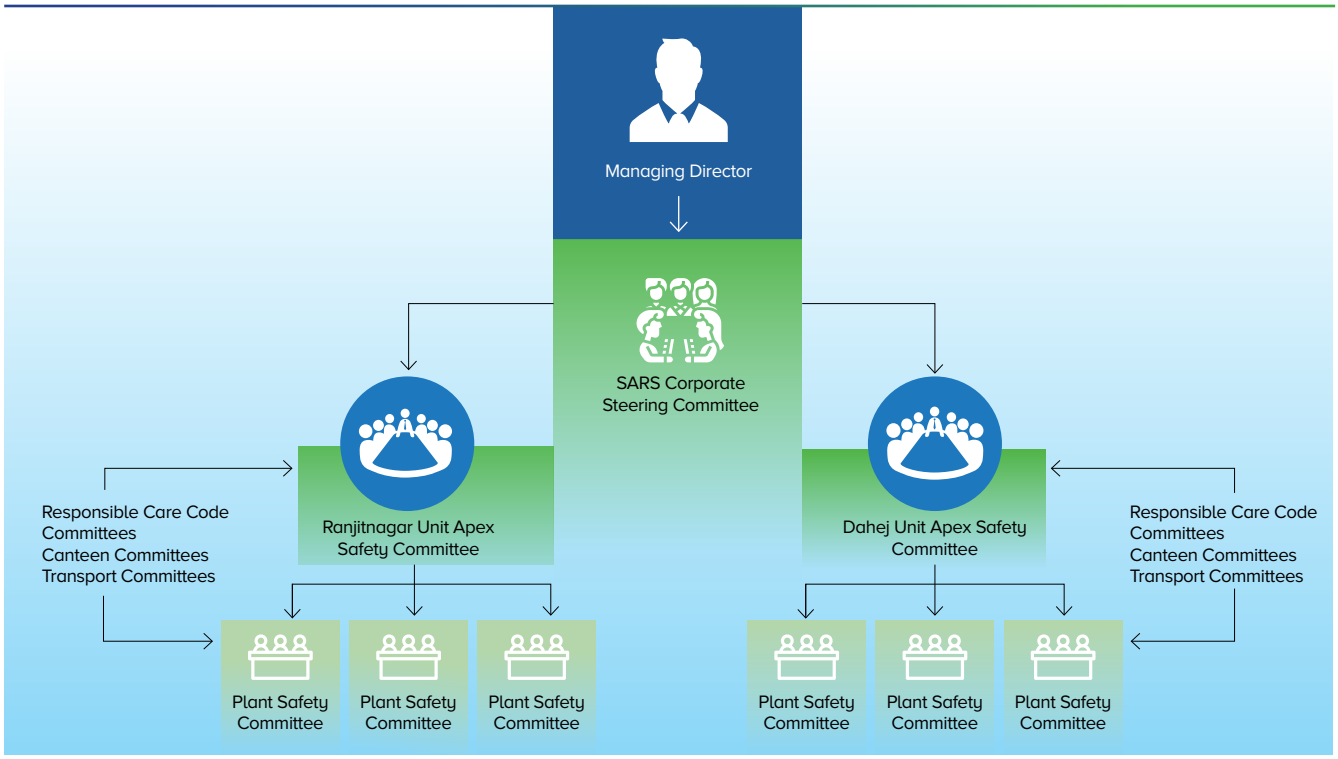
At GFL, ensuring the health, safety, and welfare of our workmen, contractual partners, and other stakeholders, including local communities, has been the core of our business operations. We have taken active measures across our facilities to ensure safety of all our employees and workmen. By leveraging our responsible care management system.

We are committed to excellence and continuously improve on health, safety, security and environment performance of our company.

GFL's commitment to responsible care is part of its sustainability initiative to positively impact the 3Ps: people, planet and profit.

The OH&S framework is implemented through a well-structured governance structure, which ensures the linkage of the top management with our shop floor.

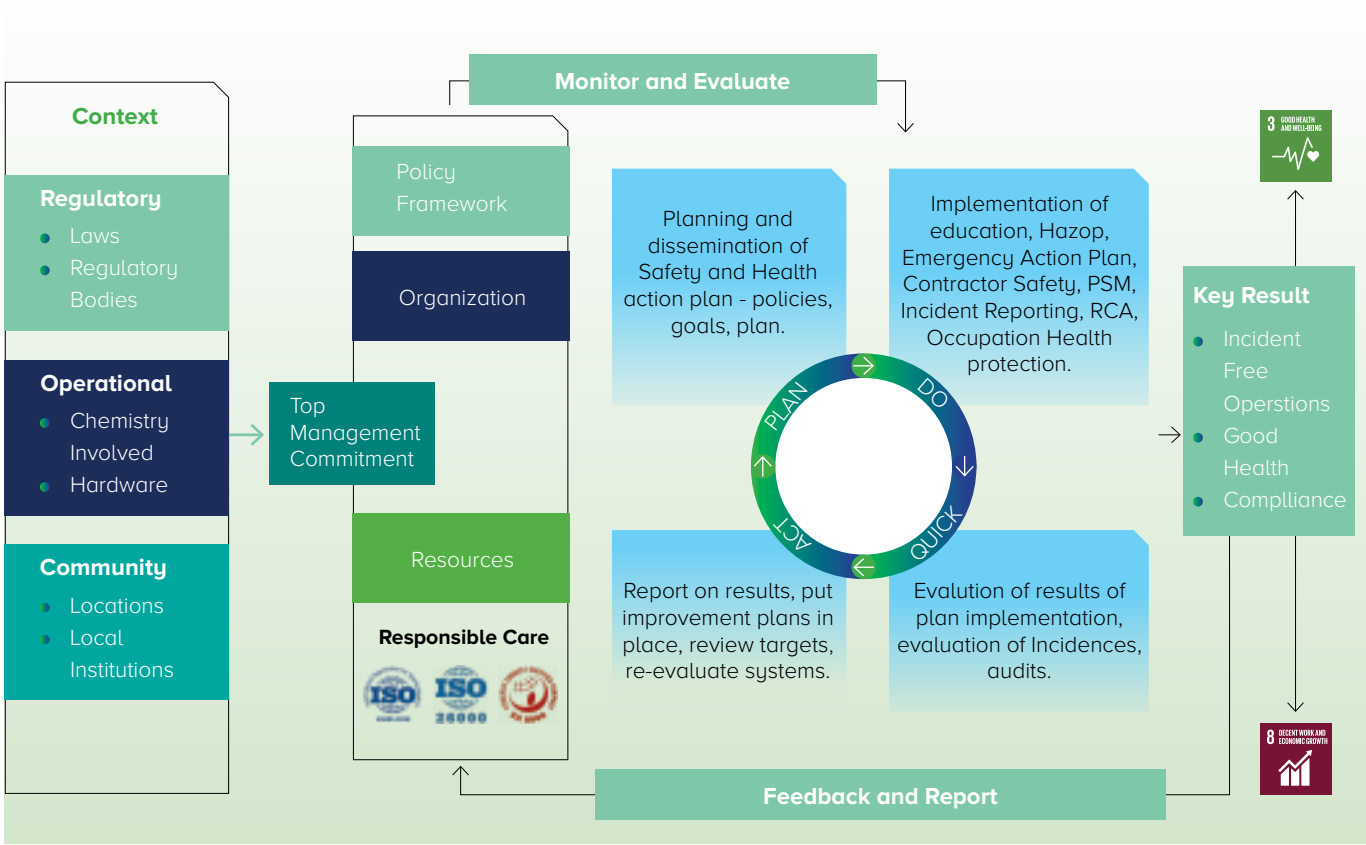
OH&S governance body



We adopt IS14489 for OHS audit and submit to Directorate of Industrial Safety & Health (DISH) on a regular basis. All Units are certified with ISO45001 (IMS) and our H&S framework is guided through all level participation as per Decision Support System(dss+).

Human Capital (Contd.)

OH&S framework and governance structure



We report work-related injuries for all employees and disclose information on the total number of transport and operational facility incidents. We report both distribution and workplace related incidents.

Health and safety performance targets for the next 5 years

- Zero Fatal injuries
- LTIFR (Lost Time Incident Frequency Rate) less than 0.25 (YoY)
- LTISR (Lost time Incident Severity Rate) less than 100 (YoY)
- TRIFR (Total Recordable Incident Frequency Rate) less than 0.7 (YoY)

Employees health and safety training

To develop awareness and encourage safety among employees. We provided OH&S training on a regular basis. We have unit level APEX committee, chaired by UH (Occupier) and various safety committee update status of the KPI on improvements in the Unit. We also conduct mock drill and table top exercise during day and off-working hours. A full-fledged mock drill is conducted on quarterly basis.

90%
of employees attended health and safety trainings

OH&S Training for workmen / Contractual workers

We believe our workmen are important stakeholders of our business ecosystem. Like our employees, all contractual labours/workers are provided induction training and certified by the OH&S department of the plant before they start working. We ensure that our workmen are provided safe, suitable and sanitary work facilities and provide them protective equipment and training necessary to perform the tasks safely.

We have induction training programmes for each of the contract workmen and medical health checkup prior to put on plant activities, training card is issued. Our workmen are part of unit Safety Committee, minutes of meeting are circulated to them and their views are very much valued during such committee meeting. We also update them on the status of their concerns. We distribute booklets as required by 68-J and other safety related training programmes on imminent hazards on a regular basis.

Various initiatives have been taken to promote the health of our workmen and contractors.

Some of them comprise:

- Pre & periodical medical check-up of own and contract employees
- Organising dental and health check-up camps
- Blood donation camps
- First Aid training programmes
- Trainings are conducted as per unit Training Plan and we appreciate the participation through refreshment, quiz contests

Hazard mitigation

Job safety analysis (JSA) & Hazard Identification and Risk Assessment (HIRA) are used on routine basis for hazard identification and permit to work (PTW) with Pre-JSA used with PTW system with various authorities. We use Why-Why (till5) for incident investigation and root cause analysis which is integrated into our digital platform 'Suraksha Setu'.

We also carry out HAZOP for all our operational activities with established system of Management of Change (MoC) and pre-start-up safety review (PSSR) for safety. We also have emergency preparedness plan in place for potential disasters and risks.

Natural Capital

SDGs impacted

We are aware of the impacts of our business on the environment. We are conscious about our environmental performance and we deploy advanced systems, processes and controls across our units for monitoring our environmental footprint. Incorporating the latest technologies, being mindful about proper waste management, prudent resource allocation, energy-saving initiatives and other measures enable us to create value with green chemistry.

35.71%
Renewable energy consumed at Dahej unit

94%
Hazardous waste recycled at Ranjitnagar facility

Material issues addressed

- Emissions, effluents and waste
- Energy efficiency
- Water consumption
- Climate change

Reducing our environmental footprint

We are committed to doing our bit in tackling climate action. Our commitment towards a sustainable future has prompted us to switch to greener alternatives. We strive towards curbing our carbon footprint through efficient waste management and judicious utilisation of resources. In addition, we have implemented business practices that focus on Environment and Sustainability (EHSS) performance to reduce our environmental footprint. Environmental responsibility continues to be at the core of our corporate practises.

We have collaborated with the United Nations Global Compact (UNGC) and Carbon Disclosure Project (CDP) to promote sustainability and are committed to prevent climate change. Further, all our operations and offices are ISO 14001 certified.

We have a Social Accountability, Regulatory and Sustainability (SARS) committee in GFL to address issues related to climate action. The committee meets on a monthly basis to discuss and drive social accountability, regulatory compliance, sustainability, and environment initiatives. In addition, we have an environment sub-committee at the plant level which offers valuable suggestions and guidance to the management.

Aiming for a circular economy

We endeavour to reuse or recycle waste wherever possible to enable a circular economy. Our engineering and packaging material are either sold or reused for different purposes. Many of our by-products are used as raw material for other processes. Apart from these initiatives, we perform life cycle assessment (LCA) of our products to evaluate how can we utilise the material by recycling it at different stages.

Managing emissions

We constantly monitor and make systematic efforts to reduce emissions, along with the adoption of renewable sources, wherever possible to ensure healthy air quality in the communities where we operate.

To reduce particulate matter we have installed bag filters and electrostatic precipitators (ESPs) in our facilities and have a well-designed mechanism in place to check the quality of the ambient and stack air. We also adhere to the National Ambient Air Quality Standards, and the monitoring is carried out by a NABL- certified lab. To reduce emissions we also undertook closed loop sampling and continuous monitoring and control system (leak detection and repair).

Natural Capital (Contd.)

Optimising energy consumption

During the year under review, we undertook an array of initiatives to optimise our energy consumption across our facilities. Few of the initiatives undertaken by us include:

Initiatives	Impact
140 TR brine chiller unit's evaporative condenser spray pump has been stopped and supply is given to condenser from existing cooling water pump P-812A. Accordingly, pipeline modified and 90 m3/Hr cooling water flow has been given to evaporative condenser from existing cooling water system	Achieved power savings of 63.8 MW/ year
Phase-2: P-805 E Impeller trimming work done. Impeller diameter before trimming: 354.1 MM/210 Amp. After trimming: Pump Impeller diameter reduced from 354.1 MM to 330 MM. Before: Amp – 210; After: Amp - 181 Discharge valve opening = 90 to 100%	Achieved power savings of 148.7 MW/ year
Stoppage of 1 No. (-5) ˚C refrigeration compressor through integration of (-15) compressor suction header with (-5) compressor suction header by laying down additional 4" R22 refrigerant pipeline	Achieved power savings of 994.8 MW/ year
Optimisation of new CPU condensate pumping system's power consumption	Achieved power savings of 48.6 MW/ year
Power saving through installation and commissioning of VFD (variable frequency drive) at Pump P2108A	Achieved power savings of 94.5 MW/year
Refrigeration systems and associated pipelines cold insulation losses reduction of VDF and TFE2 plant and Utilities, based on survey executed by the technical services and external third party competent agency. Damaged PUF insulation has been replaced by liquid PUF and new PUF insulation as per planned actions	Achieved power savings of 1118.1 MW/year
Throughput increase of Effluent Recycling Systems and 100% utilising the treated water for cooling towers (CT's) to reduce water intake	Achieved gross water savings of 292.909 MegaLitre/Annum
Optimisation of lighting circuit as per illumination study conducted by third party and implemented the same through execution of desired modifications	Achieved lighting power savings (indirect power)
Conversion of old, chemically-treated wooden MOC cooling tower from Cross Flow to Pultruded FRP MOC counter flow and intermittent stoppage of @ 15 KW fan motor to save power	Achieved substantial power savings (indirect power)

Waste management

Our ecosystem and communities are threatened by the increasing quantity of waste generated. In our quest to contribute to a sustainable ecosystem, we prioritise minimising waste generation through reuse and recycle, reduce waste disposal in landfills, and make efforts to process or dispose of waste in an eco-friendly manner.

The waste generated is divided into hazardous and non-hazardous waste categories. Through our operations, we generate liquid, semi-solid and solid hazardous waste. The hazardous waste from our facilities is sent to agencies approved by the State Pollution Control Board (SPCB) for recycling.

Our by-products are sent to other industries where they are used as raw materials. For instance, fly ash generated at our power plants are sent to brick manufacturing units.

Comprehensive waste audits conducted by us provide useful information for reducing waste at the source. The generation of hazardous waste has been greatly reduced because of our continued focus on reducing it at source.

Reducing waste also means applying responsible principles throughout the value chain. As a result, we seek sustainable vendors that follow the principles of recover, reuse and recycle. We also ensure proper handling of hazardous waste and conduct audits for key vendors to ensure adherence to waste management standards and local regulations.

100%

Non-hazardous waste recycled at our Ranjitnagar facility

94%

Hazardous waste recycled at Ranjitnagar facility

Fluoride removal treatment plant for rain water from all our storm lines

During the monsoons, we faced difficulty in preventing rainwater containing high fluoride content and treating the same in our zero liquid discharge (ZLD) treatment facility. This not only resulted in increased system load but also provided insignificant amount of recycled water.

Intervention

The rainwater will be passed through a coarse screen channel and collected in the Guard Pond. From the Guard Pond, the water will be pumped to the reaction tank where the pH of the water will be increased followed by the settler where the precipitation of the major fluoride and suspended solids will take place. From the settler, the water will flow to the neutralisation tank where the pH of the water will be adjusted to 7 to 7.5. The dosing of lime and acid will be carried out in the reaction and neutralisation tank, respectively. From the neutralisation tank, the treated water will be collected in the intermediate collection tank from where it will be pumped to the pressure sand filter where residual suspended solids will be removed. From the pressure sand filter, it will pass through the fluoride removal column which will work in series.

Outcome and benefits

The entire storm water is now getting recycled, which we use in our extended green belt for watering our plants. Also, now our discharged storm water is free from Fluoride.

Water management

Water is an essential natural resource and our operations necessitate the usage of a significant amount of water for a variety of things, such cleaning and cooling facilities and equipment, producing steam, and providing for personal needs. We focus on optimising the use of water and take many initiatives to conserve water.

We added digital water meters to improve our water management systems. We want to achieve 'Zero discharge' in all our operations. We have Zero Liquid Discharge at one of our manufacturing facilities where we recycle all our effluents.

Due to our efficient practices, water bodies around our areas of operation are not adversely affected. We also maintain the required standards of sewage treatment plants (STPs) and effluent treatment plants (ETPs) according to the applicable guidelines and directions of Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs).

Additionally, we have equipped both our manufacturing plants with rainwater harvesting systems that channel collected rainwater through dedicated rainwater drains into scientifically-designed artificial groundwater recharging structures.

Conserving biodiversity

We constantly strive towards ensuring optimum utilisation of scarce natural resources and align our operations to protect and conserve the environment. All our manufacturing units are in industrial zones, away from protected environmental areas. Additionally, our activities and products do not impact biodiversity and does not have adverse environmental effects. To protect and conserve natural resources, we are undertaking the following initiatives:

- Construction of check dams
- Cleanliness projects in villages under the Swachh Bharat Abhiyan
- Implementation of rainwater recharging systems
- Maintenance of lakes, ponds and wells
- Watershed management programmes
- Encouraging environmental education for communities
- Developing nurseries with self-help groups within the community.
- Working with Eco-clubs in local schools to increase awareness about environment-friendly activities
- Land development, water management and conservation programmes such as recharging of wells
- Fostering tree plantation drives

Social and Relationship capital

Material issues addressed

- Employment creation and skill development
- Profitability and shareholder value
- Customer satisfaction
- Anti-corruption
- Business risk mitigation
- Good governance practices

Our valued customers, communities, business partners and suppliers are essential to our long-term growth and sustainability. Our relationships with our stakeholders are built on a robust foundation of mutual trust, respect, transparency and benefits. These are the cornerstones of our sustainable growth strategy. We also remain committed to uplifting the communities in which we operate.

We abide by a strong governance framework, adhere to compliance standards and produce high-quality products that are tailored to suit evolving market requirements. We continue to pursue our sustainability goals, with an increasing emphasis on promoting safe and environment-friendly products and solutions.

₹10.57 Crore
Spent towards CSR activities (including excess amount of CSR spent in earlier year)

22074
Beneficiaries of CSR activities

SDGs impacted

Fostering stakeholder transparency

We interact with a variety of stakeholders, including customers, suppliers, vendors, and the community across our operational canvas. This enables us to understand their needs and devise strategies to maximise value creation. We strive to maintain effective communication with stakeholders through various channels to identify their needs and expectations.

To foster transparency throughout the organisation, we conduct regular meetings to discuss social and environmental issues and address stakeholder concerns and grievances. It also enables us to effectively serve a variety of stakeholder groups and maintain open lines of communication.

Initiating effective communication

At GFL, we not only strive to produce innovative and differentiated products for our customers, but also find new ways to communicate and interact with existing and potential customers. This enables us to further strengthen our reach and gain market insights about our products and expectation of our customers. During the year under review, we leveraged virtual platforms as well as participated in various business expos to continue building strong bonds with our customers.

We take pride in consistent outstanding ratings in response to the customer's surveys conducted by us in FY 2021-22, indicative of excellent quality of our products and services. We also facilitate feedback from our customers through our corporate website.

During the year under review, we participated in the following exhibitions:

- 15th Annual India Chemical Industry Outlook Conference and Exhibition
- EV India 2021 Expo- International Electric Motor Vehicle event
- Global Chemicals and Petrochemicals Manufacturing Hubs in India 2021, (GCPMH 2021) summit
- AMI Performance Polyamides Conference
- International Battery Production Conference
- 27th FAKUMA - International Trade Fair for Plastics Processing
- Battery Day event

Social and Relationship capital (Contd.)

We are also strengthening our reach through various social media platforms. We ensure availability of information pertaining to our products and various key highlights on our corporate website, five product-brand websites and two regional websites. We have witnessed remarkable increase in our LinkedIn followers over the last year indicating great reach and engagement with customers and industry.

LinkedIn follower metrics: June 2021-May 2022

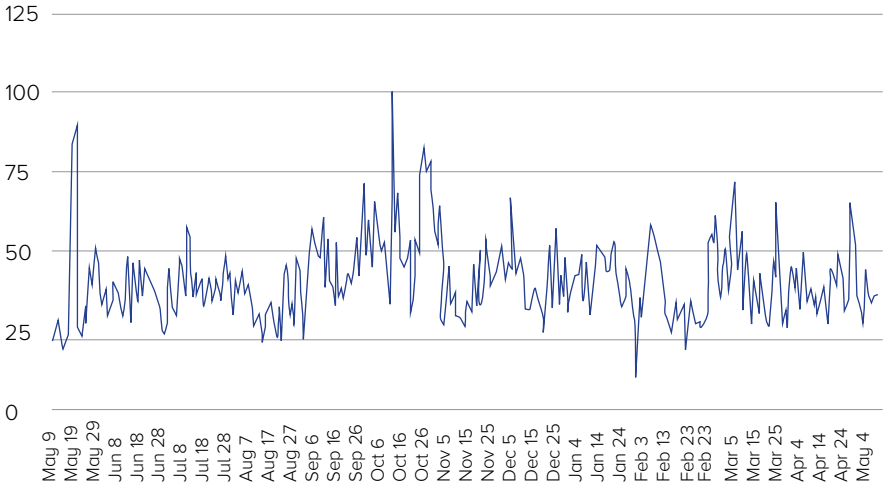
Follower highlights

36,156
Total followers

14,472
New followers in the last 364 days

▲ 1,845.2%

Follower metrics



Ensuring consistent and full disclosure

At GFL, we are committed to present our products fairly and professionally across communication channels. We take utmost care in promoting product performance, features and benefits, substantiated through test-results, based on applicable testing standards, with the appropriate declarations. Content published across external communication materials including, but not limited to sales collaterals, websites, social media, and print media goes through plagiarism tests, ensuring at least 95% original content with licensed images and suitable NDAs that maintains content confidentiality. Additionally, our corporate identity manual establishes the rules to maintain a consistent visual identity throughout all the touchpoints with the external and internal stakeholders. This guide lays the directions for design elements for all our locations and collaterals.

Responsible sales and marketing

At GFL, we are committed to ensuring sustainable business practices as laid down in our Responsible Sales and Marketing (RSM) policy. The policy serves as a bible for our business and marketing teams. We also undertake regular internal audits across offices and product lines to ensure that our sales and marketing processes are in line with the Anti-trust and Anti-competitive laws of the land.

We also invest towards training and creating awareness among our employees, suppliers, business partners and other value chain partners. Weekly workshops are conducted to discuss, brainstorm and comprehend each of the points mentioned in the 'Our commitment: Ten-point agenda', through cases and scenarios. The workshop aims to highlight the behavioural and documentation gaps in current and acceptable frameworks in compliance with our responsible business operations. Each workshop is dedicated to discourse on one of the given topics in the ten-point agenda. Our warehouse and logistics partners sign a declaration stating that they adhere to all labour laws, safety and environment standards and do not indulge in any corruption and bribery.

Our commitment: Ten-point agenda

GFL's responsible sales and marketing initiatives and action points are governed by the ten-point agenda that guide us through our endeavour towards imbibing the fundamental principles of RSM at GFL.

- We are committed to portray product's performance and service delivery truthfully to all customers.
- We make claims that have been approved and appropriately substantiated.
- We represent the Company truthfully, fairly, accurately on all events, trade fairs and conferences.
- We protect customer data and customer's right to privacy.
- We collect, use and store customer data in an ethical manner.
- We only publish, advertise and post content that propagates authenticity and fair methods of competition.
- We make true and honest comparisons between our Company and competitors.
- We inform and educate customers on the safe handling and storage of products.
- We refrain from discussing price, profit, and margin with the competitors.
- We are committed to engage in fair supply and distribution.

Forging long-term relationship with suppliers and business partners

At GFL, we have a long-standing relationship with our suppliers and partners, which allows us to run our operations smoothly. We also help local vendors and contribute to the nation's economic development. We have segregated our suppliers into three major categories namely, high risk— high value, medium risk— medium value and low risk— low value depending on their value of business with us.

We conduct regular engagement to respond to major concerns of our suppliers and business partners. Our vendor voice portal allows our suppliers to interact with us through suggestions, feedback or complaints. We also have anti-corruption as a part of the supplier code of conduct which has to be signed by all our suppliers. Business ethics and anti-fraud are embedded into the policy to keep a check on corruption. We have the policy to visit high risk—high value suppliers for the audit process on a yearly basis.

Sustainable supply chain

Our Sustainable Procurement policy and Code of Conduct for suppliers, vendors, and third parties applies to all purchases of products and services and defines our business with them. It also lays out our expectations from our suppliers, vendors, and service providers in terms of how they conduct their business.

To ensure the quality of products supplied to us, periodic audits of vendors are done as per schedule. We conduct audits on only high-risk category vendors. Our vendors are evaluated with the help of the DQS NXT platform for sustainability and vendor evaluation through SAP.

Local procurement is core to our supplier initiative and we have the policy to ensure the same. Local communities are given preferences for goods and services procurement and employment. They are engaged with the organisation in several ways including direct and indirect employment, supplying goods and services and ancillary services.

Conforming to regulations

Upholding and following the law of the land is embedded in our value system. We maintain close proximity with the Government and other industrial and regulatory bodies to ensure ethical and responsible conduct of operation as well as contribution towards overall growth of the economy. We are also an active member of various industry bodies and association. Through our active participation and interaction with regulators, we ensure compliance with changing regulatory requirements and make necessary changes, whenever required. We also stay at the forefront of ensuring socio-economy development of the country at large through timely payment of taxes, spending towards CSR activities and contributing towards government initiatives and vision.

₹270 Crore

Contribution to exchequer in FY22

Social and Relationship capital (Contd.)

Industry association

- Achilles - Chemicals and Allied Industries
- Science Based Targets initiative
- UNGC - United Nations Global Compact
- British Safety Council
- Indian Chemicals Council IMC CHAMBER OF COMMERCE AND INDUSTRY
- Corporate Membership of Asian Polymer Association (APA)
- Life Membership of Asian Polymer Association (APA)
- Executive Committee APA Membership from GFL
- The Indian Society for Analytical Scientist (ISAS)
- Fellow of International Congress of Chemistry and Environment (FICCE)
- Life Membership of Indian Science Congress Association (Govt. of India)
- 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
- The Indian Hotel Company Limited
- Indian International Centre (IIC)
- Indian Habitat Centre (IHC)
- Automobile Association
- National Safety Council (NSC)
- Suschem

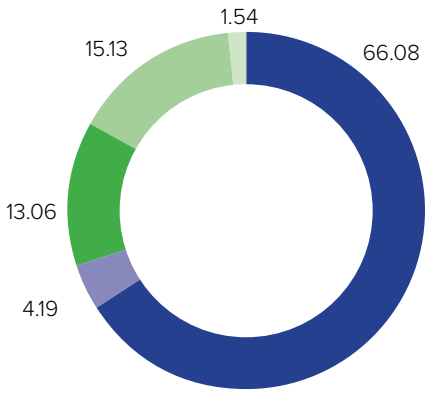
Engaging with investors

With the endeavour to create shareholder value and deliver competitive returns, we continue to make big strides towards strengthening our operations and expanding our presence. Our shares are listed at Bombay Stock Exchange and National Stock Exchange. As of 31st March, 2022, we had 10,98,50,000 equity shares outstanding, at a nominal value of Re. 1 per share. Additionally, as of 31st March, 2022, we had 44320 shareholders, with promoters holding 66.08% of our shares.

We engage with the investor community in an open, transparent and continuous manner. We believe, building trust and awareness is critical. Thus, we ensure that the information disclosed to the financial market, including current and potential investors, analysts and other stakeholders, provides the best possible basis for a correct valuation of GFL. We strive to provide our shareholders with a competitive return on invested capital, through the payment of dividends in addition to share price appreciation.

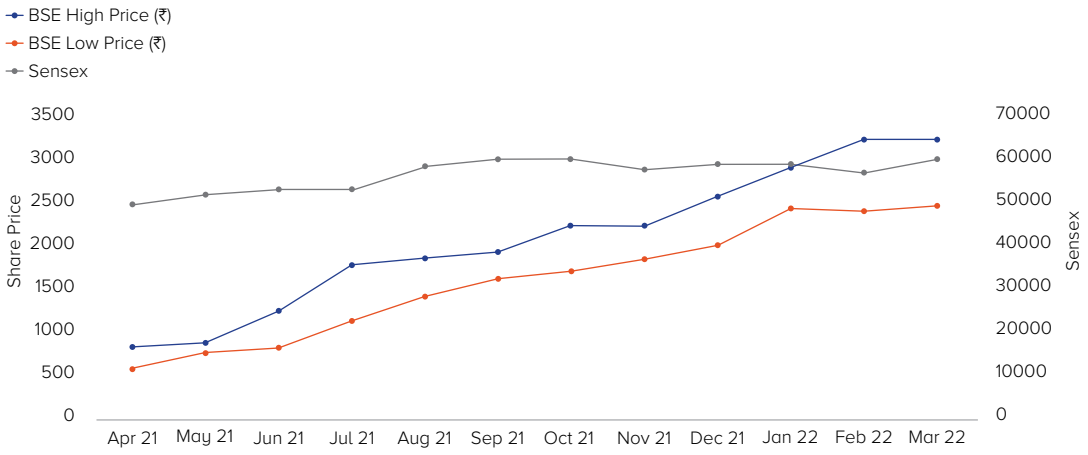
18.39%
ROCE

Shareholder mix (in %)



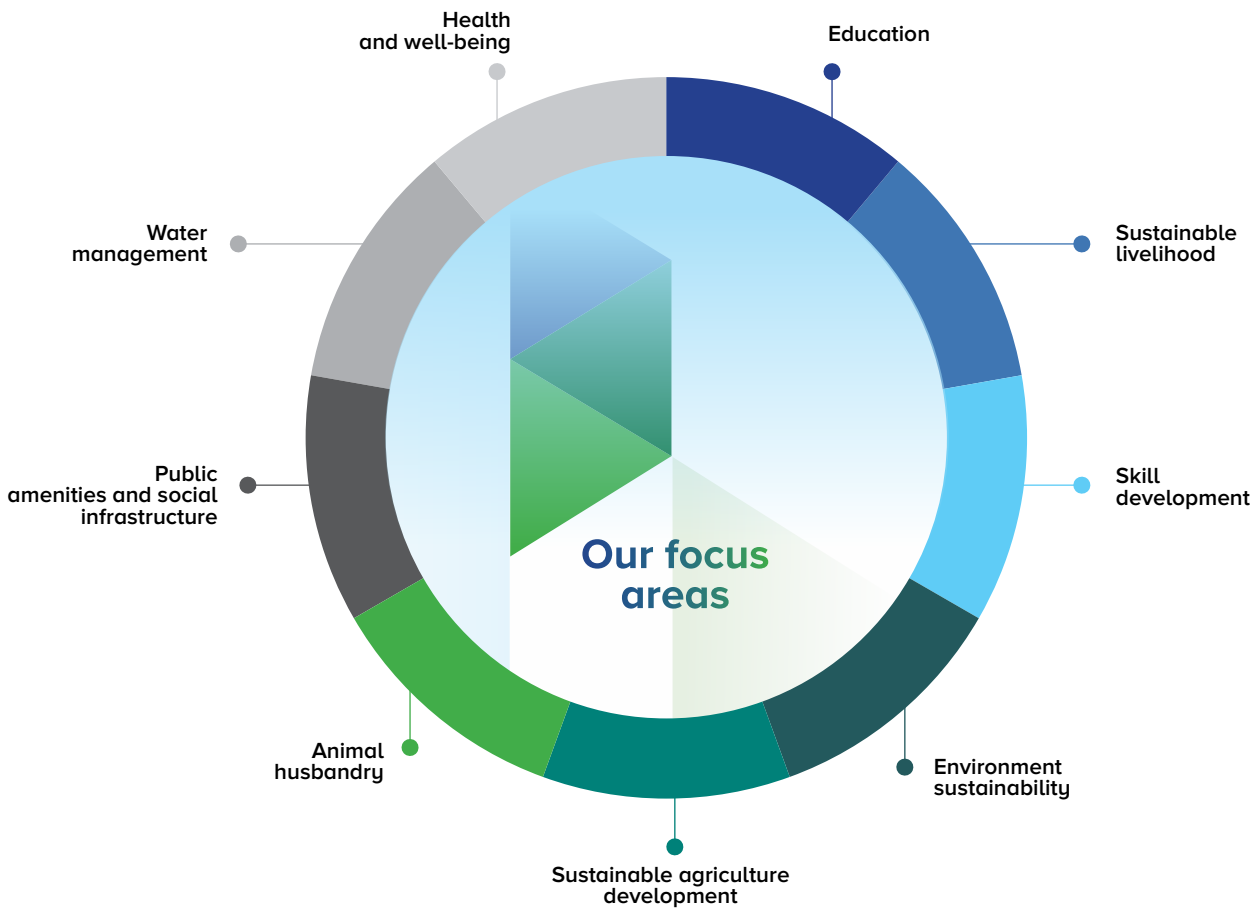
Category
Promoter and Promoter Group
Foreign Portfolio Investors
Domestic Instititional Investors
Retail Investor
Other

Share Price Performance for FY22



Ensuring holistic development of communities

With the endeavour to ensure social and economic development of the communities in which we operate, our focus has been on undertaking initiatives and programmes that address the needs of the society. We are one of the very few large chemical companies that are signatories and is committed to the UNGC. Our CSR focus areas now revolve around the SDG goals and UNGC principles, out of 17 SDG Goals, our CSR activities are aligned with 16 SDGs Goals.



Social and Relationship capital (Contd.)

Education

The economic condition of people of the underprivileged, coupled with high illiteracy rate prevent young children from pursuing education and often result in the dropouts. We, at GFL, have taken various initiatives for enhancing quality learnings, retention, and reducing dropout rates. We have also provided support to local educational institutions through infrastructure changes such as the construction of classrooms and toilets, installation of RO water systems, and providing free stationery, school uniforms, and academic assistance to the schools and teachers. We have also been an active participant in the government's Swachh Bharat Mission, 'Swachhata Hi Seva', and 'Khel Mahakhumb' programme to encourage cleanliness, hygiene, and sanitation within communities.

30,032
Beneficiaries for FY 2021-22

Skill development

GFL is committed to empowering women across our facilities and the communities in which it operates. For the past two years, GFL has been organising skill development training in tailoring and stitching for women and girls. We also assisted them in contacting nearby garment industries which enabled them to earn reasonable wages. We have also formed self-help groups (SHG) in the villages of Ranjitnagar. Additionally, on Women's Day, we organised a programme to promote an equitable balance in workloads and the sharing of economic and social benefits between women and men. During the celebration, Ranjitnagar Handicraft centre women artisans shared their experience with GFL.

162
Women benefitted

Sustainable livelihood

To provide livelihood opportunities, we train women in jute bag making. Post training, we engage them in process of jute handicraft production at Ranjitnagar Handicraft centre at Ranjitnagar (Gujarat). This has enabled us to empower women artisans working in the centre, as their economic and social status improved. Artisans at the centre earn a monthly income of ₹1,500 to ₹15,000 depending on the hours they work at home or the centre, their skill level, design, and difficulty.

40
Women benefitted (100% YoY increase)

Environment sustainability

With continuous efforts to increase the green cover along with encouraging biodiversity, we continue to organise tree plantation drives. More than 6,500 plants have been planted on four acres of land in and around Ranjitnagar (Gujarat). We also ensure proper maintenance of these trees. The drive was carried out in partnership with the local village panchayat, enabling us to create a collaborative and sustainable model.

2,500
Saplings planted in FY 2021-22

Sustainable agriculture development

People residing in and around our manufacturing facilities mainly engage in agriculture. Through our sustainable agriculture development programme, we endeavour to promote sustainable farming practices and agro-based livelihoods to transform rural communities. We help farmers to ensure better yield and enhance their profitability by giving expert advice on farming techniques and cultivation methods. We also undertook organic farming campaign under agriculture development in which 16 farmers were identified based on interest and provided training on vermin compost development. As a result, the farmers adopted vermin compost technology under the guidance of an expert. These farmers now engage in organic farming and produce organic fertiliser in their own backyard. This helped in the improvement of crop performance and yield, as well as preserved the environment.

2,205
People benefitted

Social and Relationship capital (Contd.)

Animal husbandry

Animal husbandry is another major source of livelihood. The livestock owners have low-quality cattle resulting in low yield of milk. We, at GFL, conduct animal diagnosis and treatment camps to ensure animals are provided proper treatment. GFL has engaged veterinary experts for advice/guidance for better livestock management (though dairy coupons) and provided on-call veterinary doctor services for the treatment of cattle as and when required. All these activities have increased milk production.

3,145

Cattles benefitted in FY 2021-22

Public amenities and social infrastructure

Our CSR activities are aimed at addressing matters of social concern. We identified the needs of the villages based on required infrastructure such as community halls, common drinking areas, school compound wall, renovation of dairy co-operative building, community kitchen shed, solar tower and housing for orphan girls. We undertake few initiatives ourselves as well as sponsor other initiatives.

22,014

People benefitted in FY 2021-22

Water management

Scarcity of drinking and irrigation water is the biggest problem faced by farmers and villagers. To address this challenge, GFL has undertaken the project of constructing of check dam at Nathkua village. With a store capacity of 18,215 CUMT, this dam benefitted a total of six villages (covering 4.37 sq. km) with groundwater and provides irrigation supply to 379.26 acres of land. During the year under review, we also supported the construction of water sump, borewells and motors for drinking water. With timely maintenance of the public water distribution system, we were able to save water and provide 24X7 drinking water to the people. GFL also took the initiative to de-silt the Nathkua pond. Due to this initiative, after the rain, the pond has filled up to 90% level and it helped irrigate land up to 2 KM radius for one year.

22,896
People benefitted

Health and well-being

During the year under review, we organised various health programmes such as Menstrual Hygiene, ANC, and PNC Camp, Breast Cancer camp, and general health camps regularly. We provided medical equipment support to Primary Health Centre at Ranjitnagar. Healthcare project Swasthayam Mobile Healthcare Unit (MHU) operates around the plant and caters to the medical needs of villages where primary healthcare is non-existent. Encouraged by the impact we are creating on the communities, we now endeavour to reach out to those who do not have access to healthcare.

7,826
Beneficiaries for FY 2021-22

Awards and recognition

GFL CSR Team has received two Bronze CSR Times Award, 2021 for noble work under two categories:

- Rural development and Infrastructure category
- Women empowerment

GFL - Ranjitnagar won the 'Top 11' finalist position in the 'International Project Competition during Covid -19 ' organised by Vadodara HR Forum (VHRF).

Awarded Gold medal by Ecovadis Sustainability rating for the period March 2021 to March 2022

National Award for Excellence in Water Management organised by CII - Confederation of Indian Industry.

Received the prestigious Golden Peacock award in Innovative product/service category for Fluoroelastomer for pressure regulator application in Domestic LPG cylinder

Won the 2nd runners up award in the Prestigious IMC RBNQA, MQH Best Practices for Competition, for our presentation conservation of Natural Resources through high temperature condensate recovery system under best practice.

Management Discussion and Analysis

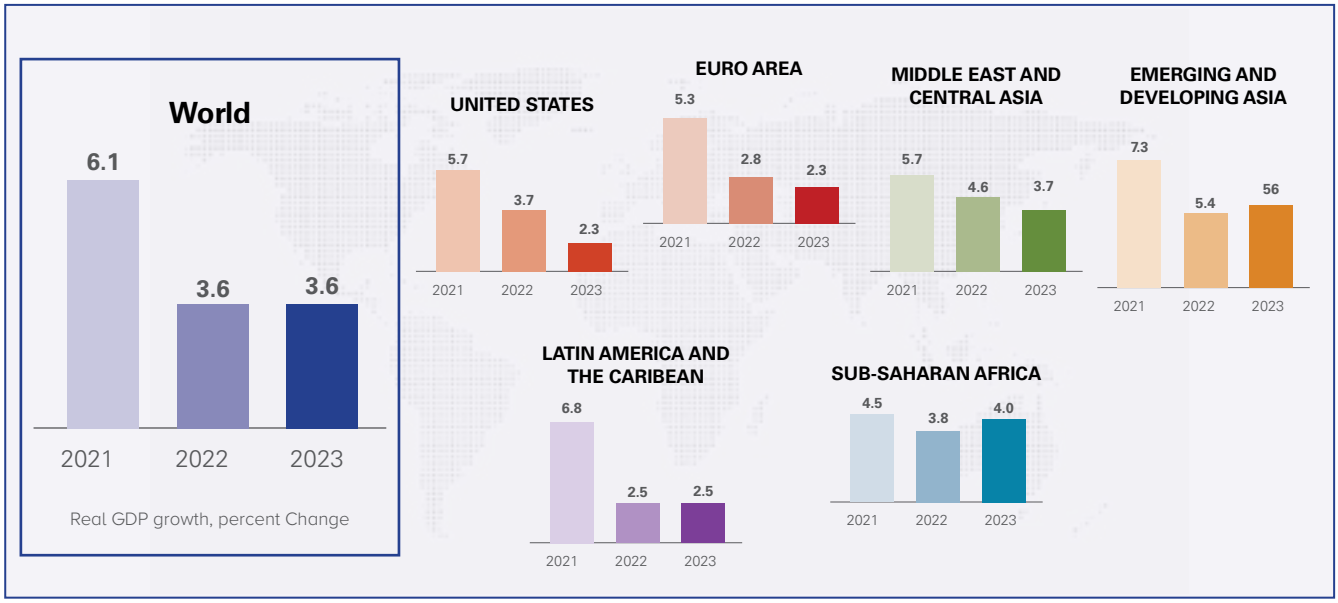
Global economic review

The world is slowly returning to normalcy post Covid-19 crisis due to rising vaccination coverage across the world. Concerted policy response from governments as well as central banks over the past two years has blunted the impact of this unprecedented event. However, the momentum was suddenly interrupted in the second quarter of the fiscal 2021-22 by a deadlier variant of the virus, the impact of which was fortunately short lived. Yet, economies around the world still have a lingering impact of the pandemic and the uncertainties arising out of it.

Advanced as well as several middle-income countries have reached critical mass of vaccinated population enabling them to rapidly reduce Covid related restrictions. However, frequent Covid-19 flare-ups in vaccinated population, albeit with far lesser fatality rates, has meant lingering supply side bottlenecks leading to unpredictable economic growth. The global outlook is also clouded by various downside risks, including the rapid rise in commodity prices especially food and energy, due to geopolitical tensions, tightening of monetary policies by Central Banks and the rising risk of recession.

Inflation has already touched multi-decadal highs in the US and many other advanced countries. Economies are now focusing on stabilising the inflation trajectory, without hurting growth prospects.

Growth Projections by Region (Percent Change)



Source: IMF World Economic Outlook, April 2022

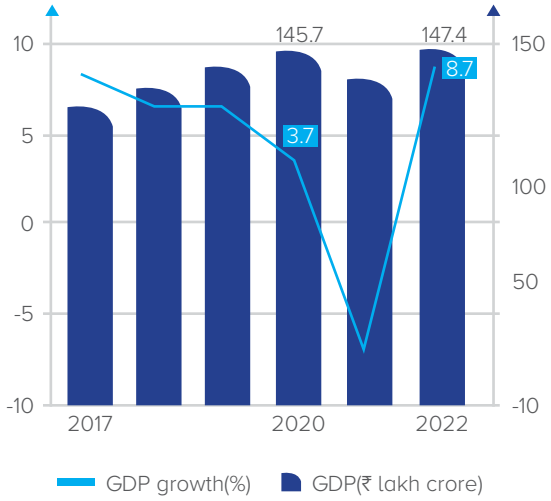
Indian economic review

In spite of a highly transmissible third wave of Covid-19, India charted a different course of recovery from the rest of the world. After a slow start, vaccination in India picked up in 2021-22 with nearly 1.8 billion vaccine doses covering more than 90% of the eligible population by March, 2022.

On the back of a coordinated policy response from both fiscal and monetary sides, India is poised to grow at the fastest pace year-on-year among all major economies. Due to the strong rebound in economic activity, despite a significant impact of the second and third waves of the pandemic, India's real gross domestic product (GDP) growth for 2021-22 clocked a robust 8.7% growth (Source: Ministry of Statistics and Programme Implementation).

While the recovery has been evident, it has not come without its fair share of challenges. The country confronted impediments of persistent inflationary pressures from the second half of the fiscal. Towards the end of 2021-22, the geopolitical conflicts triggered turmoil in the financial markets, which negatively impacted the growth of the global economy. This uncertainty in the global scenario also impacted India significantly. The conflict and the consequential sanctions led to supply chain disruptions worldwide. Rising commodity and energy prices are further pushing up the already elevated inflation level in the country.

Despite uncertainties in near term, the economy is anticipated to increase by 7.3% in 2022-23. The Government of India's substantial capital spending programme has put India on a stage of long-term growth.



Source: MoSPI

Industry overview

Fluoropolymers industry

Fluoropolymers are polymers that have multiple carbon-fluorine bonds having a carbon polymer backbone with F directly attached to C in the backbone. They have a unique combination of many properties such as, highly resistant to acids, solvents, and bases high insulation, resistance to high voltages, flexibility at very low and high temperatures, fire retardancy, chemical resistance to specialty fuels, low weight etc and have wide application in semi-conductors, automotive, aircraft, space, lithium cell batteries, 5G, green hydrogen electrolysers, fuel cells, IT, health, pharmaceuticals, electricals and electronics etc.

As per a study by Astute Analytica, the global fluoropolymers market will see a remarkable increase in revenue, rising from US$ 7,899.1 million in 2021 to US$ 10,196.5 million by 2027, recording a CAGR of 4.3% over the forecast period of 2022–2027. The growing use of fluoropolymers in the automotive, chemical, medical, and construction industries as well as new age industries such as EVs, 5G networks, internet of things,solar energy etc will further propel market expansion.

Key auto manufacturers are increasingly manufacturing their automotive parts by fluoropolymer enabling automakers to build a more sustainable and dependable business environment. The introduction of stringent government regulations concerning safety and reduction of emissions are some of the factors compelling the utility of fluoropolymer.

Polytetrafluoroethylene PTFE industry

Polytetrafluoroethylene (PTFE) is a synthetic fluoropolymer of tetrafluoroethylene. Being a non-wetting, high density and resistant to high temperatures, PTFE is an incredibly versatile material with a wide variety of applications.

Over the short term, the major factors driving the market's growth is the increasing applications in the electrical and electronics sector and the chemical and industrial processing industry segment, and it is expected to continue their dominance during the forecast period. Besides, the growing healthcare applications are expected to provide opportunities to the market.

Company overview

Gujarat Fluorochemicals Ltd (GFL) is one of the leading producers of Fluoropolymers, Fluoro-specialities, Chemicals and Refrigerants in India with more than three decades of expertise in Fluorine Chemistry. It is a part of the Inox GFL Group of Companies, a group having exposure to diverse sectors like Chemicals Business comprising of the chemicals, refrigerants, fluoropolymers and fluorospeciality chemicals product families and renewable energy.

The Company has emerged as one of the top five global players in the fluoropolymers market with exports to Europe, Americas, Japan and Asia. The Company's state-of-the-art facilities and strong R&D capabilities enable the Company to meet the highest quality standards while meeting regulatory compliances to efficiently fulfil the requirements of its global clientele.

The Company's focus on clean processes, continuous development of new applications, customised solutions and consistent services has made it one of the most reliable strategic partners.

Operational highlights

- The Company has announced a CAPEX of ₹ 2,750 crore during 2022-2024 in battery chemicals and binders, expansions in fluoropolymers including PTFE,PVDF and FKM, with a backward integration model and allied infrastructure;
- For penetration in the EV space, the Company has commenced activities for its expansion of establishing dedicated plant for EV sector;
- The Company is also in process of setting up India's first PVDF solar film project which will be commissioned in the next financial year with its own integrated PVDF manufacturing facilities. This plant will be ideally suited to cater to both domestic and international markets.

Opportunities

- In the long term, the strong focus of Governments around the world on green hydrogen and hydrogen fuel cells will boost the demand of PTFE and other fluoropolymers. In the Union Budget this year, the government has given special emphasis on the EV sector, that will propel the usage of fluoropolymers.
- Adoption of 5G-enabled smartphones in India is expected to triple and contribute to 40% of sales volume in 2022, against just 12% in 2021. This, in turn, will drive the fluoropolymers market and benefit the Company[1].

Threats

- The costs of production,capex requirement as well as the technology requirement is high for the fluorochemicals industry which could therefore act as a barrier for the growth of the industry.
- Since the Company gets high amount of revenues from the export market, foreign exchange fluctuations, raw material price risks and rising freight costs could potentially impact the industry in the near term.

Product portfolio

[For details, please refer Manufactured Capital in Initial Section of this Report]

Manufacturing facilities

[For details, please refer Manufactured Capital in Initial Section of this Report]

Key Financial highlights and Ratios

[For details, please refer Finance Capital in Initial Section of this Report and Note 50 of Standalone Financial Statement]

Human resources

[For details, please refer Human Capital in Initial Section of this Report]

Risk management and internal audits

[For details, please refer Risk Management section in the Initial Section of this Report]

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, 2021-22.

[1]https://www.livemint.com/industry/telecom/5g-adoption-in-india-to-jump-to-40-in-2022-11646680332321.html

Gujarat Fluorochemicals Limited
(CIN: L24304GJ2018PLC105479)

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

Notice of Fourth Annual General Meeting

Dear Member(s),

NOTICE is hereby given that the **04th (Fourth) Annual General Meeting** of Members of Gujarat Fluorochemicals Limited ('Company') will be held on **Thursday, 29th September, 2022, at 11.30 A.M**, through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

Item No.1 Adoption of Financial Statements

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

"**RESOLVED THAT**

- the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, the reports of the Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 and the report of the Auditors thereon

be and are hereby received and adopted."

Item No.2 Noting of the payment of First Interim Dividend and declaration of Final Dividend on Equity Shares of the Company for the Financial Year ended 31st March, 2022

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

"**RESOLVED THAT** First Interim Dividend for Financial Year ended 2021-22, declared by the Board on 23rd March, 2022 and paid by the Company be noted and a Final Dividend @ ₹ 2.00 per Equity Share of ₹ 1 each be and is hereby declared and the same be paid to those Members whose names appear on the Register of Members of the Company as on **22nd September, 2022** in respect of Shares held in physical form and to those beneficial owner of shares (BENPOS) received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on **22nd September, 2022**, in respect of shares held in Electronic Form."

Item No.3 Re-appointment of Mr. Devendra Kumar Jain (DIN: 00029782) as Director of the Company

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

"**RESOLVED THAT** Mr. Devendra Kumar Jain (DIN: 00029782), who retires by rotation and has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

Item No.4 Re-appointment of Mr. Vivek Kumar Jain (DIN: 00029968), as Managing Director of the Company and approve payment of remuneration to him

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 (Act), the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Vivek Kumar Jain (DIN: 00029968) as Managing Director of the Company for a further period of five years commencing from **01st January, 2023 to 31st December, 2027** on the terms & conditions and remuneration as set out below:

Remuneration: Basic Salary of ₹ 20,00,000 per month with increment of ₹ 10,00,000 per month every year from **01st January, 2024**.

In addition to remuneration, Mr. Vivek Kumar Jain (DIN: 00029968) would also be entitled to receive the Company's car with driver, telephone facility, furnished Company owned or leased furnished accommodation with all facilities and other perquisites including medical expenses reimbursement and leave travel concession as per the rules of the Company. Use of Car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961. Gratuity, contribution to provident fund and Leave encashment shall be payable in addition to the above remuneration as per the rules of the Company.

Commission: Equivalent to 2.5 % of the net profits of the Company per annum, or pro-rata for a part of the year."

"**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Vivek Kumar Jain (DIN: 00029968), the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration."

"**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."

Item No.5 Re-appointment of Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) 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), Mr. Sanjay Sudhakar Borwankar (DIN: 08640818), be and is hereby re-appointed, as Whole-time Director of the Company for a period of one year commencing from **15th February, 2022 to 14th February, 2023** on a remuneration of ₹ 130 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."

Item No.6 Re-appointment of Mr. 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), Mr. 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, 2022 to 27th April, 2023** on a remuneration of ₹ 150 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."

Item No.7 Re-appointment of Mr. Niraj Agnihotri (DIN: 09204198) 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), Mr. Niraj Agnihotri (DIN: 09204198), be and is hereby re-appointed, as Whole-time Director of the Company for a further period of one year commencing from **01st July, 2022 to 30th June, 2023** on a remuneration of ₹ 180 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."

Item No.8 Approval of payment of remuneration to Mr. Devendra Kumar Jain, (DIN: 00029782) Non-Executive Director of the Company for the Financial Year 2021-22 which is in excess of fifty percent of the total remuneration to all Non-Executive Directors of the Company for the Financial Year 2021-22

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

"**RESOLVED THAT** pursuant to Regulation 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred 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 Remuneration by way of Commission (excluding sitting fees) of ₹ 1058.10 Lakhs (Rupees Ten Crores Fifty-Eight Lakhs Ten Thousand Only) to Mr. Devendra Kumar Jain, (DIN: 00029782) Non-executive Director of the Company, for the Financial Year 2021-22 which is in excess of fifty percent of total remuneration paid to all Non-Executive Directors for the Financial Year 2021-22."

"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."

Item No.9 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 ₹ 4,51,500/- (Rupees Four lakhs Fifty One Thousand Five Hundred 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 ended on 31st March, 2022, 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."

By order of the Board of Directors

Date: 27th July, 2022
Place : Vadodara

Bhavin Desai
Company Secretary

NOTES:

1. The Company had paid an Interim Dividend of ₹ 2/- per Equity Share i.e., at the rate of 200% on face value of ₹ 1/- on 08th April, 2022.

2. Final dividend of ₹ 2/- per share, i.e., at the rate of 200% on face value of ₹ 1/- each for the year ended 31st March, 2022, as recommended by the board, if declared at the AGM, will be payable to those persons whose names appear in the Register of Members of the company as at the close of business hours on 22nd September, 2022. Dividend will be paid within 30 days from the date of AGM.

For e- voting and Joining Virtual Meeting

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 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular no. 21/2021 dated 14th December, 2021 and General Circular No. 3/2022, dated 05th May, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting 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.

3. 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 MCA Circulars dated 08th April, 2020, 13th April, 2020 and 05th May, 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 the e-voting system on the date of the AGM will be provided by CDSL.

4. 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 to at least 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.

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

6. Pursuant to MCA Circular No. 14/2020 dated 08th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gfl.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular no. 21/2021 dated 14th December, 2021 and General Circular No. 3/2022, dated 05th May, 2022.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

1. The voting period begins on **26th September, 2022 at 9.00 a.m.** and ends on **28th September, 2022 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 (record date) of **22nd September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th December, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

   In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

   Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

4. In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

5. Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form**.

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

   2) Click on "Shareholders" module.

   3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

   6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders 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.

6. After entering these details appropriately, click on "SUBMIT" tab.

7. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

8. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

9. Click on the EVSN for the relevant "Gujarat Fluorochemicals Limited" on which you choose to vote.

10. 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.

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

12. 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.

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

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

15. 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.

16. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

17. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only**

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

    - 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 will be mapped automatically & can be delink in case of any wrong mapping.
    - It is Mandatory that, 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 mandatory 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 at the email address viz; bvdesai@gfl.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

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

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

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

3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

5. 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.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at bvdesai@gfl.co.in. These queries will be replied by the company suitably by email.

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

8. Only those shareholders, who are 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 during the AGM.

9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. 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 alpesh.gandhi@linkintime.co.in.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.

9. As the Members may be aware that effective 01st April, 2020, Dividend Distribution Tax under Section 1 15-O of the Income-tax Act, 1961 as may be amended from time to time ("IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from the dividend, if approved by the Members at the AGM. In this regard, the Members may refer the Note on TDS on dividend distribution, appended to this Notice convening 4th AGM of the Company ("**AGM Notice**").

   Note for the Members of Gujarat Fluorochemicals Limited ("Company") on Tax Deduction at Source on Dividend

   Pursuant to the provisions of Finance Act, 2020, the Company shall deduct tax at source (TDS) in accordance with the provisions of the Income Tax Act, 1961 as may be amended from time to time, from the final Dividend, if approved by the Members at the AGM, as Dividend income is taxable in the hands of the Members, effective from 01st April, 2020.

   To enable the Company to determine the appropriate TDS rate as may be applicable, Members are requested to submit the following document(s) and details, as applicable, by email at vadodara@linkintime.co.in on or before 21st September, 2022:

A. In case of a Resident Shareholder:

TDS rate	Category of shareholder and required documentation
10 per cent	Resident shareholder whose valid Permanent Account Number ('PAN') is available on records of the Company.
20 per cent	Resident shareholder whose valid PAN is not available on records of the Company.
20 per cent	Resident shareholder who has not filed Income Tax return for preceding one Financial Year and whose TDS/TCS credit in aggregate is more than ₹ 50,000/-.
Lower/ Nil rate as specified in certificate issued under section 197 of the Act	Resident shareholder who has obtained a certificate from the income-tax authorities under section 197 of the Income-tax Act, 1961 ('the Act') for TDS at a lower / Nil rate. Tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the Financial Year 2022-23.
Nil	**Individual shareholders:** - If the total dividend to be received from the Company during Financial Year 2022-23 does not exceed ₹ 5,000; or - If duly verified Form 15G or 15H (as may be applicable) along with self-attested copy of PAN. Company may at its sole discretion reject the form if it does not fulfil the requirement of law. (This form can be submitted only in case the shareholder's tax on estimated total income for Financial Year 2022-23 is Nil).
	Other shareholders: - **Mutual Funds:** Subject to a self-declaration that they are specified in section 10(23D) of the Act along with self-attested copy of PAN card and registration certificate. - **Insurance companies:** Subject to a self-declaration that it has full beneficial interest with respect to shares owned along with self-attested copy of PAN card. - **Alternative Investment Fund ('AIF') established/incorporated in India:** Subject to a self-declaration that its income is exempt under section 10(23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF, along with self-attested copy of the PAN card and registration certificate issued by SEBI. - **Corporation established by or under a Central Act whose income is exempt from income-tax:** Subject to a self-declaration of the documentary evidence supporting the exemption status along with self-attested copy of PAN card. - Government - The Reserve Bank of India

B. In case of a Non-resident Shareholder:

TDS rate	Category of shareholder and required documentation
20 per cent (plus applicable surcharge and cess)	All non-resident shareholders, including Foreign Portfolio Investors ('FPIs')
Lower / Nil rate as specified in certificate under section 197	Non-resident shareholder who has obtained a certificate from the income-tax authorities under section 197 of the Act for lower / Nil rate of TDS, tax will be deducted at the rate specified in the said certificate, subject to furnishing a self-attested copy of the same. The certificate should be valid for the Financial Year 2022-23.
Lower rate prescribed under the tax treaty which applies to the shareholder	Non-resident shareholder (including FPI) can opt to be governed by the provisions of the tax treaty between India and the country of tax residence of the shareholder. Subject to the non-resident shareholder (including FPI) providing the below-mentioned documents, the Company will deduct tax at the rate prescribed in the tax treaty, wherever applicable: - Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case PAN is not available, information to be provided under sub-rule (2) of rule 37BC of the Income Tax Rules. - Self-attested copy of Tax Residency Certificate (TRC) applicable for the period April 2022-March 2023 obtained from the tax authorities of the country of which the shareholder is resident - Self-declaration in Form 10F as per the prescribed format. - Self-declaration as per the prescribed format attached, which includes declaration that the shareholder: (i) does not have a permanent establishment in India under the applicable Tax Treaty, (ii) is the beneficial owner of the dividends, (iii) complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI') (iv) will not have a place of effective management in India. - FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI. Application of the beneficial rate of tax treaty for TDS is at the discretion of the Company and shall depend upon completeness of the documentation and review of the same by the Company.

C. In the event the dividend income is assessable to tax in the hands of a person other than the registered shareholder, such registered shareholder is required to furnish to the Company a declaration as per the prescribed format (in terms of Section 199 of Income Tax Act read with Rule 37BA of the Income Tax Rules 1962) containing the name, address, residential status and PAN of the actual beneficial owner to whom TDS credit is to be given, and reasons for giving credit to such person.

Accordingly, in order to enable the Company to determine the appropriate TDS, **we request you to submit the above-mentioned details and documents (duly completed, signed and scanned), as applicable to you on or before 21st September, 2022**, to our RTA, Link Intime India Private Limited by clicking the URL Link https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html The dividend will be paid after deduction of TDS as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found satisfactory.

Disclaimer:

The Notes on TDS as mentioned herein, set out the summary of applicable material provisions in India pertaining to TDS on Dividend payment by the company, and is subject to amendment(s), if any from time to time and does not purport to be a complete and/or detailed analysis or listing of all potential tax consequences and/ or applicability. The Members should consult their own tax advisor, as may be required, for the tax provisions applicable to them.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In view of the current tenure of Mr. Vivek Kumar Jain (DIN:00029968) expiring on 31st December, 2022, the Board of Directors of the Company at its Meeting held on 27th July, 2022 based on the recommendation of the Nomination and Remuneration Committee (NRC) had approved the re-appointment of Mr. Vivek Kumar Jain as Managing Director of the Company for a further period of five years from 01st January, 2023 to 31st December, 2027 subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Vivek Kumar Jain is a graduate of Commerce from St Stephen's College, Delhi and a Master of Business Administration from Indian Institute of Management, Ahmedabad. He has over 35 years of rich business experience in setting up and managing several businesses. Mr. Vivek Kumar Jain has been the Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception. Under his leadership, GFL has grown from a single product, single manufacturing unit business to a diversified and integrated business conglomerate producing several world class products on a global scale. Considering his knowledge of various aspect relating to the Company's affairs and long term business association with the Company and having regard to the performance of the Company, the Nomination and Remuneration Committee (NRC) had recommend his re-appointment for further period of Five years with the remuneration mentioned in the Resolution. The Board, based on the recommendation of NRC Committee, is the opinion that for the smooth and effective running of the business, the services of Mr. Vivek Kumar Jain (DIN: 00029968), as Managing Director of the Company for further period of Five years with effect from 01st January, 2023 to 31st December, 2027 should be available to the Company subject to the approval of the Members at ensuing Annual General Meeting of the Company.

In Compliance of Sections 196 and 197 read with Schedule V of the Act and Rules framed thereunder, re-appointment of Mr. Vivek Kumar Jain (DIN: 00029968) as Managing Director of the Company for a further period of five years with effect from 1st January, 2023 is being placed before the Members for their approval.

Brief profile of Mr. Vivek Kumar Jain (DIN: 00029968), nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations, are provided at the Notice.

None of the Directors of the Company is concerned or interested in the proposed Resolution except Mr. Vivek Kumar Jain to the extent of his re-appointment and Mr. Devendra Kumar Jain, being relatives of Mr. Vivek Kumar Jain and also holding shares in the Company.

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

The Board of Directors of the Company at its Meeting held on 28th January, 2022, based on the recommendation of the Nomination and Remuneration Committee (NRC), had approved the re-appointment of Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) as a Whole-time Director of the Company for a further period of one year i.e. from 15th February, 2022 to 14th February, 2023 subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Sanjay Borwankar is a Chemical Engineer and MBA and has 27 years of experience in the field of operations management, business process optimization and technology transfer and assimilations. Considering his contribution towards Company in respect of operations management, the Nomination and Remuneration Committee (NRC) had recommended his re-appointment for further period of one year with the remuneration mentioned in the Resolution. The Board, based on the recommendation of NRC Committee, is the opinion that the services of Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) as a Whole-time Director of the Company for further period of one year with effect from 15th February, 2022 to 14th February, 2023 should be available to the Company subject to the approval of the Members at ensuing Annual General Meeting of the Company.

In compliance of Sections 196, 197, 203 read with Schedule V of the Act and Rules framed there under, the re-appointment of Mr. Sanjay Sudhakar Borwankar as Whole-time Director of the Company for a period of one year with effect from 15th February, 2022 is being placed before the Members for their approval.

Brief profile of Mr. 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 re-appointment of Mr. Sanjay Sudhakar Borwankar, are annexed with the Notice.

Mr. Sanjay Sudhakar Borwankar is interested in the resolution set out at Item No. 5 of the Notice with regard to his re-appointment. The relatives of Mr. Sanjay Sudhakar Borwankar may be deemed to be interested in the resolution set out at Item No. 5 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. 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 6

The Board of Directors of the Company at its Meeting held on 28th January, 2022, based on the recommendation of the Nomination and Remuneration Committee (NRC), had approved the re-appointment of Mr. Sanath Kumar Muppirala (DIN: 08425540) as a Whole-time Director of the Company for a further period of one year i.e., from 28th April, 2022 to 27th April, 2023 subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Sanath Kumar Muppirala, is a Chemical Engineer from SV University, Tirupati, and has over 35 years of experience in Manufacturing, Strategic planning and commencing of Petrochemicals Plants. Considering his contribution towards Company, the Nomination and Remuneration Committee (NRC) had recommended his re-appointment for further period of one year with the remuneration mentioned in the Resolution. The Board, based on the recommendation of NRC Committee, is the opinion that the services of Mr. Sanath Kumar Muppirala (DIN: 08425540) as a Whole-time Director of the Company for further period of one year with effect from 28th April, 2022 to 27th April, 2023 should be available to the Company subject to the approval of the Members at ensuing Annual General Meeting of the Company.

In compliance of Section 196, 197, 203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Mr. Sanath Kumar Muppirala as Whole-time Director of the Company for a period of one year with effect from 28th April, 2022 is being placed before the Members for their approval.

Brief profile of Mr. 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 re-appointment of Mr. Sanath Kumar Muppirala, are annexed with the Notice.

Mr. Sanath Kumar Muppirala is interested in the resolution set out at Item No. 6 of the Notice with regard to his re-appointment. The relatives of Mr. Sanath Kumar Muppirala may be deemed interested in the resolution set out at Item No. 6 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. 6 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 7

The Board of Directors of the Company at its Meeting held on 28th January, 2022, based on the recommendation of the Nomination and Remuneration Committee (NRC), had approved the re-appointment of Mr. Niraj Agnihotri (DIN: 09204198) as a Whole-time Director of the Company for a further period of one year i.e., from 01st July, 2022 to 30th June, 2023 subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Niraj Agnihotri has done his Bachelor's in Chemical Engineering from HBTI, Kanpur. He has over 31 years of experience in manufacturing, Plant commencing and operation, New products Validations, Project Management and Strategic planning. Considering his contribution towards Company, the Nomination and Remuneration Committee (NRC) had recommended his re-appointment for further period of one year with the remuneration mentioned in the Resolution. The Board, based on the recommendation of NRC Committee, is the opinion that the services of Mr. Niraj Agnihotri (DIN: 09204198) as a Whole-time Director of the Company for further period of one year with effect from 01st July, 2022 to 30th June, 2023, should be available to the Company subject to the approval of the Members at ensuing Annual General Meeting of the Company.

In compliance of Section 196, 197, 203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Mr. Niraj Agnihotri as Whole-time Director of the Company for a period of one year with effect from 01st July, 2022 is being placed before the Members for their approval.

Brief profile of Mr. Niraj Agnihotri, 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 re-appointment of Mr. Niraj Agnihotri, are annexed with the Notice.

Mr. Niraj Agnihotri is interested in the resolution set out respectively at Item No. 7 of the Notice with regard to his re-appointment. The relatives of Mr. Niraj Agnihotri may be deemed to be interested in the resolution set out respectively at Item No. 7 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. 7 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 8

Mr. Devendra Kumar Jain, Non-Executive Director, is eligible for payment of remuneration by way of commission of ₹ 1058.10 lakhs (Rupees Ten Crores Fifty-Eight Lakhs Ten Thousand Only) @ 1% on Net Profit of the Company for the Financial Year 2021-22. Accordingly, the commission of ₹ 1058.10 lakhs (Rupees Ten Crores Fifty-Eight Lakhs Ten Thousand Only) is to be paid to him for the Financial Year 2021-22. Further, in terms of the Regulation 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the approval of the Members by way of Special Resolution shall be required 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.

Accordingly, the details of remuneration paid/payable to Non-Executive Directors for Financial Year 2021-2022 is given below:

(₹ in Lakhs)

Name of the Directors	Sitting Fees for attending Board/ Committee Meetings	Commission*	Total
Mr. Devendra Kumar Jain	3.50	1058.10	1061.60
Mr. Shanti Prashad Jain	8.00	0.00	8.00
Mr. Shailendra Swarup	6.50	0.00	6.50
Ms. Vanita Bhargava	5.50	0.00	5.50
Mr. Om Prakash Lohia	0.00	0.00	0.00
Mr. Chandra Prakash Jain	3.50	0.00	3.50
Total	**27.00**	**1058.10**	**1085.10**

Since the total remuneration of Mr. Devendra Kumar Jain for the Financial Year 2021-2022 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 Mr. Devendra Kumar Jain for the Financial Year 2021-22.

Mr. 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 Directors 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. 9

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. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2022.

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.

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 Directors	Mr. Vivek Kumar Jain	Mr. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri
Brief Profile	Mr. Vivek Kumar Jain has rich business experience and excellent business acumen in the establishing and managing several businesses.	Mr. Sanjay Sudhakar Borwankar is Chemical Engineer and has expertise in management of operations of various plants.	Mr. Sanath Kumar Muppirala is Chemicals Engineer and has expertise in various petrochemical plants.	Mr. Devendra Kumar Jain has over 62 years of rich experience in business management and international trade.	Mr. Niraj Agnihotri is Bachelor's in Chemical Engineering and has over 31 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning.
Date of Birth and Age	30th August, 1955 66 Years	3rd November, 1967, 54 Years	04th January, 1963, 59 Years	2nd March, 1929, 93 Years	2nd July, 1967 54 Years

Name of Directors	Mr. Vivek Kumar Jain	Mr. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri
Date of first appointment on the Board	06th December, 2018	15th February, 2020	06th December, 2018	06th December, 2018	01st July, 2021
Directors Identification Number	00029968	08640818	08425540	00029782	09204198
Qualification	Graduate in Commerce, Delhi and MBA from IIM, Ahmedabad.	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)	Bachelor's in Chemical Engineering from HBTI, Kanpur.
Experience / Expertise in Specific Functional Area	He has over 35 years of experience in setting up and managing several Businesses.	Mr. Sanjay Sudhakar Borwankar has over 27 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.	Mr. Sanath kumar Muppirala has over 35 Years in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & Commissioning.	Mr. Devendra Kumar Jain has over 62 years of rich experience in business management and international trade.	Mr. Niraj Agnihotri has over 31 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning
Directorship held in other Companies	1. Inox Wind Energy Limited 2. Inox Leasing and Finance Limited 3. Devansh Gases Private limited 4. Rajni Farms Private Limited 5. GFCL EV Products Limited 6. GFCL Solar and Green Hydrogen Products Limited 7. Inox Leisure Limited	Nil	Nil	1. Inox Leasing and Finance Limited 2. Devansh Gases Private Limited 3. Rajni Farms Private Limited 4. GFL Limited 5. Inox Wind Energy Limited	Nil
Membership / Chairmanship of other Companies	**Inox Wind Energy Limited** • Stakeholders' Relationship Committee, Chairman **Inox Leasing and Finance Limited** • Share transfer & Stakeholder Relationship Committee, Member • CSR Committee, Member	Nil	Nil	**GFL Limited** • Audit Committee, Member • CSR Committee, Member • Committee of Directors for Operations, Chairman • Risk Committee, Chairman **Inox Leasing and Finance Limited** • CSR Committee, Chairman • Stakeholders Relation Committee, Chairman	Nil

Name of Directors	Mr. Vivek Kumar Jain	Mr. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri
The Number of Meeting of the Board Attended during the year	7	1	1	6	1
Remuneration last drawn including sitting fees (₹ In Lakhs)	2333.25	99.69	115.31	1061.60*	81.32
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Relative of Mr. Devendra Kumar Jain, Director of the Company	None	None	Relative of Mr. Vivek Jain, Managing Director of the Company.	None
Shareholding in the Company	20,100 shares	Nil	Nil	20,100 shares	Nil

*Payment of remuneration of ₹ 1058.10 lakhs is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

BOARD'S REPORT

To,
The Members of
Gujarat Fluorochemicals Limited

The Board of Directors is delighted to present the Fourth Annual Report on the business and operations of Gujarat Fluorochemicals Limited ("the Company") along with the summary of standalone and consolidated financial statements for the year ended 31st March, 2022.

1. FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended 31st March, 2022, are summarised as under:

(₹ in Lakhs)

Sr. No.	Particulars	Consolidated		Standalone	
		2021-22	2020-21	2021-22	2020-21
1.	Revenue from Operations	3,95,359	2,65,050	3,81,309	2,52,361
2.	Other Income	16,055	20,108	16, 284	18,048
3.	**Total Revenue (1 + 2)**	**4,11,414**	**2,85,158**	**3,97,593**	**2,70,409**
4.	**Total Expenses**	**3,06,895**	**2,36,923**	**2,94,582**	**2,23,380**
5.	Share of Loss of joint venture	(*)	(1)	-	-
6.	Profit before exceptional items and tax (3 – 4 + 5)	1,04,519	48,234	1,03,011	47,029
7.	Exceptional Items	-	-	-	-
8.	**Profit before tax (6 + 7)**	**1,04,519**	**48,234**	**1,03,011**	**47,029**
9.	Tax Expenses (Current Tax and Deferred Tax)	27,037	12,087	25,700	11,547
10.	Tax pertaining to earlier years and impact of net deferred tax liability re-measurement on account of change in tax rate	(105)	58,299	(103)	58,299
11.	**Profit/(Loss) for the period (8 -9 - 10)**	**77,587**	**(22,152)**	**77,414**	**(22,817)**
12.	Other comprehensive income	(255)	(446)	41	53
13.	**Total Comprehensive Income (11+12)**	**77,332**	**(22,598)**	**77,455**	**(22,764)**
	Attributable to				
	Owners of the Company	78,428	(22,279)	-	-
	Non-controlling Interest	(1096)	(319)	-	-

(*) Amount is less than ₹ 1 Lakh

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.

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 "SEBI Listing Regulations") and applicable provisions of the Companies Act, 2013 ("The Act") read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2021-22 have been prepared in compliance with applicable Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principal generally accepted in India and on the basis of audited Financial Statements approved by the respective Board of Directors of the Company, its Subsidiaries 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 2021-22 shall be laid before the Annual General Meeting for approval of the Members of the Company.

2. DIVIDEND

During the year, the Company has paid interim dividend at ₹2.00 per equity share of ₹ 1/- each (200%) amounting in total ₹ 2197 Lakhs to the shareholders of the Company.

The Board is pleased to recommend a final dividend at ₹ 2/- per equity shares of ₹ 1/- each (200%) for the year ended 31st March, 2022 subject to the approval of shareholders in ensuing Annual General Meeting.

According to Regulation 43A of the SEBI Listing Regulations, the Board has adopted a Dividend Distribution Policy, which had been placed on the website of the Company and can be accessed at the link: https://www.gfl.co.in/upload/pages/cb3188297d3bc8c19fffd7aad5832d0f.pdf

3. TRANSFER TO GENERAL RESERVE

During the year under review, the Company has not transferred any amount to General Reserve of the Company for the Financial Year 2021-22.

4. FIRE INCIDENT

On 16th December, 2021, a fire broke out in one of the Multi-Product Plants at our Ranjitnagar site, situated at Village Ranjitnagar, Taluka Ghoghambha, District Panchmahal, State Gujarat. Three casualties and ten injuries have been ascertained as fallout of this unfortunate incident. There has been no gaseous emissions and this incident has not impacted any other plants at the site. This is a small standalone plant that makes fluorospeciality chemicals. The situation was brought under control within a short time by Company's emergency response system and support of local authorities. Further, the Company has taken all necessary actions for the well-being of all the injured and safety of the assets.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Appointments / Re-appointments:

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

- Appointment of Director in place of Mr. Devendra Kumar Jain (DIN: 00029782) who retires by rotation and being eligible, offers himself for re-appointment.
- Re-appointment of Mr. Vivek Kumar Jain (DIN: 00029968) as Managing Director of the Company and approve the remuneration to him, with effect from 01st January, 2023.
- Re-appointment of Mr. Sanjay Borwankar (DIN: 08640818) as Whole time Director of the Company and approve payment of remuneration to him, with effect from 15th February, 2022.
- Re-appointment of Mr. Sanath Kumar Muppirala (DIN: 08425540) as Whole-time Director of the Company and approve payment of remuneration to him, with effect from 28th April, 2022.
- Re-Appointment of Mr. Niraj Agnihotri (DIN: 09204198) as Whole-time Director of the Company and approve payment of remuneration to him, with effect from 01st July, 2022.

Necessary Resolutions in respect of Directors seeking appointment/re-appointment and their brief resume pursuant to Clause 36 of the SEBI Listing Regulations are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

Resignation of Directors

During the year under review, no Director has tendered their resignation.

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 SEBI Listing Regulations 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.

Key Managerial Personnel

As on 31st March, 2022, following were Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Companies Act, 2013:

1) Mr. Vivek Jain – Managing Director
2) Mr. Manoj Agrawal – Chief Financial Officer
3) Mr. Bhavin Desai – Company Secretary and Compliance Officer

6. BOARD AND ITS COMMITTEES RELATED INFORMATION

Meetings of the Board

Seven (7) Board Meetings were held during the financial year ended 31st March, 2022. For further details, please refer to the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

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 2021-22. Further, based on the feedback received by the Company, the Nomination

and Remuneration Committee at its Meeting held on 28th January, 2022 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.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is available at the web link https://www.gfl.co.in/upload/pages/cb6ba6345d09cb9d816af1bb665c860a.pdf

The 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.

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, 2022, 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 profits 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.

Management Discussion and Analysis Report

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

Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and the Listing Regulations. A separate section on Corporate Governance along with a certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance is attached as **ANNEXURE - 1**.

In compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 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.

Business Responsibility Report

A Business Responsibility Report as per Regulation 34 (2) (f) of the SEBI 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 annexed to this report as **ANNEXURE - 2**.

Familiarization Programme for Independent Directors

The Company has conducted familiarization programme for Independent Directors during the year. The details for the same have been disclosed on the website of the Company at the web-link https://www.gfl.co.in/upload/pages/cc01d1426f95965830a63052c6d2919d.pdf

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

8. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities are provided in the Standalone Financial Statements of the Company. For details, please refer to Note no. 9, 10, 37, 45, 47 and 51(i) of the Standalone Financial Statements of the Company.

9. SUBSIDIARIES AND JOINT VENTURE

The Company has 7 subsidiaries as on 31st March, 2022. There is one joint venture company within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

GFCL EV Products Limited and GFCL Solar and Green Hydrogen Products Limited, 100 percent subsidiaries of the Company were incorporated in December 2021 in Gujarat, India.

Gujarat Fluorochemicals FZE, a 100 percent subsidiary of the Company was incorporated in December 2021 in Dubai.

A separate statement containing the salient features of financial statements of all Subsidiaries and Joint Venture 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 and joint venture 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 Financial 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 https://www.gfl.co.in/upload/pages/1df90f4ee914983e2e0c7dd1b0815cdd.pdf

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 - 3**.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **ANNEXURE - 4** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Policy is available on the Company's website at https://www.gfl.co.in/upload/pages/6b1b59ceda092ea23f013e89e01eb86d.pdf

11. VIGIL MECHANISM /WHISTLE BLOWER POLICY

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 /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 at https://www.gfl.co.in/upload/pages/586e7645e3df22f3cd8c55abc0ad6dce.pdf

12. 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.

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: https://www.gfl.co.in/upload/pages/efdfa33832f852b922f5c2513ad94df9.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.

13. DEPOSITS

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

14. AUDITORS

A. Independent Auditors

Members at their First Annual General Meeting held on 6th August, 2019 had appointed M/s Patankar & 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.

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.

B. 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 2021-22 on a remuneration of ₹ 4,51,500/- p.a.

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. 9 of the Notice convening the Annual General Meeting.

C. Internal Auditors

The Board of Director has re-appointed M/s. Sharp & Tannan Associates, Chartered Accountants, Vadodara and M/s Kashiparekh & Associates, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for the FY 2022-23.

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.

D. 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 2021-22, is annexed herewith as **ANNEXURE - 5** 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.

E. 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.

15. ANNUAL RETURN

Pursuant to Section 134 (3) (a) of the Act, the copy of the Annual Return has been placed on the Company's website and also available on web link at https://gfl.co.in/assets/pdf/GFCL-FORM-MGT-7-Website-Merged.pdf

16. 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 - 6**.

17. 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 – 7**.

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 of the Company.

18. 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. For more details, please refer to the natural capital of integrated Annual report.

19. INSURANCE

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

20. RISK MANAGEMENT

The Company has a structured Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Risk Management Committee has been entrusted with the responsibility to assist the Board in:

1. Measures for risk mitigation including systems and processes for internal control of identified risks and Business continuity plan;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems etc.

21. 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. The 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 2021-22.:

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.

22. 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.

23. ACKNOWLEDGEMENT

The Board wish to place on record their appreciation to the Investors, Bankers, Customers, Business Associates, all Regulatory and Government authorities for their continued support, encouragement and confidence reposed in your Company's management.

The Board also convey their appreciation to the employees at all levels for their dedicated services, efforts and collective contribution towards growth of your Company.

By Order of the Board of Directors

Devendra Kumar Jain
Chairman
DIN: 00029782

Place: New Delhi
Date: 27th July, 2022

ANNEXURE – 1

Corporate Governance Report

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'), Gujarat Fluorochemicals Limited ("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, 2022.

1. A BRIEF STATEMENT ON THE COMPANY'S PHYLOSOPHY 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 by adopting Codes, Policies and Guidelines for compliance with good Corporate Governance and will constantly strive towards betterment of these aspects and thereby perpetuate it into generating long term economic value for all its shareholders, customers, employees, other associated persons and the society as a whole. Through the Governance mechanism in the Company, the Board along with its committees undertake its fiduciary responsibilities to all its Stakeholders by ensuring transparency, fair play and independence in its decision making.

To strengthen the Governance system, the Company has adopted Ethical Code of Conduct and Whistle Blower Policy for all its employees, executive and non-executive directors, and stakeholders. Pursuant to the Regulation 26 of the Listing Regulations, all Board Members and senior management have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the CEO & MD is annexed to this Report. Further, the Company also believes in Ethical Business Practices and has received ISO 37001 Certification.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The Composition of the Board of Directors of the Company is in compliance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at the end of Financial Year 31st March, 2022, the Board comprises of following:

Name of Directors	Category of Directors	Sub – Category of Directors	No. of Directors	% of total Strength of the Board
Mr. Devendra Kumar Jain	Chairman	Promoter – Non-Executive Director	01	10
Mr. Vivek Kumar Jain	Executive Directors	Promoter – Managing Director	01	40
Mr. Sanath Kumar Muppirala Mr. Sanjay Sudhakar Borwankar Mr. Niraj Agnihotri (*)		Whole-time Directors	03	
Mr. Shanti Prashad Jain Mr. Shailendra Swarup Mr. Om Prakash Lohia Mr. Chandra Prakash Jain	Non – Executive Directors	Independent Directors	04	40
Ms. Vanita Bhargava	Non – Executive Woman Director		01	10
		Total	**10**	**100**

(*) Appointed as Whole-time Director of the Company w.e.f. 1st July, 2021.

(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

During the Financial Year 2021-22, the Board met 7 (Seven) times on 18th June, 2021, 13th August, 2021, 8th October, 2021, 10th November, 2021, 7th January, 2022, 28th January, 2022 and 23rd March, 2022.

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 2021-22. The last Board Meeting of the Company for the Financial Year 2020-21 was held on 9th February, 2021 and the subsequent meeting was held on 18th June, 2021. Thus, there was a gap of more than 120 days between these two meetings. However, Ministry of Corporate Affairs (MCA), vide Circular no. 08/2021 dated 3rd May, 2021 had provided a relaxation wherein the Board of Directors of listed entities were exempted from observing the maximum stipulated time gap between two consecutive meetings for the meetings held or proposed to be held between the period 1st April, 2021 and 30th September, 2021.

The Company uses the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations for conducting of its Board / Committee Meetings, thereby saving resources and cost to the Company and valuable time of the Directors.

The following table gives details of Directors, their attendance at the Meetings of the Board, Annual General Meetings, Disclosure of Relationship between Directors inter-se and Number of Shares held by Non-Executive Directors as at 31st March, 2022:

Name of Directors	Category of Directors	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of Shares held by Non-Executive Directors
Mr. Devendra Kumar Jain	Promoter Group Member, Non-Independent Director and Non-Executive Director	6 out of 7	No	Father of Mr. Vivek Jain	20100
Mr. Vivek Jain	Promoter Group Member and – Managing Director	7 out of 7	Yes	Son of Mr. Devendra Kumar Jain	Not Applicable
Mr. Shailendra Swarup	Independent and Non-Executive Director	7 out of 7	Yes	No inter-se relationship between Directors	10000
Mr. Om Prakash Lohia	Independent and Non-Executive Director	6 out of 7	Yes	No inter-se relationship between Directors	0
Mr. Shanti Prashad Jain	Independent and Non-Executive Director	7 out of 7	Yes	No inter-se relationship between Directors	2000
Ms. Vanita Bhargava	Independent and Non-Executive Director	6 out of 7	No	No inter-se relationship between Directors	0
Mr. Chandra Prakash Jain	Independent and Non-Executive Director	6 out of 7	No	No inter-se relationship between Directors	0
Mr. Sanath Kumar Muppirala	Executive Director – Whole-time Director	1 out of 7	Yes	No inter-se relationship between Directors	Not Applicable
Mr. Sanjay Borwankar	Executive Director – Whole-time Director	1 out of 7	Yes	No inter-se relationship between Directors	Not Applicable
Mr. Niraj Agnihotri (*)	Executive Director – Whole-time Director	1 out of 6 (*)	Yes	No inter-se relationship between Directors	Not Applicable

(*) Appointed as Whole-time Director of the Company w.e.f. 1st July, 2021.

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 applicable.

(c) Number of Directorships and Committee Membership/ Chairmanship

Name of the Directors	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	
Mr. Devendra Kumar Jain	6	2	0	GFL Limited (Managing Director) Inox Wind Energy Limited (Non- Executive Director)
Mr. Shailendra Swarup	9	6	2	JK Paper Limited (Independent Director) Subros Limitied (Independent Director) Bengal and Assam Company Limited (Independent Director) Jagran Prakash Limited (Independent Director) Sterling Tools Limited (Independent Director) GFL Limited (Independent Director – resigned w.e.f. 10th May, 2021)
Mr. Vivek Jain	7	4	1	Inox Leisure Limited (Non – Executive Director) Inox Wind Energy Limited (Non- Executive Director) GFL Limited (Non-Executive Director - resigned w.e.f. 12th May, 2021)
Mr. Shanti Prashad Jain	7	9	5	Inox Wind Limited (Independent Director) Inox Wind Energy Limited (Independent Director) GFL Limited (Independent Director)
Ms. Vanita Bhargava	3	6	0	Palani Investments and Industries Corporation Limited (Independent Director) GFL Limited (Independent Director) Inox Wind Energy Limited (Independent Director)
Mr. Om Prakash Lohia	3	1	0	Indo Rama Synthetics (India) Limited (Managing Director) GFL Limited (Independent Director- resigned w.e.f. 11th May, 2021)
Mr. Chandra Prakash Jain	1	0	0	-
Mr. Sanath Kumar Muppirala	0	0	0	-
Mr. Sanjay Borwankar	0	0	0	-
Mr. Niraj Agnihotri (#)	0	0	0	-

(#) Appointed as Whole-time Director of the Company w.e.f. 1st July, 2021.
(*) 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 Companies Act, 2013.

During the Financial Year 2021-22,

1) None of the Directors were Directors in more than 10 public limited companies.

2) None of the Directors held directorship in more than 7 listed companies or acted as an Independent Director in more than 7 listed companies.

3) None of the Directors who was a whole-time director/managing director in any listed entity during the year served as an independent director in more than 3 listed entities.

4) 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 as per Regulation 26(1) of Listing Regulations.

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

Kindly refer to the Company's website https://www.gfl.co.in/upload/pages/5a24a749ced5e62252d3431d622419cb.pdf for details of the familiarization programme for Independent Directors on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

All the Independent Directors of the Company have registered themselves with Indian Institute of Corporate Affairs as required under the Companies Act, 2013.

(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, separate Meeting of the Independent Directors of the Company was held on 28th January, 2022 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 familiarize 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) Declaration of Independence

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 fulfill the conditions of independence specified on Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

(g) Key Skills, Expertise and Competencies of the Board

The Board comprises qualified members who possess required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes the skills, expertise and competencies possessed by the Company's Directors, which are key to corporate governance and Board effectiveness:

Name of the Directors	Skill, Expertise and Competencies				
	Chemical Sector particularly in Fluoropolymers and Fluorospeciality Chemicals	Business Strategy and Management	Accounts, Finance, Financial Management and Taxation	Corporate Governance and Administration	Legal and compliance
Mr. Devendra Kumar Jain	√	√	√		
Mr. Vivek Jain	√	√	√	√	√
Mr. Sanath Kumar Muppirala	√	√			√
Mr. Sanjay Borwankar	√	√			√
Mr. Niraj Agnihotri	√	√			√
Mr. Shailendra Swarup			√	√	√
Mr. Shanti Prashad Jain			√	√	√
Mr. Om Prakash Lohia		√			
Ms. Vanita Bhargava			√	√	√
Mr. Chandra Prakash Jain			√		√

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

21. 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;

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder;

23. 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; and

    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) 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).

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The Committee comprises of four Directors with Mr. 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 2021-22, the Audit Committee met 4(Four) times on 18th June, 2021, 13th August, 2021, 10th November, 2021 and 28th January, 2022. Hence, the Audit Committee Meetings held during the Financial Year 2021-22 are in compliance with the Listing Regulations.

The details of composition of Audit Committee and the Meetings attended by the Directors during Financial Year 2021-22 are given below:

Name of Directors	Position	Number of Meetings Attended during the year
Mr. Shanti Prashad Jain, Non-Executive and Independent Director	Chairman	4 out of 4
Mr. Vivek Jain, Executive Director and Managing Director	Member	4 out of 4
Mr. Shailendra Swarup, Non-Executive and Independent Director	Member	4 out of 4
Ms. Vanita Bhargava, Non-Executive and Independent Director	Member	4 out of 4

The Chairman of the Audit Committee had attended the last Annual General Meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

(a) Brief description of Terms of Reference

Nomination and Remuneration Committee (NRC 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 Listing Regulations read with Part D 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 NRC 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.

Selection of New Directors and Board Membership Criteria

The NRC Committee recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members, with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Nomination and Remuneration Policy is available on the Company's website at https://www.gfl.co.in/upload/pages/cb6ba6345d09cb9d816af1bb665c860a.pdf

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The Composition of Nomination and Remuneration Committee is in line 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 2021-22, the Nomination and Remuneration Committee met 3 (three) times on 18th June, 2021, 13th August, 2021 and 28th January, 2022.

The details of Composition of Nomination and Remuneration Committee and the Meeting attended by the Directors during the Financial Year 2021-22 are given below:

Name of Directors	Position	Number of Meetings Attended during the year
Mr. Shanti Prashad Jain, Non-Executive & Independent Director	Chairman	3 out of 3
Mr. Devendra Kumar Jain, Non-Executive Director and Non-Independent Director (Resigned with effect from 10th November, 2021)	Member	1 out of 2
Mr. Om Prakash Lohia, Non-Executive & Independent Director	Member	3 out of 3
Mr. Shailendra Swarup Non-Executive & Independent Director (Appointed with effect from 10th November, 2021)	Member	1 out of 1

The Chairman of the Nomination and Remuneration Committee had attended the last Annual General Meeting.

(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 2021-22. Further, based on the Feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 28th January, 2022 had noted that the Annual Performance of each Director is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

5. 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 Regulations 20 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

During the Financial Year 2021-22, the Stakeholder's Relationship Committee met 1 (one) time on 18th June, 2021.

(a) Composition and attendance during the year

Name of Directors	Position	Number of Meetings Attended during the year
Mr. Shanti Prashad Jain, Non-Executive & Independent Director	Member	1 out of 1
Mr. Devendra Kumar Jain, Non-Executive & Non-Independent Director (Resigned with effect from 10th November, 2021)	Chairman	1 out of 1
Mr. Vivek Jain, Executive Director & Managing Director	Member	1 out of 1
Mr. Shailendra Swarup, Non-Executive & Independent Director (Appointed with effect from 10th November, 2021)	Chairman	Not Applicable

(b)	Name of Non-Executive Director heading the Committee	Mr. Shailendra Swarup (Appointed with the effect form 10th November, 2021)
(c)	Name and designation of Compliance Officer	Mr. Bhavin Desai, Company Secretary and Compliance officer
(d)	Number of Shareholders complaints received during the Financial Year 2021-22	09 (Nine)
(e)	Number of Complaints not resolved to the satisfaction of Shareholders	Nil
(f)	Number of pending complaints	Nil

*The Chairman of the Stakeholders' Relationship Committee had authorised to Mr. Vivek Kumar Jain, to attend the Annual General Meeting on behalf of him to answer the queries of the Shareholders.

6. RISK MANAGEMENT COMMITTEE

(a) Brief description of terms of reference

Risk Management 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 18th June, 2021 which are in accordance with the Regulations 21 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations, which are mainly as follows:

1. To formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

   b) Measures for risk mitigation including systems and processes for internal control of identified risks;

   c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The Composition of Risk Management Committee is in line with Regulation 21 of the Listing Regulations. During the Financial Year 2021-22, the Risk Management Committee met 2 (two) times on 10th November, 2021 and 28th January, 2022.

The details of Composition of Risk Management Committee and the Meeting attended by the Directors during the Financial Year 2021-22 are given below:

Name of Directors	Position	Number of Meetings Attended during the year
Mr. Vivek Jain, Executive and Managing Director	Chairman	2 out of 2
Mr. Devendra Kumar Jain, Non-Executive & Non-Independent Director (Resigned with effect from 10th November, 2021)	Member	Not Applicable
Mr. Shanti Prashad Jain, Non-Executive & Independent Director	Member	0 out of 2
Mr. Shailendra Swarup, Non-Executive & Independent Director (Appointed with effect from 10th November, 2021)	Member	2 out of 2

7. REMUNERATION TO 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 and Whole-time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of salary, perquisites, retirement benefits and commission as per the law/rules.

Details of the remuneration paid/payable to the Managing Director and the Executive Directors of the Company for the Financial Year 2021-22 is as follows:

(₹ in Lakhs)

Particulars	Name and Designation of Director			
	Mr. Vivek Jain, Managing Director	Mr. Sanath Kumar Muppirala, Whole-time Director (Re- appointed with effect from 28th April, 2022)	Mr. Sanjay Borwankar, Whole-time Director (Re-appointed with effect from 15th February, 2022)	Mr. Niraj Agnihotri, Whole-time Director (Re-appointed with effect from 1st July, 2022)
Salary & Allowances	132.00	109.63	95.35	76.82
Perquisites	69.22	-	-	-
Contribution to PF	15.84	5.68	4.34	4.50
Commission	2116.19	-	-	-
Total	**2333.25**	**115.31**	**99.69**	**81.32**
Services Contract	1st August, 2019 to 31st December, 2022	28th April, 2022 to 27th April, 2023	15th February, 2022 to 14th February, 2023	1st July,2022 to 30th June, 2023
Notice Period	3 Months	3 Months	3 Months	3 Months

During the Financial Year 2021-22, the Company had not granted any stock options and no performance linked incentives were paid.

(b) Remuneration to Non-Executive Directors

Mr. Devendra Kumar Jain, Non-Executive Director of the Company is entitled to remuneration by way of Commission which exceeds fifty percentage of the total remuneration paid to all the non-executive directors of the Company during the Financial Year 2021-22. The same is subject to approval of shareholders in the forthcoming Annual General Meeting. The criteria 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 2021-22 is as follows:

(₹ in Lakhs)

Name of the Directors	Sitting Fees for attending Board/ Committee Meetings	Professional Fees	Commission*	Total
Mr. Devendra Kumar Jain	3.50	-	1058.10	1061.60
Mr. Shanti Prashad Jain	8.00	-	-	8.00
Mr. Shailendra Swarup	6.50	-	-	6.50
Ms. Vanita Bhargava	5.50	-	-	5.50
Mr. Om Prakash Lohia	-	-	-	0.00
Mr. Chandra Prakash Jain	3.50	-	-	3.50
Total	**27.00**	**-**	**1058.10**	**1085.10**

*Subject to approval of shareholders in the forthcoming Annual General Meeting.

During the Financial Year 2021-22, the Company had not granted any stock options and no performance linked incentives were paid.

(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 2021-22 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 judgement of the Board would affect the independence or Judgement of Directors.

7. GENERAL BODY MEETINGS

The particulars of last three Annual General Meeting and Extraordinary 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 Mr. Devendra Kumar Jain - Approval for continuation of Mr. 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
2019-20	25th September, 2020 at 3:00 p.m. through Video Conferencing/Other Audio-Visual Means	- Continuation of Directorship of Mr. Devendra Kumar Jain (DIN:00029782) as Non-executive Director of the Company - Continuation of Directorship of Mr. Shanti Prashad Jain (DIN: 00023379) as Non-Executive and Independent Director of the Company - Continuation of Directorship of Mr. Shailendra Swarup (DIN: 00167799) as Non-Executive and Independent Director of the Company - Continuation of Directorship of Mr. Chandra Prakash Jain (DIN: 00011964) as Non-Executive and Independent Director of the Company - Approval of payment of remuneration to Mr. 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
2020-21	30th September, 2021 at 11:30 a.m. through Video Conferencing/Other Audio-Visual Means	- Approval of payment of remuneration to Mr. Devendra Kumar Jain, (DIN: 00029782) Non-Executive Director of the Company for the Financial Year 2020-21 which is in excess of fifty percent of the total remuneration to all Non-Executive Directors of the Company for the Financial Year 2020-21
2020-21	Extraordinary General Meeting held on 2nd November, 2021 at 11:30 a.m. through Video Conferencing/ Other Audio-Visual Means	- Approval to modify the limit to advance any loan or give guarantee/s or provide any security/ies in connection with any loan/s taken by the person in whom the Director of the Company is interested under Section 185 of the Companies Act, 2013 within the overall ceiling limit remaining same as approved at the First Annual General Meeting held on 6th August, 2019

During the Financial Year ended 31st March, 2022, no Special Resolution was passed by the Company's Members through postal ballot.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this report.

8. MEANS OF COMMUNICATION

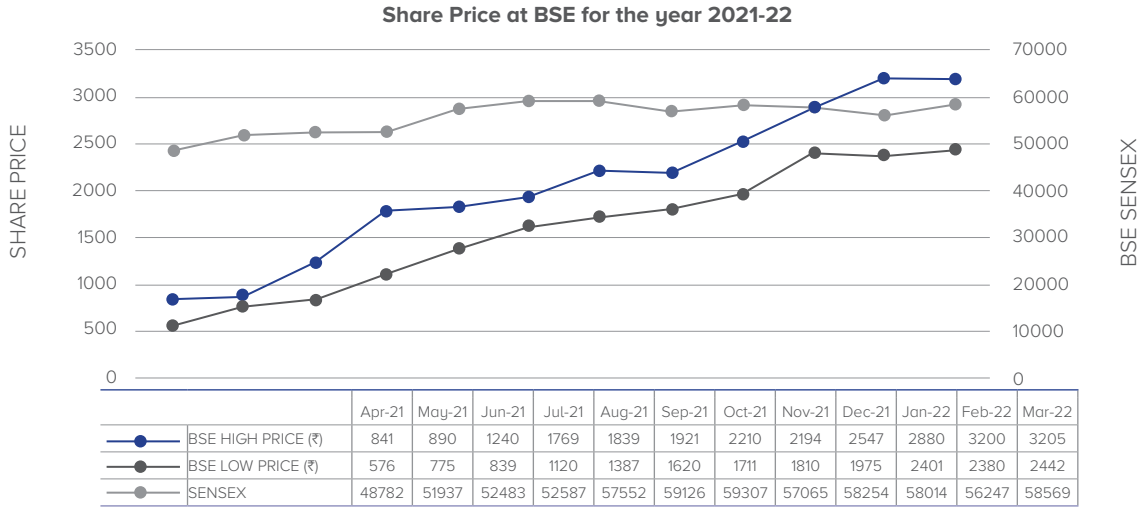
The Quarterly Results of the Company during the Financial Year ended 31st March, 2022 were submitted with the Stock Exchanges immediately after they were approved by/taken on record by the Board and published in well-circulated Gujarati (Vadodara Samachar) and English dailies (Economic Times/Business Standard) 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 organizes investor calls to discuss its financial results every quarter where investors' queries are answered by the executive management of the Company.

9. GENERAL SHAREHOLDER INFORMATION

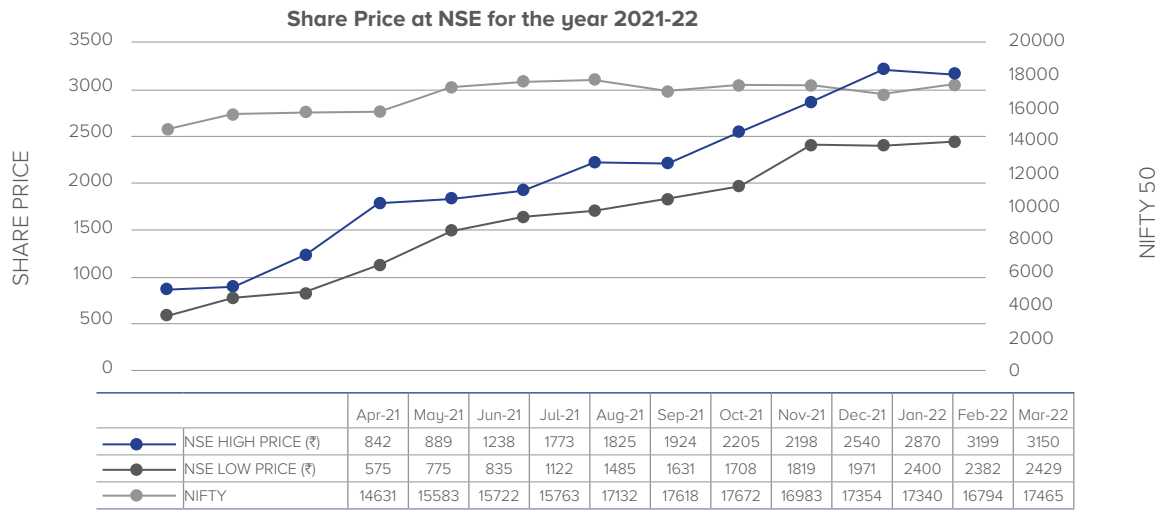
9.1	**Annual General Meeting**	
	Date	29th September, 2022
	Time	11.30 a.m
	Venue/Mode	To be conducted by Video Conferencing or Any Other Audio-Visual Means hosted from the office of the Company Situated at Second Floor, ABS Towers, Old Padra Road, Vadodara- 390007
9.2	**Financial Year**	April 2021 to March 2022
9.3	**Dividend Payment Date**	The final dividend, if approved, shall be paid/credited within the stipulated time
9.4	**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 2022-23 to the NSE and BSE on which the securities are listed within the stipulated time.
9.5	**Stock Code**	
	BSE Limited	542812
	National Stock Exchange of India Limited (symbol)	FLUOROCHEM
	Demat ISIN Number in NSDL and CDSL	INE09N301011
9.6	**Market Price Data: High, Low during each month in the Financial Year 2021-22 and Comparison to broad-based indices viz. Nifty 50 and BSE Sensex.**	

Month	BSE HIGH PRICE (₹)	BSE LOW PRICE (₹)	BSE SENSEX	NSE HIGH PRICE (₹)	NSE LOW PRICE (₹)	NIFTY
April, 2021	841	576	48782	842	575	14631
May, 2021	890	775	51937	889	775	15583
June, 2021	1240	839	52483	1238	835	15722
July, 2021	1769	1120	52587	1773	1122	15763
August, 2021	1839	1387	57552	1825	1485	17132
September, 2021	1921	1620	59126	1924	1631	17618
October, 2021	2210	1711	59307	2205	1708	17672
November, 2021	2194	1810	57065	2198	1819	16983
December, 2021	2547	1975	58254	2540	1971	17354
January, 2022	2880	2401	58014	2870	2400	17340
February, 2022	3200	2380	56247	3199	2382	16794
March, 2022	3205	2442	58569	3150	2429	17465

Share performance of the Company in graphical comparison at BSE (Sensex):



Share performance of the Company in graphical comparison at NSE (Nifty 50):



9.7	**Suspension from Trading**	The Equity Shares of the Company were not suspended from Trading during the Financial Year 2021-22
9.8	**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
9.9	**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 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories.

9.10 Distribution of Shareholding as on 31st March, 2022:

No. of shares ranging From – To	Number of shareholders	% to total shareholders	Number of shares	% to total
1 to 500	41,620	92.03	15,57,341	1.42
501 to 1000	1,964	4.34	17,60,485	1.60
1001 to 2000	601	1.33	9,71,778	0.88
2001 to 3000	260	0.57	6,78,133	0.62
3001 to 4000	127	0.28	4,61,258	0.42
4001 to 5000	135	0.30	6,36,244	0.58
5001 to 10000	225	0.50	16,61,268	1.51
10001 and above	292	0.65	10,21,23,493	92.97
Total	**45,224**	**100.00**	**10,98,50,000**	**100.00**

9.11 Dematerialization of shares and liquidity as on 31st March, 2022:

Particulars	No. of Shares	% to Total Share Capital
No. of Shares Dematerialized		
NSDL	10,25,43,348	93.35
CDSL	64,27,552	5.85
No. of Shares in Physical Form	8,79,100	0.80
Total	**10,98,50,000**	**100.00**

9.12	**Outstanding GDRs/ADRs/Warrants/ Convertible instruments**	The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.
9.13	**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, 2022. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November, 2018. (b) The Company has approved "Risk Assessment and Minimization 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.
9.14	**Plant Locations**	**Ranjitnagar Plant** Survey No. 16/3, 26 and 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal, State Gujarat **Dahej Plant** A) Plot No. 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch, State Gujarat B) Plot No. D-2/CH/173/222, GIDC Industrial Estate, Village Galenda, Vagra, Bharuch, Gujarat, 392130

9.15	**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
9.16	**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**	The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2022. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1 (+) and AA (-) respectively.

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 Indian Accounting Standards (Ind AS 24) has been made in the Note No. 45 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/upload/pages/a18bcd5773e630b7bc3cb156f156159a.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) Vigil Mechanism/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/upload/pages/586e7645e3df22f3cd8c55abc0ad6dce.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 https://gfl.co.in/upload/pages/1df90f4ee914983e2e0c7dd1b0815cdd.pdf

(e) The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regards to Corporate Governance.

(f) Disclosure of commodity price risks and commodity hedging activities: Discussed in Point 9.13 above.

(g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the Financial Year 2021-22, 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 2021-22, 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 ₹ 86.00 Lakhs for all services, on a consolidated basis, to the statutory auditors M/s Patankar & Associates (Firm registration number 107628W).

(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, 2022 is given in the Board' report.

(l) The Company has not given any Loans and advances in nature of loans to firms/Companies in which directors are interested.

(m) There has been no instance of non- compliance of any requirements of Corporate Governance of para 2 to 10 of Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(n) All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.

(o) 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, 2022, 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/ MANAGING DIRECTOR

Declaration signed by Mr. 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.

15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT: Not Applicable

By Order of the Board of Directors

Devendra Kumar Jain
Chairman
DIN- 00029782

Date: 27th July, 2022
Place: New Delhi

Annexure A

DECLARATION BY THE CHIEF EXECUTIVE OFFICER 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, 2022.

By Order of the Board of Directors

Vivek Jain
Managing Director
DIN- 00029968

Date: 27th July, 2022
Place: New Delhi

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,

This report contains details of compliance of conditions of Corporate Governance by **Gujarat Fluorochemicals Limited** ("the Company") for the year ended 31st March, 2022 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 (the "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, 2022.

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 respects.

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 Malani
(Partner)
Membership Number: 110051

Place: Pune
Date: 27th July, 2022
UDIN:22110051ANRWFA7547

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V- Part C- Clause 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members
Gujarat Fluorochemicals Limited

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents of Gujarat Fluorochemicals Limited ("Company"), having CIN: L24304GJ2018PLC105479, situated at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, Panch Mahals – 389 380, Gujarat, India, as produced before us by the Company for the purpose of issuing this 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 Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, 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, 2022, have been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Mr. Chandra Prakash Jain	00011964	06-12-2018
2.	Mr. Devendra Kumar Jain	00029782	06-12-2018
3.	Mr. Niraj Agnihotri	09204198	01-07-2021
4.	Mr. Om Prakash Lohia	00206807	06-12-2018
5.	Mr. Sanath Kumar Muppirala	08425540	28-04-2019
6.	Mr. Sanjay Sudhakar Borwankar	08640818	15-02-2020
7.	Mr. Shailendra Swarup	00167799	06-12-2018
8.	Mr. Shanti Prashad Jain	00023379	06-12-2018
9.	Ms. Vanita Bhargava	07156852	06-12-2018
10.	Mr. Vivek Kumar Jain	00029968	06-12-2018

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
ICSI Peer Review: # 1079/2021
FCS No. 3677; CP No. 2863
UDIN: F003677D000331851

Place: Vadodara,
Date: May 17, 2022

ANNEXURE – 2

Business Responsibility Report

As stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant SEBI circulars issued from time to time, a Business Responsibility Report (BRR) in the format prescribed by the SEBI, is required to be published in the Annual Report for the Financial Year 2021-22.

The BRR represents the approach of the Company towards creation of long association for all its stakeholders. The BRR is aligned with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs (MCA) and it describes initiatives taken by the Company during the Financial Year 2021-22 are as under:

Section A – General Information about the Company

1	Corporate Identification Number	L24304GJ2018PLC105479	
2	Name of the Company	Gujarat 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	2021-22	
		Description	**NIC Code**
		Refrigerant Gases	24111
		Caustic Soda (Caustic Soda Lye & Flakes)	24111
		Chloromethanes (Methylene Chloride and Carbon Tetrachloride)	24111
		Poly Tetrafluoroethylene (PTFE)	24111
8	3 key products/services manufactured/provided by the Company	1. Refrigerant Gases, Poly Tetrafluoroethylene (PTFE) 2. Caustic Soda (Lye & Flakes), 3. Chloromethane	
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, Irving, TX 75038, USA; 2. Gujarat Fluorochemicals Singapore Pte Ltd; 158 Cecil Street, Singapore; 3. Gujarat Fluorochemicals GmbH; Hamburg, Germany; 4. GFL GM Fluorspar SA Morocco; 5. Gujarat Fluorochemicals FZE, Dubai	
(b)	Number of National Locations	Total 8 (Eight) 1. Manufacturing Plants – Dahej (2 nos) (Gujarat) and Ranjitnagar (Gujarat) 2. Branch Offices – Gujarat, Delhi, Chennai and Thane 3. Corporate Office – Noida	
10	Markets served by the Company	National and International	

Section B - Financial details of the Company

Paid up capital (INR)	1098.50 Lakhs
Total turnover (INR)	3,81,309 Lakhs
Total profit after tax (INR)	77,414 Lakhs
Total spending on CSR as percentage of PAT (%)	The Company has spent over the statutory requirement towards CSR activities i.e. 3.68% (including 2.61% surplus amount of CSR spent of previous Financial Year)
List of the activities in which expenditure in 4 above has been incurred	• Promoting Education including Special Education and Employment enhancing vocation skills • Animal Welfare, Environmental Sustainability and Protecting of Flora & Fauna • Eradication of Hunger • Promoting Healthcare • Livelihood Enhancement Projects • Empowering Women • Rural Development Projects • Training to promote rural, nationally recognised, Paralympic and Olympic sports

Section C - Other details

Does the Company have any Subsidiary Company/ Companies?	Yes
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
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			
	DIN Number	00029782	00029968	
	Name	Mr. Devendra Kumar Jain	Mr. Vivek Kumar Jain	
	Designation	Chairman	Managing Director	
	b. Details of the BR head:			
	DIN Number (if applicable)	08425540	08640818	09204198
	Name	Mr. Sanath Kumar Muppirala, Dahej Plant	Mr. Sanjay Borwankar, Ranjitnagar Plant	Mr. Niraj Agnihotri, Dahej Plant
	Designation	Whole-time Director	Whole-time Director	Whole-time Director
	Telephone number	02678-248153	02678-248153	02641-618031
	E-mail id	sanath.kumar@gfl.co.in	sanjay.borwankar@gfl.co.in	niraj.agnihotri@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 stakeholders' grievances related to the policy/policies?	Y	Y		Y	Y	Y		Y	Y
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

- www.gfl.co.in

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 Annually by the Board
b)	Does the Company publish BR or Sustainability Report? What is hyperlink of viewing this report? How frequently it is published?	Yes, BR is published annually in the Annual Report and available on the Company's website 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

The Company has formulated following polices to ensure the business of the Company is conducted in accordance with highest standards of ethics and values with complying with the applicable laws and regulation.

Code of Conduct:- It 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 said policy is treated as a breach of ethical conduct and is viewed seriously by the Company

Whistle Blower Policy:- Whistle Blower Policy is a mechanism to reinforce implementation of the Company's Code of Conduct 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

Ethics Line:- Our stakeholders internal /external i.e. Employees, Vendors, Suppliers, Service providers, Customers, Business Associates, Partners, Shareholders and other Stakeholder or third party are encouraged to report incidences and violation of the Code of Conduct or Company policies to the Company.

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.

Stakeholders Complaint Received	14
Stakeholders Complaint Resolved	14
Percentage of Stakeholders Complaint Resolved	100%

   The above stakeholder's complaints are related to Code of Conduct and Whistle Blower concerns, investor complaints.

For more details on Principle 1, kindly 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 Gujarat Pollution Control Board.

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      While the Company 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 focuses 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 more details on the Principle 2, kindly refer to 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 permanent employees.

   The Company has a total of 2,830 permanent employees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   A total of 4562 employees have been hired on temporary/ contractual/casual basis.

3. Please indicate the Number of permanent women employees.

   The Company has 67 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.

Sr. 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	2	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

1.	Permanent Employees	Safety - 100 %; Skill Upgradation - 85%
2.	Permanent Women Employees	Safety - 100 %; Skill Upgradation - 70 %
3.	Casual/Temporary/ Contractual Employees	Safety - 100 %; Skill Upgradation - 85%
4.	Employees with Disabilities	Safety - 100 %; Skill Upgradation - 50%

For details on the Principle 3, kindly refer to the Human Capital of 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.
   - 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 more details on the Principle 4, kindly refer to Social Relationship Capital of the 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?

   During the FY 2021-22, the Company has received 14 complaints from the different stakeholders of the Company and that were resolved by the Company Satisfactorily.

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 mt 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 2021-22.

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, 2021.

For more details on the Principle 6, kindly 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 more details on the Principle 7, kindly 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 GFL 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:

   - Animal Welfare, Environment Sustainability and Protecting of Flora & Fauna
   - Livelihood enhancement Projects

- Promoting gender equality and empowering women
- Promotion of health care including preventive health care
- Promotion of sanitation
- Rural Development Projects
- Promoting Education including Vocational Skills and Research and Development
- Training to promote rural, nationally recognised, Paralympic and Olympic sports

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: ₹ 304.80 lakhs.

   Details of projects undertaken. Please refer Social and Relationship Capital 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 more details on the Principle 8, kindly 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?

   There is no customer complaints/ consumer cases are pending as on 31st March, 2022.

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, 2022.

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 more details on the Principle 9, kindly refer to the Social and Relationship Capital of the Integrated Section.

ANNEXURE – 3

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

Part A – Subsidiaries

(₹ in Lakhs)

Particulars	Gujarat Fluorochemicals Americas LLC	Gujarat Fluorochemicals Singapore Pte Limited	GFL GM Fluorspar (SA)	Gujarat Fluorochemicals GmbH	GFCL EV Products Limited	GFCL Solar and Green Hydrogen Products Limited	Gujarat Fluorochemicals FZE
	1	2	3	4	5	6	7
The date since when the subsidiary was acquired	02/09/2009	25/07/2011	15/08/2011	19/08/2013	08/12/2021	08/12/2021	05/12/2021
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 75.79	USD 75.79	MAD 7.85	EURO 84.07	NA	NA	AED 20.60
Share Capital	1,012.28	12,806.78	1,349.96	21.82	1.00	1.00	61.59
Reserves and Surplus	6,882.18	2,357.64	(10,904.70)	5,366.55	(35.68)	(1.70)	(5.73)
Total Assets	24,873.52	15,177.86	10,639.96	18,766.35	4,167.09	0.46	64.33
Total Liabilities	16,979.06	13.44	20,194.70	13,377.98	4,201.77	1.16	8.47
Investments	-	991.54	-	-	-	-	-
Turnover	52,722.57	338.61	3,468.46	44,233.32	-	-	
Profit/(Loss) before taxation	3,184.72	323.18	(4,335.68)	2,590.90	(35.68)	(1.70)	(5.91)
Provision for taxation	683.04	34.45	19.94	809.11	-	-	-
Profit/(Loss) after taxation	2,501.68	288.73	(4,355.62)	1,781.79	(35.68)	(1.70)	(5.91)
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding	100.00	100.00	74.00 held by GFL Singapore Pte Ltd.	100.00	100.00	100.00	100.00

Name of subsidiaries which are yet to commence operations: **GFCL EV Products Limited, GFCL Solar and Green Hydrogen Products Limited & Gujarat Fluorochemicals FZE**

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

Part B –Joint Venture

Statement related to Joint Venture

(₹ in Lakhs)

Sr. No.	Particulars	Swarnim Gujarat Fluorspar Private Limited (SGFPL)
1	Latest Balance Sheet date	31st March, 2022
2	Shares of Joint Venture held by the Company on the year end	
	Number	11,82,500
	Amount of investment in Associates/ Joint Venture	118.25
	Extended holding %	49.47*
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	NA
5	Net worth attributable to Shareholding as per latest balance sheet	86.81
6	Profit/(Loss) for the year	
	considered in consolidation	(0.52)
	Not considered in consolidation	

*As per JV agreement, Gujarat Fluorochemicals Limited (GFL) to hold 25% of the total equity capital of SGFPL. In view the fact that Gujarat Mineral Development Corporation Limited (GMDC) yet to contribute its equity participation by way of its assets value which is under review, GFL equity contribution has gone up temporarily due to their subscribing to the additional equity in SGFPL.

Name of joint venture which is yet to commence operations: Swarnim Gujarat Fluorspar Private Limited (SGFPL)

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

ANNEXURE – 4

Annual Report on Corporate Social Responsibility(CSR) activities

Sr. No.	Particulars	Details
1	Brief outline on CSR Policy of the Company	The CSR Policy adopted by the Company intends to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate. It includes to carry out the projects and activities which are prescribed under Schedule VII of the Companies Act, 2013. For more details please visit our website i.e. www.gfl.co.in
2	Composition of CSR Committee:	

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Devendra Kumar Jain (resigned as Chairman w.e.f 10.11.2021)	Chairman – Non Executive Director	1 (One) i. e. on 18-06-2021	0 out of 1
Mr. Shanti Prashad Jain (appointed as Chairman w.e.f 10.11.2021)	Chairman - Independent Director		1 out of 1
Mr. Shailendra Swarup (appointed as Member w.e.f 10.11.2021)	Independent Director		Not Applicable
Mr. Vivek Kumar Jain	Managing Director		1 out of 1

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	www.gfl.co.in
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	

Financial Year	Amount available for set-off from Preceeding financial years	Amount required to be set-off for the financial years, if any
2020-21	752.39 Lakhs	573.47 Lakhs

6	Average net profit of the company as per section 135(5)	₹ 28,673.34 Lakhs
7	(a) Two percent of average net profit of the company as per section 135(5)	₹ 573.47 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(c) Amount required to be set off for the financial year	₹ 573.47 Lakhs
	(d) Total CSR obligation for the financial year (7a + 7b- 7c)	Nil

8 (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 304.80	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementa tion - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sr. No.	Name of Project (Sch. VII)	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Lakhs	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
1	Promoting Health Care including Preventive Health Care	Promoting Health Care including Preventive Health Care	Yes	Gujarat	Ranjitnagar	34.34	Yes	N.A	N.A	N.A
2	Promoting Health Care including Preventive Health Care	Promoting Health Care including Preventive Health Care	Yes	Gujarat	Ranjitnagar	14.64	Yes	Yes	Helpage India	CSR00000901
3	Eradicating hunger and promoting health care including preventive health care	Promoting Health Care including Preventive Health Care	Yes	Gujarat	Ranjitnagar	0.02	Yes	N.A	N.A	N.A

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sr. No.	Name of Project (Sch. VII)	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Lakhs	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
4	Promotion of Sanitation	Promoting Health Care including Preventive Health Care	Yes	Gujarat	Dahej	13.58	Yes	N.A	N.A	N.A
5	Providing Education and Healthcare facilities to Economically Backward Children	Promoting Health Care including Preventive Health Care	No	Kolkata	West Bengal	0.75	Yes	N.A	N.A	N.A
6	Promoting Education and Special Education including Vocational Skills	Employment enhancing vocation skills	Yes	Gujarat	Ranjitnagar	0.63	Yes	N.A	N.A	N.A
7	Support to Farmers, Villagers and handicap	Livelihood Enhancement Projects	Yes	Gujarat	Ranjitnagar	24.50	Yes	N.A	N.A	N.A
8	Promoting Education, including special education and Employment enhancing Vocation Skills	Employment enhancing vocation skills	Yes	Gujarat	Ranjitnagar	29.51	Yes	N.A	N.A	N.A
9	Installation and Commissioning of Fully Automatic Sanitary Napkin Vending Machine and Fully Automatic Heavy Sanitary Napkin Incinerator Machine at Nalanda High School, Ghoghamba	Promoting Health Care including Preventive Health Care	Yes	Gujarat	Ranjitnagar	0.38	Yes	N.A	N.A	N.A
10	Support to Widows and Orphan	Empowering Women	Yes	Gujarat	Ranjitnagar	20.54	Yes	N.A	N.A	N.A
11	Beti Bachao / Beti Padhao	Promoting Gender Equality	Yes	Gujarat	Ranjitnagar	5.25	Yes	N.A	N.A	N.A
12	Providing Financial Help to Senior Citizens	Providing Facilities to Senior Citizens	Yes	Gujarat	Ranjitnagar	6.01	Yes	N.A	N.A	N.A

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sr. No.	Name of Project (Sch. VII)	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Lakhs	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	Mode of Implementation - Through Implementing Agency	
				State	District				Name	CSR Registration number
13	Civil Construction Work of Home for Orphan Children	Setting up Homes and Hostels for Women and Orphans	Yes	Gujarat	Ranjitnagar	2.16	Yes	N.A	N.A	N.A
14	Treatment of Cattles and support for agricultural allied activities	Animal Welfare, Environment Sustainability and Protecting of Flara & Fauna	Yes	Gujarat	Ranjitnagar	41.37	Yes	N.A	N.A	N.A
15	Training to promote rural, nationally recognised, paralympic and olympic sports	Promoting Nationally Recognised Sports and Training to promote Rural Sport	Yes	Gujarat	Ranjitnagar	1.07	Yes	N.A	N.A	N.A
16	Providing infrastructure support for development of Villages	Rural Development	Yes	Gujarat	Ranjitnagar	110.02	Yes	N.A	N.A	N.A
17	Sustainability Development Programme	Rural Development	Yes	Delhi	Noida	0.03	Yes	N.A	N.A	N.A
					Total	**304.80**				

(d) Amount spent in Administrative Overheads:- Nil

(e) Amount spent on Impact Assessment, if Applicable:- Nil

(f) Total Amount spent for the Financial Year (8b+8c+8d+8e): Rs 304.80 Lakhs

(g) Excess amount for set off, if any

(₹ in Lakhs)

Sr. no.	Particulars	Amount
1	Two percent of average net profit of the company as per section 135(5)	573.47
2	Total amount spent for the Financial Year	878.27*
3	Excess amount spent for the financial year [(2)-(1)]	304.80
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
5	Amount available for set off in succeeding financial years [(3)-(4)]	304.80

**₹ 878.27 lakhs includes the amount of ₹ 304.80 lakhs i.e. CSR amount spent during the Fy 2021-22 and ₹ 573.47 lakhs, which was excess amount spent during the Fy 2020-21 and Set-off for the Financial Year 2021-22.*

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

a. Date of creation or acquisition of the capital asset(s). **Not Applicable**.

b. Amount of CSR spent for creation or acquisition of capital asset. **Not Applicable**.

c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**.

d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) **Not Applicable**.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) **Not Applicable**.

Vivek Jain
Managing Director
DIN: 00029968

Shanti Prashad Jain
Chairman CSR Committee
DIN: 00023379

ANNEXURE – 5

Secretarial Audit Report

For the Financial Year ended March 31, 2022

[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
Survey No. 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghamba,
Panch Mahals – 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** ("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, 2022 ("review period"), 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 review period, according to the provisions of:

i. The Companies Act, 2013 ("Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 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 ("SEBI") Act, 1992:-

a. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.

b. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. SEBI (Buy-back of Securities) Regulations, 2018; However, there were no actions / events pursuant to these regulations, hence not applicable.

d. SEBI (Share Based Employee Benefits) Regulations, 2014; However, there were no actions / events pursuant to these regulations, hence not applicable.

e. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

f. SEBI (Issue and Listing of Debt Securities) Regulations, 2008; However, there were no actions / events pursuant to these regulations, hence not applicable.

g. SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; However, there were no actions / events pursuant to these regulations, hence not applicable.

h. SEBI (Prohibition of Insider Trading) Regulations, 2015;

i. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

j. SEBI (Delisting of Equity Shares) Regulations, 2009 / 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

k. SEBI (Depositories and Participants) Regulations, 2018;

l. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

m. SEBI (Debenture Trustees) Regulations, 1993; However, there were no actions / events pursuant to these regulations, hence not applicable.

vi. Other sector specific laws as follows:

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

b. The Indian Boilers Act, 1923 (Amended 1960);

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

We have also examined compliance with the applicable Clauses / Regulations of the following: -

i. Secretarial Standards issued by The Institute of Company Secretaries of India; and

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

During the review period, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as 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 review period 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 generally 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 review period, there were no specific instances / actions in the Company in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc. having major bearing on the Company's affairs. However, an incident of fire was occurred in one of the multi-product plants of the Company situated at Ranjitnagar site at District Panchmahal, Gujarat. Operations at Ranjitnagar site were resumed again after due compliance of Statutory requirement.

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

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000696732

Place: Vadodara | Date: July 27, 2022

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
Survey No. 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghamba,
Panch Mahals – 389 380,
Gujarat, India.

Our Secretarial Audit Report of even date is to be read along with this letter, that:

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 and we believe that the processes and practices we followed provide a reasonable basis for our opinion.

iii. Wherever required, we have obtained the management representation about the Compliance of Laws, Rules and Regulations, happening of events, etc.

iv. 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

ICSI Peer Review # 1079/2021
ICSI UDIN: F003677D000696732

Place: Vadodara | Date: July 27, 2022

ANNEXURE – 6

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 are as listed below –

- At TFE-1 / D-PTFE Utilities: 140 TR Brine chiller unit's evaporative condenser spray pump has been stopped and supply is given to condenser from existing cooling water pump P-812A. Accordingly, pipeline modified and 90 m3/Hr Cooling water flow has been given to evaporative condenser from existing Cooling water system.
  – Achieved Power savings of 63.8 MW/Yr,

- At TFE-1 Utilities augmentation Phase-2: P-805 E Impeller trimming work done. Before impeller Diameter / Amp taken - 354.1 MM/210 Amp. AFTER: Pump Impeller Diameter reduced from 354.1 MM to 330 MM. before it was taking Amp - 210 and after it is taking Amp - 181 with Discharge valve opening = 90 to 100%.
  – Achieved Power savings of 148.7 MW/Yr,

- At TFE-1 Utilities augmentation Phase-2: P-806 E impeller trimming work done. Before impeller Diameter - 480 MM / 266 AMP Discharge valve open condition - 50%. AFTER: Pump Impeller Diameter reduced from 480 MM to 472 MM. before it was taking Amp - 265 and after is taking Amp - 235. Discharge valve opening = 90 to 100%.
  – Achieved Power savings of 153.8 MW/Yr,

- At TFE-1 Utilities: Stoppage of 1 No. (-5) DegC refrigeration compressor (Old : 3# was in ops, Now: 2# are in ops) through integration of (-15) compressor suction header with (-5) compressor suction header by laying down additional 4" R22 refrigerant pipeline,
  – Achieved Power savings of 994.8 MW/Yr,

- At TFE-1 Utilities augmentation Phase-2: P-804D impeller trimming work done. Before impeller Diameter /Amp- 469 MM / 262 AMP Discharge valve open condition - 50%. AFTER: Impeller trimmed from 469 MM to 453 MM. Amp reduced from 262 to 232.
  – Achieved Power savings of 153.8 MW/Yr,

- At New Products Utilities: P-4104H impeller trimming works done. Before impeller Diameter / Amp- 344 MM / 150 AMP, Discharge valve open condition - 45%. AFTER: Impeller trimmed from 344 MM to 300 MM. Amp reduced from 150 to 118. (Also often Bearings failure problems resolved with @ 90% valve opening),
  – Achieved Power savings of 164 MW/Yr,

- At CPP: Provision of VFD in Boiler-1 Primary Air Fan-1 for Coal Transportation. (Boiler PA fan was running with Damper control mode with 40-60% throttling condition)
  – Achieved Power savings of 113.4 MW/Yr,

- At CPP: Optimization of New CPU condensate pumping system's power consumption (As per old system New CPU outlet is getting delivered in Conditioned Water Tank & after that same is being transferred to DM Tank through Pump.)
  – Achieved Power savings of 48.6 MW/Yr,

- Centralized ETP – Effluent Treatment Plant : Power saving through installation & commissioning of VFD (Variable Frequency Drive) at Pump P2108A : ERS Final Permeate Water supply to CU : Common Utilities, soft water storage tank,
  – Achieved Power savings of 94.5 MW/Yr,

- TFE2 Utilities: Refrigeration systems COP – Coefficient Of Performance improvement through execution of various identified jobs apart from CT: Cooling Tower's refurbishment / design changeover from cross to counter / 1 cell addition to improve CT efficiency to max possible extent as executed at TFE1 Utilities during last FY. Its MOC: Materials Of Construction also changed from earlier chemically treated wooden to pultruded FRP: Fiber-glass Reinforced Plastic,
  – Achieved Power savings of 1361.1 MW/Yr,

- VDF & TFE2 Utilities: Refrigeration systems & associated pipelines cold insulation losses reduction of VDF and TFE2 plant & Utilities, based on survey executed by the technical services & external 3rd party competent agency. Earlier damaged PUF insulation has been replaced by liquid PUF & new PUF insulation as per planned actions,
  – Achieved Power savings of 1118.1 MW/Yr,

- PTFE / PT-PTFE Utilities: Stoppage of separate SSF: Side Stream Filter feed pump & using CCW: Circulating Cooling Water, as a feed to SSF. Lead to savings of @12 amperes,
  – Achieved Power savings of 82 MW/Yr,

- Utilities – TFE2: Installation & commissioning of efficient standby pump P804C for (-15) DegC CaCl2 brine supply from TFE2 utilities to various polymer plants. BEFORE: with P804A: Amp was = 160 amp. AFTER: with P804C: Amp = 140 amp. Savings = 20 amp.
  – Achieved Power savings of 102.5 MW/Yr,

- At Centralized ETP (Effluent Treatment Plant): Further, throughput increase of ERS : Effluent Recycling Systems & 100% utilization of its treated water as an make up for most of the Cooling Towers (CT's) to save intake raw water from GIDC,
  – Achieved Gross Water Savings = 292.909 MegaLtr/Annum,

- At DI: De-Ionization water treatment plant's UF: Ultra Filtration unit's reject water has been further diverted to CPP - captive power plant , S&A : S-PTFE Cooling Towers / various identified nearby Cooling Towers to save Process Water make up to respective Cooling Tower's sump on round the clock basis,
  – Achieved Net Water Savings = 132.647 MegaLtr/Annum,
- Installation & Commissioning of Acoustic Cabin for New Polymer Utilities Control Room,
  – Achieved Sound level reduction from earlier 78 to @ 65 dBA,
- At S-PTFE (S&A) Plant: Re-routing of pipeline for Steam Condensate Recovery has been executed from HOT Vessel Shell & Tube type heat exchanger,
  – Achieved additional condensate recovery of @ 10 MT/Day,
- At D-PTFE Utilities: Conversion of old chemically treated wooden MOC cooling tower from cross flow to Pultruded FRP MOC counter flow & intermittent stoppage of @ 15 KW fan motor to save power,
  – Achieved substantial power savings (indirect power),
- AHF Utilities: Refrigeration system's Condenser – A & Condenser - B tubes cleaning / de-scaling followed by polymer coatings of tube sheets of both the Condensers with silicon putty has been executed,
  – Achieved drastic reliability improvement of both the Condensers with positive impact on power savings (indirect power),
- AHF Plant's: Kiln - Hot air conveying pipelines hot insulation has been checked for temperature deviations. Based on its findings, refurbishment of hot insulation followed by proper aluminum cladding has been executed,
  – Achieved substantial power savings (indirect power),
- Utilities – TFE2: Optimization of lighting circuit as per illumination study conducted by 3rd party and implemented the same through execution of desired modifications,
  – Achieved lighting power savings (indirect power),
- Common Utilities: Integration of A&H, New CaCl2 and FI plant's Process water supply with main plant process water Header with desired piping modification, thereof.
  – Achieved pumping energy power savings (indirect power),
- Replacement of Honeycomb PVC fills to improve the Cooling Towers efficiency of CA plants (4 - Cells), CMS - 2 plants (3 – Cells), TFE-3 plants (6 - Cells), D-PTFE plants (3-Cells) CT's with drift eliminators & its support modifications,
  – Achieved drastic improvement in Cooling Efficiency of CCW: Circulating Cooling Water,
- Sustenance of Instrument Air Dew Point to further improve the reliability of control logic instrumentation systems of overall Complex,
  – Various key instrument Control valves breakdown / malfunctioning avoidance project,

B. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCE OF ENERGY

Please refer to Natural Capital Section of Integrated report

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Please refer to Natural Capital Section of Integrated report

D. TECHNOLOGY ABSORBTION

(i) Technology Absorption – Dahej

Efforts made towards technology absorption, adaptation and innovation.

- GFL has made further investments incapacity expansion of fluoroelastomers grades for automotive and high-performance sealing application. Business volume is expected to increase further from Q3 2022-23.
- As a part of Make in India drive, a novel fluoroelastomers was developed to make o-rings & tight joints which is used in pressure regulator used in domestic LPG cylinders.
- GFL has successfully developed environment friendly new age surfactant system for polymerization of PTFE dispersion. Product is accepted globally and commercialized.
- GFL has developed PVDF based grades for battery binder application. Initial results are encouraging and gaining acceptance.
- GFL successfully developed PTFE micropowder based grade for water based coating formulation. Product is endorsed by key global companies.

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

(ii) Technology Absorption – Ranjitnagar

Efforts are made toward technology absorption, adaptation and innovation

- GFL-Ranjitnagar has made further investments in capacity expansion of R142b refrigerants grades used for thermostatic control switches, the intermediate of aerial propellant, and the important raw material for vinylidene fluoride. Business volume is expected to increase further from 2022-23.

- The new chemistry is developed in-house to cut down the job work and outsourcing techniques e.g., Balz-Schiemann, Photochlorination chemistry.
- GFL has successfully developed a greener route process for new API and Agro-based products like CFT, MTA, and 4-TFMA. The product is accepted by customers and ready for commercialization.
- GFL has more focus on the additives EV grade molecules which have great market demands e.g., FEC, VC.
- GFL successfully launched DCTFMA, BTF, 1,4 DFB, and EDFA which are commercialized and manufacture at the site to meet the customer's orders.

The benefits derived like product improvement, cost reduction, product development and export the product

- Efficient operational technique
- Cost-effective technology
- Yield and product quality achievement & improvement
- Developing smart and technical working culture through training and awareness sessions
- Adopted less hazardous route for environmental safety.

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

E. Foreign exchange Earnings and Outgo:

Foreign Exchange used: ₹ 87,686.58 Lakhs

Foreign Exchange earned: ₹ 1,81,715.34 Lakhs

ANNEXURE – 7

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22.

Sr. no.	Name of Directors / KMPs	% increase in remuneration in the Financial Year 2021-22	Ratio of Remuneration of each of Director to median remuneration of employees
1	Mr. Devendra Kumar Jain, Non-executive Director*	57%	1 : 212
2	Mr. Vivek Jain, Managing Director	70%	1 : 467
3	Mr. Shailendra Swarup, Independent Director#	-	-
4	Mr. Sanjay Borwankar, Whole-time Director	9%	1 : 20
5	Mr. Sanath Kumar Muppirala, Whole-time Director	12%	1 : 23
6	Mr. Om Prakash Lohia, Independent Director**	-	-
7	Mr. Shanti Prashad Jain, Independent Director#	-	-
8	Ms. Vanita Bhargava, Independent Director#	-	-
9	Mr. Chandra Prakash Jain, Independent Director#	-	-
10	Mr. Niraj Agnihotri, Whole-time Director @	0%	1 : 16
11	Mr. Manoj Agrawal, CFO	12%	1 : 20
12	Mr. Bhavin Desai, Company Secretary	12%	1 : 5

* including sitting fees
**No Sitting Fees paid
@Appointed w.e.f. 01.07.2021
#No remuneration or Commission paid to them except Sitting fees and hence % of increase in remuneration and Ratio of Remuneration not provided

2. The percentage increase in the median remuneration of employees for the financial year was 8.7%

3. The Company had 2,586 permanent employees on the rolls of Company as on 31st March 2022.

4. Average percentage increase in remuneration of employees other than the remuneration of managerial personnel was in the tune of 9.2%.

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.

Independent Auditor's Report

To the members of Gujarat Fluorochemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Fluorochemicals Limited**, ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2022, 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 31st March, 2022, 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 on the standalone financial statements.

Emphasis of Matter

Commission of ₹ 1,058.10 Lakhs to a non-executive director requires approval of the shareholders in the ensuing Annual General Meeting as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations. Our report is not modified in respect of this matter.

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. We have determined that there are no key audit matters to communicate in our report.

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 Annual Report, for example, Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance etc., but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc. is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc., if we conclude that there is a material misstatement therein, we are

required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

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, 2020 ("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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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;

      iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 51(g) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in note 17.3 to the standalone financial statements

a) The interim dividend declared by the Company during the year and paid until the date of this audit report is in accordance with section 123 of the Act.

b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For PATANKAR & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 107628W

S. S. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXNOX5639

Place: Pune
Date: 13th May 2022

Annexure I to Independent auditor's report to the members of Gujarat Fluorochemicals Limited on the standalone financial statements for the year ended 31st March, 2022 – 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, 2020 ("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:

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(B) The Company has also maintained proper records showing full particulars of intangible assets.

(b) The property, plant & equipment have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except as under:

Description of property	Gross carrying value (₹ in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of the Company
Buildings and leasehold land located at Noida, Uttar Pradesh	1,522.42	GFL Limited	No	Since 1st April 2019	This property is transferred and vested with the Company on demerger as per the Scheme of Arrangement and is in the process of being registered in the name of the Company.
Premises located at Dubai-UAE	2,580.18	Meydan Sobha LLC-FZ	No	Since 1st May 2019	As per the purchase agreement, the title will be transferred in the name of the Company after the payment of the final instalment of the deferred purchase consideration.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventories were physically verified by the management at reasonable intervals during the year and the coverage and procedures of the verification were appropriate. No material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.

(b) The Company has not been sanctioned any working capital limit in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii. The Company has made investments in, provided guarantee or security and granted unsecured loans, to companies and other parties during the year, in respect of which the requisite information is as below.

(a) During the year the Company has provided loans and stood guarantee to subsidiary/step down subsidiary and fellow subsidiary companies and other parties as follows:

(₹ in Lakhs)

Particulars	Guarantees	Securities	Loans	Advances in nature of loans
Aggregate amount granted/provided during the year				
- Subsidiary	-	-	3,500.00	-
- Step-down subsidiary	-	-	-	-
- Fellow subsidiaries	1,33,878.00	5,670.00	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiary	-	-	3,500.00	-
- Step-down subsidiary	1,689.66	-	-	-
- Fellow subsidiaries	1,49,491.00	33,059.00	-	-
- Others (*)	-	-	3,017.14	-

(*) Includes loan of ₹ 292.14 Lakhs which has been fully provided during the year

The Company has not made any investment in, provided guarantee or security and granted loans, secured or unsecured, to any other entity. The Company has not granted any advances in the nature of loan, secured or unsecured, to any entity.

(b) The investments made, guarantees provided, and the terms and conditions of the grant of all loans provided are not prejudicial to the Company's interest, except for loan of ₹ 292.14 Lakhs given to a party, since it is fully provided in the books, interest of ₹ 84.07 Lakhs accrued thereon is written off and no interest is charged on this loan during the year.

(c) The Company has granted loans to a wholly owned subsidiary and other parties, which are repayable on demand (refer sub-clause (f) below). During the year, the Company has not demanded such loans except for loan of ₹ 292.14 Lakhs, which is fully provided as at the end of the year, interest of ₹ 84.07 Lakhs accrued thereon is written off and no interest is charged on this loan during the year. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company in other cases, in our opinion the repayments of principal amounts and receipts of interest are regular.

(d) In respect of loans granted, since the Company has granted loans which are payable on demand and during the year the Company has not demanded such loan and interest, except for loan of ₹ 292.14 Lakhs, which is fully provided as at the end of the year, interest of ₹ 84.07 Lakhs accrued thereon is written off and no interest is charged on this loan during the year, there are no amounts overdue for more than 90 days as at the balance sheet date.

(e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment. The Company has granted loans repayable on demand and the details are as under:

Particulars	All Parties	Aggregate amount of loans granted to Promoters & related parties as defined in clause (76) of section 2 of the Act	
		Promoters	Related parties
Aggregate amount of loans - Repayable on demand - ₹ in Lakh	6,517.14 (*)	-	3,500.00
Percentage thereof to the total loans granted	100.00%	-	53.70%

(*) The amounts reported are at gross amounts, without considering provisions made.

iv. The Company has complied with the provisions of section 185 and 186 of the Act in respect of investments made or loans given or guarantees or securities provided.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act, and the Rules framed thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. 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 Act, 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.

vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues applicable to it. There are no undisputed dues relating to sales tax, service tax, duty of excise or value added tax. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March, 2022 for a period of more than six months from the date they become payable.

(b) The details of statutory dues referred to in sub-clause (a) above, 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 Lakhs)	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	2.31	
	c) April 2012 to December 2012	154.88	
	d) April 2013 to March 2017	349.36	
	e) June 2016 to June 2017	9.10	
	Cenvat Credit on inter unit transactions	809.75	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Cenvat Credit availed on various items, including interest and penalty July 2015 to March 2017	3.22	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Customs Act, 1962	Differential duty on high seas import March 2012 to May 2013	890.56	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Gujarat Value Added Tax Act, 2003	Proportionate ITC on Capital goods - F.Y. 2011-2012	40.34	Gujarat Value Added Tax, Tribunal, Ahmedabad
	On account of non-submission of C forms F.Y. 2017-2018 (upto 30.06.2017)	42.87	Joint Commissioner of Commercial Tax (Appeal), Vadodara
	On account of the non-submission of C forms F.Y.2016-17	4.70	Deputy Commissioner of Commercial Tax (Appeals), Vadodara
Income-tax Act, 1961	On account of Transfer Pricing adjustments for A.Y.2017-18	1,819.99	Income Tax Appellate Tribunal, Ahmedabad
	On account of Depreciation on Windmills charged at higher rate for A.Y. 2015-16	26.83	Commissioner of Income Tax (Appeals), Vadodara

Above include the liabilities vested with the Company on demerger of the Chemical Business Undertaking as per the Scheme of Arrangement.

viii. There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans and other borrowings or in payment of interest thereon to any lender.

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) The term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have not been used for long term purposes.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint venture.

x. (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible).

xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report has been filed by the auditors, under sub-section (12) of section 143 of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of the Act, and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with them and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) There is no CIC in the Group.

xvii. The Company has not incurred cash losses in the current and the immediately preceding financial year.

xviii. There has been no resignations of the statutory auditors during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a

period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities following due within a period of one year, from the balance sheet date will get discharged by the Company as and when they fall due.

xx. In respect of expenditure on Corporate Social Responsibility (CSR)

(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.

(b) The Company did not have any ongoing project and accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For PATANKAR & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 107628W

S. S. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXNOX5639

Place: Pune
Date: 13th May 2022

Annexure II to Independent auditor's report to the members of Gujarat Fluorochemicals Limited on the standalone financial statements for the year ended 31st March, 2022 - 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**, ("the Company") as of 31st March, 2022 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.

Auditor's 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 31st March, 2022 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. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXNOX5639

Place: Pune
Date: 13th May 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
(1)	***Non-current assets***			
	(a) Property, plant and equipment	5	2,37,518.24	2,19,950.00
	(b) Capital work-in-progress	6	67,245.95	40,006.30
	(c) Right-of-use assets	42	4,335.75	4,416.64
	(d) Investment property	7	643.71	989.46
	(e) Intangible assets	8	786.32	1,241.81
	(f) Financial assets			
	(i) Investments	9		
	a) Investments in subsidiaries	9(a)	13,904.47	8,705.58
	b) Investments in joint venture	9(b)	118.25	118.25
	c) Other investments	9(c)	-	1,863.22
	(ii) Other non current financial assets	11	25,301.45	31,458.71
	(g) Other non-current assets	12	95,208.72	93,754.31
	Sub-total		**4,45,062.86**	**4,02,504.28**
(2)	***Current assets***			
	(a) Inventories	13	76,145.18	70,844.09
	(b) Financial assets			
	(i) Other investments	9(d)	1,882.75	6,849.94
	(ii) Trade receivables	14	84,672.15	73,198.77
	(iii) Cash & cash equivalents	15	1,474.59	416.02
	(iv) Bank balances other than (iii) above	16	12,737.20	1,014.78
	(v) Loans	10	7,177.65	3,903.29
	(vi) Other current financial assets	11	31,999.82	17,587.44
	(c) Other current assets	12	18,672.73	7,990.24
	Sub-total		**2,34,762.07**	**1,81,804.57**
	Assets held for sale		-	1,980.86
	Total Assets		**6,79,824.93**	**5,86,289.71**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	17	1,098.50	1,098.50
	(b) Other equity	18	4,20,637.85	3,45,379.90
	Sub-total		**4,21,736.35**	**3,46,478.40**
	LIABILITIES			
(1)	***Non-current liabilities***			
	(a) Financial liabilities			
	(i) Borrowings	19	42,228.07	37,327.56
	(ii) Lease liabilities	42	12.39	30.31
	(ii) Other non current financial liabilities	20	-	344.22
	(b) Provisions	21	3,261.70	2,862.63
	(c) Deferred tax liabilities (net)	22	26,895.21	27,115.77
	(d) Income tax liabilities (net)	26	-	1,001.36
	Sub-total		**72,397.37**	**68,681.85**
(2)	***Current liabilities***			
	(a) Financial liabilities			
	(i) Borrowings	23	1,11,345.76	1,15,982.49
	(ii) Lease liabilities	42	17.92	31.11
	(iii) Trade payables			
	a) total outstanding dues of micro enterprises and small enterprises	24	483.48	141.02
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	49,147.40	40,927.38
	(iv) Other current financial liabilities	20	15,948.27	10,190.64
	(b) Other current liabilities	25	1,490.16	1,205.32
	(c) Provisions	21	1,586.64	1,550.33
	(d) Current tax liabilities (net)	26	5,671.58	1,101.17
	Sub-total		**1,85,691.21**	**1,71,129.46**
	Total equity & liabilities		**6,79,824.93**	**5,86,289.71**

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from operations	27	3,81,308.91	2,52,360.58
II	Other income	28	16,283.97	18,048.11
III	**Total Income (I+II)**		**3,97,592.88**	**2,70,408.69**
IV	**Expenses**			
	Cost of materials consumed	29	1,17,873.22	87,511.55
	Changes in inventories of finished goods, work in progress, stock-in-trade and by products	30	1,147.52	(4,355.67)
	Power & fuel		67,102.53	43,787.78
	Employee benefits expense	31	24,073.43	19,790.01
	Finance costs	32	7,594.33	10,918.77
	Depreciation and amortisation expense	33	18,810.95	18,455.57
	Other expenses	34	57,979.84	47,272.10
	Total expenses (IV)		**2,94,581.82**	**2,23,380.11**
V	**Profit before tax (III-IV)**		**1,03,011.06**	**47,028.58**
VI	Tax expense	35		
	(i) Current tax		25,831.00	11,932.00
	(ii) Deferred tax		(131.13)	(385.36)
	(iii) Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate		(103.10)	58,298.94
			25,596.77	**69,845.58**
VII	**Profit/(loss) for the year (V-VI)**		**77,414.29**	**(22,817.00)**
VIII	**Other Comprehensive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefits plans		17.37	29.75
	(ii) Tax on above		(4.37)	(7.49)
	B. Items that will be reclassified to profit or loss			
	(i) Gains on effective portion of hedging instruments in a cash flow hedge		36.96	41.50
	(ii) Tax on above		(9.30)	(10.44)
	Total other comprehensive income		**40.66**	**53.32**
IX	**Total comprehensive income for the year (VII+VIII)**		**77,454.95**	**(22,763.68)**
	Earnings/(loss) per equity share of ₹ 1 each			
	Basic and Diluted (in ₹)	40	70.47	(20.77)

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Dated: 13th May 2022

Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

A. Equity Share Capital

Particulars	₹ In Lakhs
Balance as at 1st April, 2020	**1,098.50**
Changes in equity share capital during the year	-
Balance as at 31st March, 2021	**1,098.50**
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	**1,098.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of other comprehensive income	Total
	Capital Reserve	General Reserve	Retained Earnings	Cash flow hedge reserve	
Balance as at 1st April, 2020	**12,547.50**	**3,20,000.00**	**35,649.96**	**(53.88)**	**3,68,143.58**
Movement during the year:					
Loss for the year	-	-	(22,817.00)	-	(22,817.00)
Other comprehensive income for the year, net of income tax (*)	-	-	22.26	31.06	53.32
Total comprehensive income for the year	**-**	**-**	**(22,794.74)**	**31.06**	**(22,763.68)**
Balance as at 31st March, 2021	**12,547.50**	**3,20,000.00**	**12,855.22**	**(22.82)**	**3,45,379.90**
Movement during the year:					
Profit for the year	-	-	77,414.29	-	77,414.29
Other comprehensive income for the year, net of income tax (*)	-	-	13.00	27.66	40.66
Interim dividend - see Note 17.3	-	-	(2,197.00)	-	(2,197.00)
Total comprehensive income for the year	**-**	**-**	**75,230.29**	**27.66**	**75,257.95**
Balance as at 31st March, 2022	**12,547.50**	**3,20,000.00**	**88,085.51**	**4.84**	**4,20,637.85**

(*) 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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
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V. K. JAIN
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DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Standalone Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash flow from operating activities		
Profit/(loss) for the year	**77,414.29**	**(22,817.00)**
Adjustments for :		
Tax expense	25,596.77	69,845.58
Depreciation and amortisation expense	18,810.95	18,455.57
Gain on sale of investment property	(1,948.86)	-
(Gain)/loss on sale/disposal of property, plant and equipment (net)	(151.53)	247.12
Allowance for doubtful advances/inter-corporate deposits	379.32	-
Allowance for doubtful trade receivables and expected credit losses (net)	478.25	4.07
Liabilities and provisions no longer required, written back	(205.33)	(186.00)
Advances and other claims written off	129.42	63.34
Loss of property, plant and equipment and inventory due to fire	212.85	-
Unrealised foreign exchange gain (net)	(806.95)	(577.88)
Net gain on fair value changes in investments classified at FVTPL	(218.10)	(3,524.96)
Mark-to-market loss on derivative financial instruments (net)	108.96	638.76
Interest income	(8,191.99)	(10,492.44)
Finance costs	7,594.33	10,918.77
Operating profit before working capital changes	**1,19,202.38**	**62,574.93**
Movements in working capital:		
Increase/(decrease) in provisions	452.75	554.02
Increase/(decrease) in trade payables	9,017.53	(1,375.45)
Increase /(decrease) in other financial liabilities	2,783.31	3,377.56
Increase /(decrease) in other liabilities	284.84	(412.22)
(Increase)/decrease in loans	119.70	(29.93)
(Increase)/decrease in inventories	(5,335.77)	(4,981.56)
(Increase)/decrease in trade receivables	(11,409.95)	(9,156.26)
(Increase)/decrease in other financial assets	(3,900.46)	(3,270.00)
(Increase)/decrease in other assets	(11,030.18)	320.07
Cash generated from operations	**1,00,184.15**	**47,601.16**
Income-tax (paid)/refund (net)	(22,523.78)	14,285.00
Net cash generated from operating activities	**77,660.37**	**61,886.16**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances)	(66,649.75)	(27,343.60)
Proceeds from sale/disposal of property, plant and equipment	2,477.78	-
Proceeds from sale of investment property	2,277.00	-
Investment in shares of subsidiary companies	(5,198.89)	-
Purchase of other investments	(10,499.47)	(26,806.93)
Redemption/sale of other investments	17,547.99	47,395.82
Inter-corporate deposits given to subsidiary company	(3,500.00)	-
Interest received	885.86	766.83
Movement in other bank balances	(3,580.38)	(31,275.60)
Net cash used in investing activities	**(66,239.86)**	**(37,263.48)**

Standalone Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
C. Cash flow from financing activities		
Proceeds from non-current borrowings	20,352.98	9,851.38
Repayment of non-current borrowings	(16,339.60)	(22,320.25)
Proceeds from/(repayment of) current borrowings (net)	(3,710.39)	(1,674.80)
Payment of lease liabilities	(35.27)	(98.01)
Finance costs	(8,432.66)	(10,947.48)
On account of interim dividend	(2,197.00)	-
Net cash used in financing activities	**(10,361.94)**	**(25,189.16)**
Net increase/(decrease) in cash and cash equivalents	**1,058.57**	**(566.48)**
Cash and cash equivalents as at the beginning of the year	416.02	982.50
Cash and cash equivalents as at the end of the year	1,474.59	416.02

Changes in liabilities arising from financing activities during the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance	1,00,798.91	52,511.14
Cash flows	(3,710.39)	4,013.38
Interest expense	4,009.44	3,531.63
Interest paid	(4,056.77)	(3,507.97)
Foreign exchange adjustment	(15.54)	-
Closing balance	**97,025.65**	**56,548.18**

Changes in liabilities arising from financing activities during the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance	1,03,036.28	65,081.65
Cash flows	(1,674.80)	(12,468.87)
Interest expense	5,740.20	4,042.70
Interest paid	(5,896.78)	(4,144.34)
Foreign exchange adjustment	(405.99)	-
Closing balance	**1,00,798.91**	**52,511.14**

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.

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

1. Company information

Gujarat Fluorochemicals Limited ("the Company") is a public limited company incorporated and domiciled in India. 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 holding 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. The accounting policies 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).

Ministry of Corporate Affairs (MCA), vide its Notification dated 24th March, 2021, amended Schedule III to the Companies Act, 2013 with effect from 1st April, 2021. Accordingly, previous year figures have been re-grouped/re-classified wherever necessary, to conform to the classification for the current year in order to comply with the requirements of the amended Schedule III to the Act.

These financial statements for the year ended 31st March, 2022 were approved for issue by the Company's Board of Directors at its meeting held on 13th May, 2022.

2.2 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 two decimal places to the nearest Lakhs, unless otherwise indicated.

These financial statements have been prepared on an accrual basis and under the historical cost basis except as under:

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost (refer accounting policy regarding financial instruments)

b) asset held for sale – measured at fair value less cost to sell, and

c) defined benefit liability is measured as per actuarial valuation

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

2.3 Particulars of investments in subsidiaries and joint venture as at 31st March, 2022 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%
GFCL EV products Limited	India	100%
GFCL Solar and Green Hydrogen Products Limited	India	100%
Gujarat Fluorochemicals FZE	Dubai	100%
b) Joint Venture		
Swarnim Gujarat Fluorspar Private Limited	India	25%

All the above investments are measured at cost.

2.4 Amendments of existing accounting standards and recent accounting pronouncements

a. Amendments to existing accounting standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 18th June, 2021, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2021. Following amendments have become applicable for the current reporting period:

- Amendments to Ind AS 116 Leases - COVID-19 related rent concessions: The amendments to Ind AS 116 extend the period of availing the practical expedient relating to Covid-19 related rent concessions to 30th June, 2022 (from earlier 30th June, 2021). This amendment does not have any impact on the financial statements of the Company.
- Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116 - Interest Rate Benchmark Reform Phase 2: The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). These amendments do not have any impact on the financial statements of the Company.

b. New accounting pronouncements:

As per Notification dated 23rd March, 2022, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2022. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combinations: The amendments specify that in a business combination, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed, at the acquisition date, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.

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- Amendments to Ind AS 16 Property Plant & Equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
- Amendments to Ind AS 37 Provisions, Contingent liabilities & Contingent assets: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- Amendments to Ind AS 109 Financial Instruments: The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact on its financial statements.

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.

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

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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.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the Company has continued to account for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period

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ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP, as permitted by para D13AA of Ind AS 101. Accordingly, exchange differences on conversion and on settlement of long-term foreign currency monetary items that 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 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:

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- 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.

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

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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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the cost of depreciable capital assets include exchange differences on conversion and on settlement of long-term foreign currency monetary items that relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), as permitted by para D13AA of Ind AS 101 (see 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. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. 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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the Company has continued with the carrying value of its property, plant and equipment recognised as of 1st 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.

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

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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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, 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 the 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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the Company has continued with the carrying value of its intangible assets recognised as of 1st 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 property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment 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

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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.

3.13 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

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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 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.

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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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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'.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 44.

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 44 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 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 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.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Freehold land	46.86	46.86
Buildings	27,512.60	25,864.50
Plant and equipment	2,08,709.23	1,93,006.94
Furniture and fixtures	235.51	307.82
Vehicles	597.09	326.83
Office equipment	416.95	397.05
	2,37,518.24	**2,19,950.00**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost							
Balance as at 1st April, 2020	**46.86**	**28,455.44**	**2,65,044.29**	**999.41**	**340.53**	**1,467.81**	**2,96,354.34**
Additions	-	3,414.61	12,948.61	47.84	190.09	158.60	16,759.75
Reclassified as held for sale	-	-	(4,795.13)	-	-	-	(4,795.13)
Disposals	-	-	-	-	(4.99)	-	(4.99)
Balance as at 31st March, 2021	**46.86**	**31,870.05**	**2,73,197.77**	**1,047.25**	**525.63**	**1,626.41**	**3,08,313.97**
Additions	-	3,458.87	35,099.58	12.11	433.44	236.93	39,240.93
Borrowing costs	-	27.01	465.10	-	-	-	492.11
Disposals	-	(819.92)	(3,485.12)	-	(170.81)	(9.79)	(4,485.64)
Balance as at 31st March, 2022	**46.86**	**34,536.01**	**305,277.33**	**1,059.36**	**788.26**	**1,853.55**	**3,43,561.37**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation							
Balance as at 1st April, 2020	**-**	**4,873.65**	**66,614.76**	**642.08**	**156.23**	**1,002.65**	**73,289.37**
Eliminated on disposal of assets	-	-	-	-	(4.99)	-	(4.99)
Eliminated on reclassification as held for sale	-	-	(2,567.14)	-	-	-	(2,567.14)
Depreciation expense for the year	-	1,131.90	16,143.21	97.35	47.56	226.71	17,646.73
Balance as at 31st March, 2021	**-**	**6,005.55**	**80,190.83**	**739.43**	**198.80**	**1,229.36**	**88,363.97**
Eliminated on disposal of assets	-	(99.64)	(395.04)	-	(75.21)	(7.14)	(577.03)
Depreciation expense for the year	-	1,117.50	16,772.31	84.42	67.58	214.38	18,256.19
Balance as at 31st March, 2022	**-**	**7,023.41**	**96,568.10**	**823.85**	**191.17**	**1,436.60**	**1,06,043.13**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount							
As at 31st March, 2021	**46.86**	**25,864.50**	**1,93,006.94**	**307.82**	**326.83**	**397.05**	**2,19,950.00**
As at 31st March, 2022	**46.86**	**27,512.60**	**2,08,709.23**	**235.51**	**597.09**	**416.95**	**2,37,518.24**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

5. Property, plant and equipment (Contd.)

Note:

1) Details of property, plant and equipment (PPE) hypothecated as security towards borrowings (see Note 36)

Details of carrying amounts of PPE hypothecated as security for borrowings are as under:

(₹ in Lakhs)

Assets at carrying value	As at 31st March, 2022	As at 31st March, 2021
Plant and equipment	1,04,263.29	88,126.09
Vehicles	493.76	198.31
Total	**1,04,757.05**	**88,324.40**

2) The title deeds of certain immovable properties not held in name of the Company (see Note 51(a))

3) The Company has not revalued its property, plant and equipment.

6. Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital work-in-progress	63,516.54	40,006.30
Pre-operative expenditure pending allocation	3,729.41	-
Total	**67,245.95**	**40,006.30**

Particulars of pre-operative expenditure incurred during the year are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	-	-
Add: Expenses incurred during the year		
Salaries and wages	1,117.79	-
Contribution to provident and other funds	59.79	-
Gratuity	17.70	-
Staff welfare expenses	26.13	-
Borrowing costs	1,100.84	-
Power & fuel	548.48	-
Stores and spares consumed	333.11	-
Insurance	11.43	-
Production labour charges	89.69	-
Factory expenses	66.39	-
Rates and taxes	107.93	-
Travelling and conveyance	105.75	-
Legal & professional fees and expenses	324.15	-
Rent, lease rentals and hire charges	52.53	-
Miscellaneous expenses	259.81	-
	4,221.52	-
Sub total	**4,221.52**	**-**
Less: Capitalised during the year	(492.11)	-
Closing Balance	**3,729.41**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

6. Capital work-in-progress (Contd.)

Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2022

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	48,595.24	12,989.31	4,352.73	1,308.67	**67,245.95**
Projects temporarily suspended	-	-	-	-	**-**

Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2022

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	865.25	-	-	-	865.25
Project 2	445.04	-	-	-	445.04
Others (*)	34.70	45.00	-	-	79.70
Total	**1,344.99**	**45.00**	**-**	**-**	**1,389.99**

Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2021

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21,924.09	13,699.93	4,034.83	347.45	**40,006.30**
Projects temporarily suspended	-	-	-	-	**-**

Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2021

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	383.68	-	-	-	383.68
Project 2	1,425.03	-	-	-	1,425.03
Project 3	359.74	-	-	-	359.74
Others (*)	88.41	-	45.00	-	133.41
Total	**2,256.86**	**-**	**45.00**	**-**	**2,301.86**

(*) Others comprise of various projects with individually immaterial values.

7. Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Buildings	643.71	989.46
	643.71	**989.46**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

7. Investment property (Contd.)

(₹ in Lakhs)

Particulars	Buildings
I. Cost or Deemed Cost	
Balance as at 1st April, 2020	**1,117.08**
Balance as at 31st March, 2021	**1,117.08**
Disposals	(376.04)
Balance as at 31st March, 2022	**741.04**

(₹ in Lakhs)

Particulars	Buildings
II. Accumulated depreciation	
Balance as at 1st April, 2020	**106.35**
Depreciation expense for the year	21.27
Balance as at 31st March, 2021	**127.62**
Depreciation expense for the year	17.59
Eliminated on disposal of assets	(47.88)
Balance as at 31st March, 2022	**97.33**

(₹ in Lakhs)

Particulars	Buildings
III. Net carrying amount	
As at 31st March, 2021	**989.46**
As at 31st March, 2022	**643.71**

7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2022 and 31st March, 2021 have been arrived at on the basis of valuation carried out by an independent valuer, R.K Patel, who is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 and is not related to the Company. In the opinion of management, he has appropriate qualifications and recent experience in the valuation of properties. For all investment properties, fair values have been determined based on the capitalised income projections, 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 adopted, 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, 2021	**10,172.50**
Fair value as at 31st March, 2022	**8,433.33**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

7. Investment property (Contd.)

7.2 Amounts recognized in profit or loss in respect of investment properties

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rental income	483.18	507.56
Direct operating expenses in respect of properties that generated rental income	159.20	150.86
Depreciation expense	17.59	21.27
Gain on sale of investment property	1,948.86	-

Note:

a) The title deeds of certain immovable properties not held in name of the Company (see Note 51(a)).

b) The Company has not revalued its investment properties.

8. Intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Product Development	-	-
Technical Know How	785.64	1,228.69
Software	0.68	13.12
	786.32	**1,241.81**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
I. Cost or Deemed Cost				
Balance as at 1st April, 2020	**695.80**	**5,205.80**	**220.23**	**6,121.83**
Balance as at 31st March, 2021	**695.80**	**5,205.80**	**220.23**	**6,121.83**
Additions	-	-	0.79	0.79
Balance as at 31st March, 2022	**695.80**	**5,205.80**	**221.02**	**6,122.62**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
II. Accumulated amortisation				
Balance as at 1st April, 2020	**695.80**	**3,359.14**	**175.59**	**4,230.53**
Amortisation expense for the year	-	617.97	31.52	649.49
Balance as at 31st March, 2021	**695.80**	**3,977.11**	**207.11**	**4,880.02**
Amortisation expense for the year	-	443.05	13.23	456.28
Balance as at 31st March, 2022	**695.80**	**4,420.16**	**220.34**	**5,336.30**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
III. Net Carrying amount				
As at 31st March, 2021	**-**	**1,228.69**	**13.12**	**1,241.81**
As at 31st March, 2022	**-**	**785.64**	**0.68**	**786.32**

Note: The Company has not revalued its intangible assets.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

9. Investments

9(a) Investment in subsidiaries (measured at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investments					
Investments in Equity Instruments					
Gujarat Fluorochemicals Singapore Pte. Limited (#)	USD 1	19091000	12,806.78	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
GFCL EV Products Limited	₹ 1	100000	1.00	-	-
GFCL Solar & Green Hydrogen Products Limited	₹ 1	100000	1.00	-	-
Gujarat Fluorochemicals FZE, Dubai	AED 30	10000	61.59	-	-
Total investment in subsidiaries (a)			**13,904.47**		**8,705.58**

(#) The Company has provided undertaking to the lenders of the subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited, that the Company will not dilute its stake below 100% in the subsidiary. For additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (see Note 51(g)).

9(b) Investment in Joint Venture (measured at cost)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		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**

9(c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Non-current investments					
I. Quoted Investments (fully paid up)					
Investments in Mutual Funds					
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	-	-	10000000	1,231.15
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	-	-	10000000	1,242.40
Kotak FMP - Series 240 - Growth (Regular Plan)	10	-	-	10000000	1,246.77
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	-	-	10000000	1,248.03
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	-	-	10000000	1,239.59
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	-	-	5000000	623.02
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,864.65	15000000	1,792.50

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

9. Investments (Contd.)

9(c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Total quoted Investments			**1,864.65**		**8,623.46**
Less: Current portion of non current investments disclosed under current investments			(1,864.65)		(6,830.96)
Total quoted Investments			**-**		**1,792.50**
II. Unquoted Investments (fully paid up)					
Investments in Equity Instruments					
Kaleidoscope Entertainment Private Limited	1	562500	-	562500	-
(Net of impairment loss of ₹ 60.75 Lakhs (as at 31st March, 2021: ₹ 60.75 Lakhs)					
Investments in Mutual Funds					
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	-	-	281601	70.72
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.10	250000	18.98
Less: Current portion of non-current investments disclosed under current investments			(18.10)		(18.98)
Total Unquoted Investments			**-**		**70.72**
Total non-current other investments (I + II)			**-**		**1,863.22**
Total non-current investments (9a + 9b + 9c)			**14,022.72**		**10,687.05**
Aggregate amount of quoted investments			-		1,792.50
Aggregate market value of quoted investments			-		1,792.50
Aggregate amount of unquoted investments			14,022.72		8,894.55
Aggregate amount of impairment in value of investments			60.75		60.75

9(d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			**1,864.65**		**6,830.96**
II. Unquoted Investments (fully paid up)					
Investments in venture capital funds					
Kshitij Venture Capital Fund	121	250000	18.10	250000	18.98
Total current investments (I + II)			**1,882.75**		**6,849.94**
Aggregate amount of quoted investments			1,864.65		6,830.96
Aggregate market value of quoted investments			1,864.65		6,830.96
Aggregate amount of unquoted investments			18.10		18.98
Aggregate amount of impairment in value of investments			-		-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

9. Investments (Contd.)

9(d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Summary of other investments		
Non-current investments	-	1,863.22
Current investments	1,882.75	6,849.94
Total	**1,882.75**	**8,713.16**
Category-wise other investments - as per Ind AS 109 classification		
Investments carried at fair value through profit or loss	1,882.75	8,713.16
Total	**1,882.75**	**8,713.16**

Note: The Company had pledged certain mutual fund investments having carrying amount Nil (as at 31st March 2021: ₹ 70.72 Lakhs) against the borrowings of a fellow subsidiary (see Note 37).

10. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Loans to related parties (see Note 45)		
- Inter-corporate deposits to subsidiary company (#)	3,517.16	-
Inter-corporate deposits to others (see Note 47(b))		
- Considered good	3,660.49	3,903.29
- Credit impaired	292.14	-
	3952.63	3,903.29
Less: Provision for impairment	(292.14)	-
	3,660.49	3,903.29
Total	**7,177.65**	**3,903.29**

#For additional disclosures/regulatory information in respect of loan granted to related party, as required by Schedule III to the Companies Act, 2013 (See Note 51(i)).

11. Other financial assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Security deposits	844.85	948.11
Non-current bank balances (from Note 16)	24,345.05	30,290.09
Derivative financial assets	111.55	220.51
Total	**25,301.45**	**31,458.71**
Current		
Security deposits	156.47	907.83
Other receivables		
- from related parties (including interest on capital advance of ₹ 18,351.25 Lakhs (as at 31st March, 2021 ₹ 12,426.10 Lakhs) - see Note 45)	24,644.66	16,470.54
- insurance claims lodged - (see Note 48)	7,190.54	114.53
- others	8.15	94.54
Total	**31,999.82**	**17,587.44**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

12. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Capital advances		
to related parties (see Note 45)	87,780.00	87,780.00
to others	7,006.23	5,759.12
	94,786.23	**93,539.12**
Security deposits with Government authorities	205.03	205.03
Prepayments	217.46	10.16
Total	**95,208.72**	**93,754.31**
Current		
Advance to suppliers		
Considered good		
to related parties (see Note 45)	1,714.40	1,565.86
to others	9,883.68	3,707.46
	11,598.08	5,273.32
Considered doubtful	46.80	101.33
	11,644.88	5,374.65
Less: Allowance for doubtful advances	(46.80)	(101.33)
	11,598.08	**5,273.32**
Custom duty refund claimed	259.66	185.67
Balance with government authorities:		
Balance in GST accounts	2,067.12	1,158.52
Export incentive receivables	3,065.09	451.16
Other advances	183.19	67.76
Prepayments	1,499.59	853.81
Total	**18,672.73**	**7,990.24**

13. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials (see note (i) below)	23,777.02	17,842.20
Work-in-progress	9,673.49	9,670.74
Finished goods	25,817.47	26,945.28
Stock in trade	-	25.03
Stores and spares	15,068.14	14,868.95
Others		
- Fuel	948.36	935.80
- Packing materials	786.41	484.37
- By products	74.29	71.72
Total	**76,145.18**	**70,844.09**

Notes:

(i) Raw materials include materials in transit of ₹ 103.39 Lakhs (as at 31st March, 2021: Nil).

(ii) The cost of inventories recognised as an expense includes ₹ 563.85 Lakhs (as at 31st March, 2021: ₹ 926.46 Lakhs) in respect of write downs of inventory to net realisable value.

(iii) The mode of valuation of inventories has been stated in Note 3.13

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

14. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Considered good	84,672.15	73,198.77
Trade receivables which have significant increase in credit risk	47.19	51.61
Trade receivables - credit impaired	1,021.11	538.44
	85,740.45	**73,788.82**
Provision for expected credit loss and impairment	(1,068.30)	(590.05)
Total	**84,672.15**	**73,198.77**

Note: The Company has entered into an arrangement for factoring of receivables with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on 31st March, 2022 are of ₹ 3,795.72 Lakhs (as at 31st March, 2021: Nil). The Company has derecognized these receivables as it has transferred its contractual rights to the banks with all the risks and rewards of ownership and retains no control over these receivables.

Trade receivables ageing schedule

Ageing for trade receivables - outstanding as at 31st March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	72,283.28	10,491.38	911.90	971.64	13.95	-	84,672.15
Which have significant increase in credit risk	23.58	5.26	6.53	11.39	0.43	-	47.19
Credit impaired	-	-	-	2.94	220.00	798.17	1,021.11
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub-total	**72,306.86**	**10,496.64**	**918.43**	**985.97**	**234.38**	**798.17**	**85,740.45**
Provision for expected credit loss & impairment	(23.58)	(5.26)	(6.53)	(14.33)	(220.43)	(798.17)	(1,068.30)
Net Trade Receivables	**72,283.28**	**10,491.38**	**911.90**	**971.64**	**13.95**	**-**	**84,672.15**

Ageing for trade receivables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	61,691.70	10,370.59	371.05	230.86	505.10	29.47	73,198.77
Which have significant increase in credit risk	22.33	3.65	3.75	4.71	15.62	1.55	51.61
Credit impaired	-	-	-	15.37	155.44	367.63	538.44

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

14. Trade receivables (Contd.)

Ageing for trade receivables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub-total	**61,714.03**	**10,374.24**	**374.80**	**250.94**	**676.16**	**398.65**	**73,788.82**
Provision for expected credit loss & impairment	(22.33)	(3.65)	(3.75)	(20.08)	(171.06)	(369.18)	(590.05)
Net Trade Receivables	**61,691.70**	**10,370.59**	**371.05**	**230.86**	**505.10**	**29.47**	**73,198.77**

15. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks in current accounts	1,468.74	411.26
Cash on hand	5.85	4.76
Total	**1,474.59**	**416.02**

16. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance in interim dividend payable account	2,197.00	-
Bank deposits with original maturity of more than 3 months but less than 12 months	4,355.88	-
Bank deposits with original maturity of more than 12 months	30,529.37	31,304.87
	34,885.25	**31,304.87**
Amount disclosed under Note 11 - Other non-current financial assets	(24,345.05)	(30,290.09)
Total	**12,737.20**	**1,014.78**

Note: Other bank balances includes ₹ 50.92 Lakhs (as at 31st March, 2021: ₹ 27.92 Lakhs) margin money deposits kept as security against bank guarantees and fixed deposits of ₹ 33,059.00 Lakhs (as at 31st March, 2021: ₹ 29,600.00 Lakhs) kept as security against working capital facilities to fellow subsidiaries.

17. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorized		
20,00,00,000 (31st March, 2021: 20,00,00,000) equity shares of ₹ 1 each	2,000.00	2,000.00
Issued, subscribed and fully paid up		
10,98,50,000 (31st March, 2021: 10,98,50,000) equity shares of ₹ 1 each	1,098.50	1,098.50
Total	**1,098.50**	**1,098.50**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

17. Equity share capital (Contd.)

17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	Nos.	(₹. in Lakhs)
As at 31st March, 2022		
At the beginning of the year	10,98,50,000	1,098.50
At the end of the year	10,98,50,000	1,098.50
As at 31st March, 2021		
At the beginning of the year	10,98,50,000	1,098.50
At the end of the year	10,98,50,000	1,098.50

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.

17.3 During the year, the Company has paid ₹ 2 per equity share as interim dividend for the year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs.

The Board of Directors at its meeting held on 13th May, 2022 have recommended a payment of final dividend of ₹ 2 per equity share for the financial year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and is not recognised as a liability.

17.4 Shares held by holding company

Particulars	Nos.	(₹. in Lakhs)
As at 31st March, 2022		
Inox Leasing and Finance Limited	6,02,91,906	602.92
As at 31st March, 2021		
Inox Leasing and Finance Limited	5,77,64,316	577.64

17.5 Details of shareholders holding more than 5% shares in the Company

Particulars	Nos.	holding %
As at 31st March, 2022		
Inox Leasing and Finance Limited	6,02,91,906	54.89%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
As at 31st March, 2021		
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%

17.6 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company had 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

17. Equity share capital (Contd.)

17.7 Shareholdings of promoters

Disclosure of Shareholding of promoters as at 31st March, 2022 is as follows:

Sr. No.	Name of the promoter	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
		No. of Shares	% of holding	No. of Shares	% of holding	
	Promoter					
1	Inox Leasing and Finance Limited	6,02,91,906	54.89%	5,77,64,316	52.58%	2.30%
	Promoter Group					
2	Devendra Kumar Jain	20,100	0.02%	20,100	0.02%	-
3	Pavan Kumar Jain	-	-	20,100	0.02%	(0.02%)
4	Vivek Kumar Jain	20,100	0.02%	20,100	0.02%	-
5	Siddharth Jain	-	-	20,000	0.02%	(0.02%)
6	Devansh Jain	10,000	0.01%	10,000	0.01%	-
7	Hem Kumari	-	-	10,000	0.01%	(0.01%)
8	Kapoor Chand Jain	-	-	10,000	0.01%	(0.01%)
9	Nandita Jain	10,000	0.01%	10,000	0.01%	-
10	Nayantara Jain	-	-	10,000	0.01%	(0.01%)
11	Devansh Trademart LLP	66,62,360	6.06%	66,62,360	6.06%	-
12	Siddhapavan Trading LLP	55,76,440	5.08%	55,76,440	5.08%	-
13	Inox Chemicals LLP	-	-	29,55,230	2.69%	(2.69%)
14	Siddho Mal Trading LLP	-	-	20,19,260	1.84%	(1.84%)

Disclosure of Shareholding of promoters as at 31st March, 2021 is as follows:

Sr. No.	Name of the promoter	As at 31st March, 2021		As at 31st March, 2020		% Change during the year
		No. of Shares	% of holding	No. of Shares	% of holding	
	Promoter					
1	Inox Leasing and Finance Limited	5,77,64,316	52.58%	5,77,64,316	52.58%	-
	Promoter Group					
2	Devendra Kumar Jain	20,100	0.02%	20,100	0.02%	-
3	Pavan Kumar Jain	20,100	0.02%	20,100	0.02%	-
4	Vivek Kumar Jain	20,100	0.02%	20,100	0.02%	-
5	Siddharth Jain	20,000	0.02%	20,000	0.02%	-
6	Devansh Jain	10,000	0.01%	10,000	0.01%	-
7	Hem Kumari	10,000	0.01%	10,000	0.01%	-
8	Kapoor Chand Jain	10,000	0.01%	10,000	0.01%	-
9	Nandita Jain	10,000	0.01%	10,000	0.01%	-
10	Nayantara Jain	10,000	0.01%	10,000	0.01%	-
11	Devansh Trademart LLP	66,62,360	6.06%	66,62,360	6.06%	-
12	Siddhapavan Trading LLP	55,76,440	5.08%	55,76,440	5.08%	-
13	Inox Chemicals LLP	29,55,230	2.69%	29,55,230	2.69%	-
14	Siddho Mal Trading LLP	20,19,260	1.84%	20,19,260	1.84%	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

18. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital reserve	12,547.50	12,547.50
General reserve	3,20,000.00	3,20,000.00
Cash flow hedge reserve	4.84	(22.82)
Retained earnings	88,085.51	12,855.22
Total	**4,20,637.85**	**3,45,379.90**

18.1 Capital reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	12,547.50	12,547.50
Balance at the end of the year	**12,547.50**	**12,547.50**

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated.

18.2 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	3,20,000.00	3,20,000.00
Balance at the end of the year	**3,20,000.00**	**3,20,000.00**

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, 2022	As at 31st March, 2021
Balance at beginning of the year	(22.82)	(53.88)
Other comprehensive income for the year, net of income tax	27.66	31.06
Balance at the end of the year	**4.84**	**(22.82)**

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, 2022	As at 31st March, 2021
Balance at beginning of the year	12,855.22	35,649.96
Profit/(loss) for the year	77,414.29	(22,817.00)
Other comprehensive income for the year, net of income tax	13.00	22.26
Payment of interim dividend on equity shares - see Note 17.3	(2,197.00)	-
Balance at the end of the year	**88,085.51**	**12,855.22**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

19. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	1,254.70	2,417.58
- Rupee loans	54,864.98	49,919.52
(b) From others - rupee loans	428.50	174.04
	56,548.18	**52,511.14**
Less: Disclosed under Note 23 : Current borrowings		
(i) Current maturities	14,031.94	14,919.07
(ii) Interest accrued	288.17	264.51
Total	**42,228.07**	**37,327.56**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 36.

20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Premium payable on option contracts	-	21.32
Creditors for capital expenditure	-	322.90
Total	**-**	**344.22**
Current		
Interim dividend payable	2,197.00	-
Security deposits	517.63	523.67
Creditors for capital expenditure (*)	6,536.56	5,743.60
Derivative financial liabilities	4.36	41.32
Employees dues payable	5,560.08	3,377.11
Premium payable on option contracts	21.32	49.65
Other payables	1,111.32	455.29
Total	**15,948.27**	**10,190.64**

* Includes dues to micro enterprises and small enterprises (See Note 41).

21. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Provision for employee benefits (see Note 43)		
- for Gratuity	2,336.24	2,025.02
- for Compensated absences	925.46	837.61
Total	**3,261.70**	**2,862.63**
Current		
Provision for employee benefits (see Note 43)		
- for Gratuity	587.43	599.12
- for Compensated absences	999.21	951.21
Total	**1,586.64**	**1,550.33**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

22. Deferred tax assets/(liabilities)

For the year ended 31st March, 2022

22.1 The major components of deferred tax assets/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as at 31st March, 2022
Property, plant and equipment	(29,029.88)	102.06	-	-	(28,927.82)
Expenses allowable on payment basis	278.88	23.23	-	-	302.11
Allowance for doubtful trade receivables and expected credit losses	162.09	106.78	-	-	268.87
Effect of measuring derivative instruments at fair value	(32.40)	20.09	(9.30)	-	(21.61)
Expenses allowable in subsequent years	393.23	(131.07)	-	-	262.16
Gratuity and leave benefits	1,110.65	113.95	(4.37)	-	1,220.23
Others	1.66	(0.81)	-	-	0.85
Net Deferred tax liabilities	**(27,115.77)**	**234.23**	**(13.67)**	**-**	**(26,895.21)**

For the year ended 31st March, 2021

22.2 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as at 31st March, 2021
Property, plant and equipment	(40,837.43)	11,807.55	-	-	(29,029.88)
Expenses allowable on payment basis	438.21	(159.33)	-	-	278.88
Allowance for doubtful trade receivables and expected credit losses	204.77	(42.68)	-	-	162.09
Effect of measuring derivative instruments at fair value	(53.03)	31.07	(10.44)	-	(32.40)
Expenses allowable in subsequent years	727.97	(334.74)	-	-	393.23
Gratuity and leave benefits	1,358.87	(240.73)	(7.49)	-	1,110.65
Others	2.16	(0.50)	-	-	1.66
	(38,158.48)	**11,060.64**	**(17.93)**	**-**	**(27,115.77)**
MAT Credit Entitlement	61,466.04	(61,466.04)	-	-	-
Net Deferred tax liabilities	**23,307.56**	**(50,405.40)**	**(17.93)**	**-**	**(27,115.77)**

23. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
(a) From banks		
(i) Foreign currency loans		
- Short term / working capital demand loans	2,523.25	-
- Packing credit /Buyers credit/Import finance	30,961.11	30,135.76

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

23. Current borrowings (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(ii) Rupee loan		
- Short term / working capital demand loans	63,541.29	65,992.15
- Cash credit / overdraft	-	2,271.00
- Packing credit	-	2,400.00
	97,025.65	**1,00,798.91**
Current maturities of long term borrowings (from Note 19)	14,031.94	14,919.07
Interest accrued on long term borrowings (from Note 19)	288.17	264.51
Total	**1,11,345.76**	**1,15,982.49**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 36.

24. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
- total outstanding dues of micro enterprises and small enterprises (see Note 41)	483.48	141.02
- total outstanding dues of creditors other than micro enterprises and small enterprises	49,147.40	40,927.38
Total	**49,630.88**	**41,068.40**

Trade Payables ageing schedule

Ageing for trade payables - outstanding as at 31st March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	483.48	-	-	-	**483.48**
(ii) Others	11,038.10	37,456.06	1.04	419.35	232.85	**49,147.40**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

Ageing for trade payables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	141.02	-	-	-	**141.02**
(ii) Others	8,745.77	31,414.71	482.42	240.68	43.80	**40,927.38**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

25. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	561.44	646.33
Statutory dues and taxes payable	928.72	558.99
Total	**1,490.16**	**1,205.32**

26. Income tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income tax liabilities (net of payment)	-	1,001.36
Total	**-**	**1,001.36**

Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current tax liabilities (net of payments)	5,671.58	1,101.17
Total	**5,671.58**	**1,101.17**

27. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Revenue from contracts with customers		
Sale of products	3,71,030.55	2,49,527.04
(b) Other operating revenue	10,278.36	2,833.54
Total	**3,81,308.91**	**2,52,360.58**

27.1 Disaggregated revenue information

For year ended 31st March, 2022

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	15,220.52	169.94	-	16,670.78	**32,061.24**
Caustic Soda	46,702.70	-	-	639.73	**47,342.43**
Chloromethane	43,293.99	-	838.71	1,050.59	**45,183.29**
Poly Tetrafluoroethylene (PTFE)	41,828.36	55,047.50	33,471.21	20,833.36	**1,51,180.43**
Other products	42,707.11	28,390.90	11,400.33	12,764.82	**95,263.16**
Total	**1,89,752.68**	**83,608.34**	**45,710.25**	**51,959.28**	**3,71,030.55**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

27. Revenue from operations (Contd.)

For year ended 31st March, 2021

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	13,483.40	397.52	-	20,500.96	**34,381.88**
Caustic Soda	22,676.18	290.44	-	191.37	**23,157.99**
Chloromethane	31,290.87	-	-	-	**31,290.87**
Poly Tetrafluoroethylene (PTFE)	26,712.03	30,588.52	15,168.25	17,920.71	**90,389.51**
Other products	37,798.16	18,223.72	7,309.54	6,975.37	**70,306.79**
Total	**1,31,960.64**	**49,500.20**	**22,477.79**	**45,588.41**	**2,49,527.04**

27.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	84,672.15	73,198.77
Contract liabilities - advance from customers	561.44	646.33

During the year ended 31st March, 2022, the Company has recognized revenue of ₹ 499.15 Lakhs (as at 31st March, 2021: ₹ 493.13 Lakhs) arising from opening contract liabilities.

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	Year ended 31st March, 2022	Year ended 31st March, 2021
Gross revenue	3,72,017.01	2,50,447.88
Less: Discounts, rebates etc.	986.46	920.84
Net revenue recognised from contracts with customers	**3,71,030.55**	**2,49,527.04**

28. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Interest income		
(I) On financial assets using effective interest method:		
- on fixed deposits with banks	1,291.92	726.28
- on inter corporate deposit to subsidiary company	19.07	-
- on Inter-corporate deposits to others	272.50	301.71
(II) Other interest income		
- on income tax refunds	20.19	690.83
- on capital advances	6,583.50	8,757.58
- other interest	4.81	16.04
	8,191.99	**10,492.44**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

28. Other income (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(b) Other non-operating income		
Rental income from operating leases	483.69	508.28
Guarantee commission income	1,760.66	886.55
Net gain on retirement/disposal of property, plant and equipment and investment property	2,100.39	-
Miscellaneous income	403.92	-
	4,748.66	**1,394.83**
(c) Other gains and losses		
Net gain on investments carried at FVTPL	218.10	3,524.96
Net gain on foreign currency transactions and translation	3,234.18	3,274.64
Net loss on fair value changes in derivatives classified at FVTPL	(108.96)	(638.76)
	3,343.32	**6,160.84**
Total	**16,283.97**	**18,048.11**
Note: Realised gain/(loss) on sale of investments	1,482.86	(9,285.46)

29. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	1,09,207.13	79,891.79
Packing materials consumed	8,666.09	7,619.76
Total	**1,17,873.22**	**87,511.55**

30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	26,945.28	25,995.96
Stock-in-trade	25.03	4.18
Work-in-progress	9,670.74	6,216.65
By-products	71.72	140.31
	36,712.77	**32,357.10**
Less : Closing inventories		
Finished goods	25,817.47	26,945.28
Stock-in-trade	-	25.03
Work-in-progress	9,673.49	9,670.74
By-products	74.29	71.72
	35,565.25	**36,712.77**
(Increase) / Decrease in inventories	**1,147.52**	**(4,355.67)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

31. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	21,913.72	17,877.90
Contribution to provident and other funds	1,000.30	850.17
Gratuity	549.95	481.51
Staff welfare expenses	609.46	580.43
Total	**24,073.43**	**19,790.01**

32. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	7,541.07	9,782.90
b) Interest on lease liabilities - (see Note 42)	4.16	8.50
c) Interest on income tax	282.00	221.00
d) Other interest expenses	136.34	126.30
	7,963.57	**10,138.70**
(B) Net foreign exchange loss on borrowings (considered as finance costs)	633.84	744.90
(C) Other borrowing costs	97.76	35.17
Sub-total (A+B+C)	**8,695.17**	**10,918.77**
Less: Borrowing costs capitalised	(1,100.84)	-
Total	**7,594.33**	**10,918.77**

The weighted average capitalisation rate of funds borrowed is 6.61% per annum

33. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment	18,256.19	17,646.73
Depreciation on right-of-use assets - (see Note 42)	80.89	138.08
Depreciation on Investment property	17.59	21.27
Amortisation of intangible assets	456.28	649.49
Total	**18,810.95**	**18,455.57**

34. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Stores and spares consumed	10,492.54	9,858.32
Freight	11,364.82	6,166.05
Insurance	1,512.13	1,355.52
Indirect tax expenses	1,067.03	607.73
Production labour charges	3,236.79	3,017.59
Processing charges	595.12	562.91
Factory expenses	2,043.89	3,213.11

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

34. Other expenses (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Repairs to		
- Buildings	619.86	668.47
- Plant and equipments	7,450.35	6,153.10
- Others	723.64	632.19
	8,793.85	**7,453.76**
Directors' sitting fees	27.00	19.00
Commission to non-executive director	1,058.10	451.24
Rates and taxes	508.02	922.53
Travelling and conveyance	1,640.60	1,399.77
Communication expenses	151.33	145.51
Legal and professional fees and expenses	5,077.46	4,039.43
Rent, lease rentals and hire charges	2,179.38	1,760.60
Net loss on retirement/disposal of property, plant and equipment	-	247.12
Allowance for doubtful trade receivables and expected credit losses	478.25	4.07
Allowance for doubtful inter corporate deposits	292.14	-
Corporate Social Responsibility (CSR) expenses (see Note 49)	522.00	1,978.23
Loss by fire (see Note 48)	720.67	-
Royalty	2,398.66	1,432.58
Miscellaneous expenses	3,820.06	2,637.03
Total	**57,979.84**	**47,272.10**

35. Tax Expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Income tax recognized in Statement of Profit and Loss		
Current Tax		
In respect of current year	25,831.00	11,932.00
In respect of earlier years	-	7,508.18
	25,831.00	**19,440.18**
Deferred Tax		
In respect of current year	(131.13)	(385.36)
Impact of net deferred tax liability remeasurement on account of change in tax rate	-	(10,675.28)
In respect of earlier years	(103.10)	61,466.04
	(234.23)	**50,405.40**
Sub-total	**25,596.77**	**69,845.58**
(ii) Income tax recognized in Other Comprehensive Income		
Deferred tax on remeasurement of defined benefit plans	4.37	7.49
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	9.30	10.44
Sub-total	**13.67**	**17.93**
Total Tax expense	**25,610.44**	**69,863.51**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

35. Tax expense (Contd.)

35.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit before tax	1,03,011.06	47,028.58
Income tax using the Company's domestic tax rate @ 25.168%	25,925.82	11,836.15
Effect of expenses that are not deductible in determining taxable profits	408.41	614.00
Effect of income that is taxed at special rates	(634.36)	(28.92)
Effect of loss on fair value of investments on which deferred tax asset is not recognised	-	(887.16)
Others (net)	-	12.57
	25,699.87	**11,546.64**
Effect on deferred tax balances due to the change in income tax rate from 34.994% to 25.168%	-	(10,675.28)
Taxation pertaining to earlier years	(103.10)	68,974.22
Tax expense as per the Statement of Profit and Loss	**25,596.77**	**69,845.58**

The tax rate used in the reconciliations above is the corporate tax rate of 25.168% payable under section 115BAA by corporate entities in India on taxable profits.

35.2 'During the previous year, the Company had filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14, in respect of demerged Chemical Business Undertaking vested with the Company, which were being contested by the Income-tax Department before Hon'ble Supreme Court. The applications filed were accepted and accordingly the Company was required to pay 50% of disputed income-tax aggregating to ₹ 2,944.18 Lakhs in respect of these years. The total impact of the settlement of ₹ 68,974.22 Lakhs (mainly on account of reduction in MAT credit entitlement) was recognized and included in 'taxation pertaining to earlier years'.

Consequent to settlement of above income-tax matters and reversal of MAT credits, the Company has exercised the option under section 115BAA of the Income-tax Act, 1961 from the year ended 31st March, 2021 and thus, applicable tax rate for the Company is 25.168% as against the earlier rate of 34.944%. Accordingly, the net deferred tax liability as on 1st April, 2020 was also re-measured and the reduction of ₹ 10,675.28 Lakhs in the deferred tax liability was recognized during the year ended 31st March, 2021.

36. Nature of securities and terms of repayment

36.1 Nature of securities and terms of repayment of secured term loans are as under:

As at 31st March, 2022

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	Foreign Currency Loan	842.05	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a with Call Spread Option	(a)
2	Foreign Currency Loan	408.40	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Rupee Loan	6,368.14	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(b)
4	Rupee Loan	152.77	Monthly repayment, final maturity on 4th January, 2025	8.75% p.a.	(c)
5	Rupee Loan	194.68	Monthly repayment, final maturity on 4th September, 2024	8.30% p.a.	(c)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

36. Nature of securities and terms of repayment (Contd.)

36.1 Nature of securities and terms of repayment of secured term loans are as under:

As at 31st March, 2022

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
6	Rupee Loan	78.39	Monthly repayment, final maturity on 7th March, 2023	10.00% p.a.	(c)
7	Rupee Loan	21,318.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(d)
8	Rupee Loan	16,924.32	Quarterly repayment, final maturity on 26th June, 2027	Repo Rate + 2.40 % p.a.	(d)
9	Rupee Loan	9,972.50	Quarterly repayment, final maturity on 21st March, 2026	3M T Bill + 2.87 % p.a.	(d)

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	Foreign Currency Loan	1,624.72	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	Foreign Currency Loan	787.99	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Rupee Loan	7,581.12	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(b)
4	Rupee Loan	72.87	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(c)
5	Rupee Loan	100.00	Monthly repayment, final maturity on 7th March, 2023	10.00% p.a.	(c)
6	Rupee Loan	26,953.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(d)
7	Rupee Loan	9,970.00	Quarterly repayment, final maturity on 26th June, 2027	Repo Rate + 2.40 % p.a.	(d)
8	Rupee Loan	2,554.46	Quarterly repayment, final maturity on 30th August, 2021	3M MCLR + 0.05 % p.a.	(e)
9	Rupee Loan	2,601.71	Quarterly repayment, final maturity on 31st August, 2021	3M MCLR + 0.05 % p.a.	(e)

Notes:

a) The foreign currency term loan 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 term loan 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

36. Nature of securities and terms of repayment (Contd.)

36.1 Nature of securities and terms of repayment of secured term loans are as under

c) The vehicle loans are secured by way of hypothecation of vehicles.

d) The term loans are secured by way of exclusive charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant, DPTFE Plant and FKM Plant , CPU COAL BASED & CPU CCGT 4 & 5 + Common Plant Utility located at 12A, GIDC Estate, Village - Dahej, Taluka - Vagra, District - Bharuch, Gujarat.

e) The working capital term loan was 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.

36.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2022

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Foreign Currency Loan-Import Finance	4,836.68	Repayment range from 13th May, 2022 to 7th September, 2022	Interest range from 6M LIBOR/ SOFR + 0.65% to 6 M LIBOR/ SOFR + 0.85%
2	Foreign Currency Loan-Import Finance	4,071.04	Repayment range from 11th April, 2022 to 18th August, 2022	Interest range from 6M LIBOR/ SOFR + 0.30% to 6M LIBOR/ SOFR + 0.90%
3	Foreign Currency Loan-Import Finance	2,556.46	Repayment on 27th June, 2022	Interest range from 6M SOFR + 0.47%
4	Foreign Currency Loan-Import Finance	2,283.14	Repayment range from 18th April, 2022 to 20th June, 2022	Interest range from 6M LIBOR/ SOFR + 0.38%
5	Foreign Currency Loan - Packing Credit	11,728.06	Repayment range from 8th April, 2022 to 23rd September, 2022	Interest range from 6M EURIBOR + 0.48% to 6M EURIBOR + 0.55%
6	Foreign Currency Loan - Packing Credit	3,783.24	Repayment range from 8th May, 2022 to 7th June, 2022	Interest range from 6M EURIBOR + 0.32% to 6M EURIBOR + 0.35%
7	Foreign Currency Loan - Packing Credit	1,681.44	Repayment on 1st June, 2022	Interest range 6M EURIBOR + 0.35%
8	Foreign Currency Loan - WCL FCY	2,522.16	Repayment on 27th July, 2022	Interest 6M EURIBOR + 0.50%
9	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 2nd April, 2022	1M T Bill + 1.37% (1M T Bill Reset every 1 M)
10	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 7th April, 2022	1M T Bill + 1.20% (1M T Bill Reset every 1 M)
11	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8th April, 2022	1M T Bill + 1.26% (1M T Bill Reset every 1 M)
12	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 16th April, 2022	1M T Bill + 1.22% (1M T Bill Reset every 1 M)
13	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 12th May, 2022	1M T Bill + 1.45% (1M T Bill Reset every 1 M)
14	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7th July, 2022	1M T Bill + 1.34% (1M T Bill Reset every 1 M)
15	Rupee Loan - Working Capital Demand Loan	1,979.05	Bullet repayment on 8th April, 2022	Repo Rate + 1.15% (Repo Rate Reset every 3 M)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

36. Nature of securities and terms of repayment (Contd.)

36.2 The terms of repayment of unsecured loans are as under:

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
16	Rupee Loan - Working Capital Demand Loan	1,979.05	Bullet repayment on 26th July, 2022	Repo Rate + 1.05% (Repo Rate Reset every 3 M)
17	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th May, 2022	5.20% p.a.
18	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 11th April, 2022	5.50% p.a.
19	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 4th August, 2022	6M T Bill + 1.48% (6M T Bill Reset every 3 M)
20	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th August, 2022	6M T Bill + 1.48% (6M T Bill Reset every 3 M)
21	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 11th September, 2022	6M T Bill + 1.23% (6M T Bill Reset every 3 M)
22	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 27th September, 2022	6M T Bill + 1.28% (6M T Bill Reset every 3 M)
23	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 28th April, 2022	1M Mibor + 0.64% (1M Mibor reset every 1 M)
24	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5th May, 2022	1M Mibor + 0.65% (1M Mibor reset every 1 M)
25	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 24th June, 2022	1M Mibor + 1.01% (1M Mibor reset every 1 M)
26	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 1st July, 2022	1M Mibor + 1.00% (1M Mibor reset every 1 M)
27	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 27th July, 2022	1M Mibor + 1.00% (1M Mibor reset every 1 M)
28	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th April, 2022	5.25% p.a.
29	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 20th April, 2022	4.50% p.a.
30	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 30th April, 2022	4.50% p.a.
31	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 28th July, 2022	3M T Bill + 1.30% (3M T Bill Reset every 3 M)
32	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 19th April, 2022	Repo Rate + 0.95%
33	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 30th April, 2022	Repo Rate + 0.95%
34	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 10th June, 2022	Repo Rate + 0.70%
35	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 9th September, 2022	Repo Rate + 0.85%
36	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 13th April, 2022	Overnight Mibor + 1.15%
37	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 15th June, 2022	4.75% p.a.
38	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 12th July, 2022	4.75% p.a.
39	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29th July, 2022	4.75% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

36. Nature of securities and terms of repayment (Contd.)

36.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Foreign Currency Loan-Import Finance	4,070.14	Repayment range from 29th April, 2021 to 6th July, 2021	Interest range from 6M LIBOR + 0.45% to 6 M LIBOR + 0.70%
2	Foreign Currency Loan-Import Finance	5,743.16	Repayment range from 7th April, 2021 to 17th September, 2021	Interest range from 6M LIBOR + 0.67% to 6 M LIBOR + 1.65% and interest range from 6M EURIBOR +0.75% to 6M EURIBOR + 0.95%
3	Foreign Currency Loan-Import Finance	2,709.13	Repayment range from 9th April, 2021 to 9th June, 2021	Interest 6M LIBOR + 1.25% and 6M EURIBOR + 1.25%
4	Foreign Currency Loan-Import Finance	3,781.39	Repayment range from 14th April, 2021 to 19th August, 2021	Interest range from 6M LIBOR + 0.50% to 6M LIBOR + 1.70%
5	Foreign Currency Loan-Import Finance	578.91	Repayment on 20th April, 2021	Interest 6M LIBOR + 0.85%
6	Foreign Currency Loan - Packing Credit	11,064.85	Repayment range from 9th April, 2021 to 20th August, 2021	Interest range from 6M EURIBOR + 0.65% to 6M EURIBOR + 0.75%
7	Foreign Currency Loan - Packing Credit	2,147.68	Repayment on 1st April, 2021	Interest 6M EURIBOR + 0.90%
8	Rupee Loan - Packing Credit	2,400.00	Bullet repayment on 9th July, 2021	Interest range from 3M MIBOR + 1.94% and 1M MIBOR + 2.01%
9	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 6th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
10	Rupee Loan - Short Term Working Capital Loan	500.00	Bullet repayment on 12th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
11	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 12th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
12	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 22nd April, 2021	Repo Rate + 2.50% (Repo Rate Reset every 1 M)
13	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 9th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
14	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 9th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
15	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 26th May, 2021	Repo Rate + 1.95% (Repo Rate Reset every 1 M)
16	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 29th June, 2021	Repo Rate + 1.90% (Repo Rate Reset every 1 M)
17	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 16th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
18	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 27th May, 2021	Repo Rate + 1.75% (Repo Rate Reset every 1 M)
19	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 1st September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
20	Rupee Loan - Working Capital Demand Loan	1,450.00	Bullet repayment on 2nd September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

36. Nature of securities and terms of repayment (Contd.)

36.2 The terms of repayment of unsecured loans are as under:

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
21	Rupee Loan - Working Capital Demand Loan	5,000.00	Bullet repayment on 24th April, 2021	8.45% p.a.
22	Rupee Loan - Working Capital Demand Loan	300.00	Bullet repayment on 27th August, 2021	7.50% p.a.
23	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 30th April, 2021	7.00% p.a.
24	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8th June, 2021	1M Mibor + 2.30% (1M Mibor reset every 1 M)
25	Rupee Loan - Working Capital Demand Loan	1,600.00	Bullet repayment on 23rd July, 2021	1M Mibor + 2.26% (1M Mibor reset every 1 M)
26	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7th May, 2021	1M Mibor + 2.48% (1M Mibor reset every 1 M)
27	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5th June, 2021	6.25% p.a.
28	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 20th July, 2021	5.60% p.a.
29	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 31st May, 2021	6.25% p.a.
30	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 29th June, 2021	5.60% p.a.
31	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 8th April, 2021	6.95% p.a.
32	Rupee Loan -Short Term Loan	5,500.00	Bullet repayment on 2nd June, 2021	7.80% p.a.
33	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 2nd June, 2021	7.80% p.a.
34	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29th June, 2021	7.80% p.a.
35	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 22nd September, 2021	7.80% p.a.
36	Rupee Loan -Short Term Loan	4,000.00	Bullet repayment on 18th March, 2022	7.80% p.a.
37	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 16th August, 2021	5.75% p.a.
38	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 26th August, 2021	5.75% p.a.
39	Rupee Loan - Cash Credit Limit	2,138.59	Daily working capital Limit / cash Credit	Overnight MCLR (Reset every 1 M)
40	Rupee Loan - Cash Credit Limit	132.41	Daily working capital Limit / cash Credit	6M MCLR (Reset every 6 M)

36.3 See Note 51(h) for additional disclosures/regulatory information in respect of borrowings from banks or financial institutions, as required by schedule III to the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

37. Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
a	**In respect of Income Tax matters -**		
i)	Demand on account of Addition made in assessment order for A.Y.2017-18 on Benchmarking of corporate guarantee, Benchmarking on Margin on sale of goods, Disallowance of deduction u/s 80-IA, etc.	1,819.19	-
ii)	Demand on account of addition made in assessment order for A.Y. 2015-16 on depreciation charged at higher rate on windmills. The Company has filed appeal before CIT(A), Vadodara.	26.83	-
	Total of Income Tax Matters	**1,846.02**	**-**
b	**In respect of Excise Duty matters -**		
i)	Dispute 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	930.88
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	2,682.06
	Total of Excise Duty Matters	**3,612.94**	**3,612.94**
c	**In respect of Custom duty matters -**		
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	1,372.12
	Total of Custom Duty Matters	**1,383.94**	**1,383.94**
d	**In respect of Sales Tax Matters -**		
i)	Demands under VAT on account of disallowance of proportionate Input tax credit on Capital Goods.	6.00	6.00
ii)	Demands under CST on account of disallowance of proportionate Input tax credit on Capital Goods.	49.33	49.33
iii)	Demands under CST on account of non-submission of C forms. The Company has filed appeals before appropriate appellate authorities against the said orders.	64.20	52.87
	Total of Sales Tax Matters	**119.53**	**108.20**
	Total Contingent Liability in respect of Taxation Matters	**6,962.43**	**5,105.08**
e	**In respect of Other Matters**		
i)	Details of corporate guarantees/securities 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.	1,84,239.66	1,27,244.00
	Total Contingent Liability in respect of Other Matters	**1,84,239.66**	**1,27,244.00**

Notes:

1 In respect of above Excise duty, Custom duty and Sales tax matters, the Company has paid an amount of ₹ 163.45 Lakhs (as at 31st March, 2021: ₹ 156.81 Lakhs) and not charged to Statement of Profit and Loss.

2 In respect of above matters, no additional provision is considered necessary as the Company expects favorable 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.

3 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020, which could impact the contributions by the Company towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Company will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

38. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 17,721.71 Lakhs (as at 31st March, 2021: ₹ 8,168.52 Lakhs).

39. 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.

39.1 Breakup of revenue from operations

a) Product-wise breakup

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Sale of products		
Refrigerant Gases	32,061.24	34,381.88
Caustic Soda (Caustic Soda Lye & Flakes)	47,342.43	23,157.99
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	45,183.29	31,290.87
Poly Tetrafluoroethylene (PTFE)	1,51,180.43	90,389.51
Other products	95,263.16	70,306.79
	3,71,030.55	**2,49,527.04**
b) Other operating revenue		
Export incentives	4,370.19	1,043.83
Sale of scrap	814.49	637.98
Insurance claim (see Note 48)	2,788.73	-
Carbon credits	437.46	-
Others	1,867.49	1,151.73
	10,278.36	**2,833.54**
Total revenue from operations	**3,81,308.91**	**2,52,360.58**

b) Geographical breakup

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
India	1,99,593.58	1,34,794.18
Europe	84,045.80	49,500.20
USA	45,710.25	22,477.79
Rest of the world	51,959.28	45,588.41
Total	**3,81,308.91**	**2,52,360.58**

39.2 Information about major customers

There is no single external customer who contributed more than 10% to the Company's revenue during the financial years 2021-2022 and 2020-2021.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

40. Earnings/(loss) per share

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/(loss) for the year (₹ in Lakhs)	77,414.29	(22,817.00)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	10,98,50,000	10,98,50,000
Nominal value of each share (in ₹)	1.00	1.00
Basic and diluted earnings/(loss) per share (in ₹)	**70.47**	**(20.77)**

41. The particulars of dues to micro and small enterprises (MSME) under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount due to suppliers under MSMED Act, 2006 at the year end		
Trade payable	483.48	141.02
Payable towards capital expenditure	166.02	6.49
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end	12.11	0.13
Payment made to suppliers (other than interest) beyond the appointed date during the year	1,313.15	360.19
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	4.05	3.55
Interest due and payable to suppliers under MSMED Act for payments already made	25.54	3.91
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end	37.66	4.05

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

42. 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.

(b) 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
Gross Block				
Balance as at 1st April, 2020	**4,460.55**	**177.45**	**48.85**	**4,686.85**
Addition	-	-	20.94	20.94
Balance as at 31st March, 2021	**4,460.55**	**177.45**	**69.79**	**4,707.79**
Addition	-	-	-	-
Disposal	-	(133.15)	(48.85)	(182.00)
Balance as at 31st March, 2022	**4,460.55**	**44.30**	**20.94**	**4,525.79**
Accumulated depreciation				
Balance as at 1st April, 2020	**50.57**	**72.16**	**30.34**	**153.07**
Depreciation expense for the year	50.57	66.44	21.07	138.08
Balance as at 31st March, 2021	**101.14**	**138.60**	**51.41**	**291.15**
Depreciation expense for the year	50.57	23.03	7.29	80.89
Eliminated on disposal of assets	-	(133.15)	(48.85)	(182.00)
Balance as at 31st March, 2022	**151.71**	**28.48**	**9.85**	**190.04**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

42. Leases (Contd.)

i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Carrying amounts	Land-leasehold	Plant & Equipment	Buildings	Total
As at 31st March, 2021	4,359.41	38.85	18.38	4,416.64
As at 31st March, 2022	4,308.84	15.82	11.09	4,335.75

Note:

a) The title deeds of Leasehold Land not held in name of the Company (see Note 51(a))

b) The Company has not revalued its right-of-use assets

ii. Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance as the beginning of the year	**61.42**	**129.99**
Addition during the year	-	20.94
Interest on lease liabilities	4.16	8.50
Payment of lease liabilities	(35.27)	(98.01)
Balance as the end of the year	**30.31**	**61.42**

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	19.96	35.28
One to five years	12.76	32.72
Total undiscounted lease liabilities	**32.72**	**68.00**

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on lease liabilities	4.16	8.50
Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases	484.22	517.75

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Total cash outflow for leases	35.27	98.01

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

42. Leases (Contd.)

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.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	63.84	383.04
One to five years	-	63.84
Total	**63.84**	**446.88**

43. 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 ₹ 999.31 Lakhs (as at 31st March, 2021: ₹ 849.11 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss and ₹ 59.79 Lakhs (as at 31st March, 2021: Nil) is included in pre-operative expenses.

(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.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2022 by Mr. Charan Gupta, 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, 2022	As at 31st March, 2021
Opening defined benefit obligation	2,624.14	2,284.57
Current Service Cost	392.10	328.45
Interest cost	175.55	153.06
Actuarial gains / (losses) on obligation:		
a) arising from changes in financial assumptions	(102.20)	1.97
b) arising from experience adjustments	84.83	(31.72)
Benefits Paid/transferred	(250.75)	(112.19)
Present value of defined benefit obligation as at year end	**2,923.67**	**2,624.14**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

43. Employee Benefits (Contd.)

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Service Cost	392.10	328.45
Interest expense	175.55	153.06
Less: amount included in pre-operative expenses	(17.70)	-
Amount recognized in profit or loss	**549.95**	**481.51**
Actuarial gains/(losses):		
a) arising from changes in financial assumptions	(102.20)	1.97
b) arising from experience adjustments	84.83	(31.72)
Amount recognized in other comprehensive income	**(17.37)**	**(29.75)**
Total	**532.58**	**451.76**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.15%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5.00%	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 occurring 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, 2022	As at 31st March, 2021
if discount rate increased by 1%	(211.58)	(192.29)
if discount rate decreased by 1%	228.19	207.10
if salary escalation rate increased by 1%	225.24	204.11
if salary escalation rate decreased by 1%	(210.91)	(190.89)

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

43. Employee Benefits (Contd.)

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, 2022	As at 31st March, 2021
Expected outflow in 1st Year	587.43	599.12
Expected outflow in 2nd Year	190.34	128.33
Expected outflow in 3rd Year	212.05	153.21
Expected outflow in 4th Year	170.78	168.61
Expected outflow in 5th Year	181.25	142.80
Expected outflow in 6th to 10th Year	1,581.82	1,432.05

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.79 years (as at 31st March, 2021: 12.74 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, 2022 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by ₹ 114.20 Lakhs (as at 31st March, 2021: ₹ 70.21 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, 2022	As at 31st March, 2021
Discount rate	7.15%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortality IALM (2012-14) Ultimate Mortality Table		

44. Financial instruments

44.1 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 the 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 covenants in respect of its borrowings.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

44.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total debt	1,53,573.83	1,53,310.05
Cash & bank balance	(3,249.92)	(2,092.97)
Net debt	**1,50,323.91**	**1,51,217.08**
Total equity	**4,21,736.34**	**3,46,478.40**
Net debt to equity ratio (in times)	**0.36**	**0.44**

Notes:

1) Debt is defined as non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon (Note 19 and 23), and excludes lease liability.

2) Cash and bank balances include cash & cash equivalents (Note 15) and other bank balances (Note 16) (excluding margin money deposits & fixed deposits kept as security and balance in interim dividend payable account).

44.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured as at FVTPL		
(i) Investments in mutual funds	1,864.65	8,694.18
(ii) Investments in venture capital funds	18.10	18.98
(b) Derivative instruments designated as Fair value hedge in hedge accounting	111.55	220.51
Sub total	**1,994.30**	**8,933.67**
Measured at amortised cost		
(a) Cash and bank balances	38,556.84	31,720.89
(b) Other financial assets at amortised cost		
(i) Trade receivables	84,672.15	73,198.77
(ii) Loans	7,177.65	3,903.29
(iii) Others	32,844.67	18,535.55
Sub total	**1,63,251.31**	**1,27,358.50**
Total financial assets	**1,65,245.61**	**1,36,292.17**
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,53,573.83	1,53,310.05
(b) Lease liabilities	30.31	61.42
(c) Trade payables	49,630.88	41,068.40
(d) Other financial liabilities	15,943.91	10,493.54
Sub total	**2,19,178.93**	**2,04,933.41**
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)		
Derivative instruments designated as cash flow hedge accounting relationship	4.36	41.32
Sub total	**4.36**	**41.32**
Total Financial liabilities	**2,19,183.29**	**2,04,974.73**

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, 2022

44. Financial instruments (Contd.)

44.3 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.

44.4 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.

44.5 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 into 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, 2022	As at 31st March, 2021
Liabilities		
USD	20,451.25	25,271.37
Euro	20,039.48	14,573.89
Others	0.47	0.50
Assets		
USD	24,575.25	21,245.66
Euro	15,098.91	17,622.67

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

44.5.1 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.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional impact 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, 2022	As at 31st March, 2021
Impact on profit or loss for the year	308.61	301.25
Impact on total equity as at the end of the reporting period	308.61	301.25

(₹ in Lakhs)

Euro impact (net of taxes)	As at 31st March, 2022	As at 31st March, 2021
Impact on profit or loss for the year	369.71	228.15
Impact on total equity as at the end of the reporting period	369.71	228.15

44.5.2 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 11 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)	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Fair value hedges									
Principal only swaps (POS) contracts (Financial Assets)	USD	75.79	73.11	11.11	22.22	842.06	1,624.72	111.55	220.51

The line-items in the standalone financial statements that include the above hedging instruments are 'other financial assets'.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

44.6 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 are no major interest rate risks associated with foreign currency long-term borrowings. The short-term foreign currency borrowings are at fixed rate of interest. Bank overdraft/cash credit facility and certain short-term rupee loans carry a variable rate of interest. The Company is exposed to interest rate risk mainly on account of its non-current borrowings, which have both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The financial assets i.e., bank fixed deposits are at a fixed rate of interest.

44.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate non-current borrowings at the end of the reporting period. For floating rate borrowings, 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/loss for the year ended 31st March, 2022 would decrease/increase by ₹ 191.11 Lakhs (net of tax) (for the year ended 31st March, 2021, decrease /increase by ₹ 8.56 Lakhs (net of tax)). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

44.6.2 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)	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
ICICI BANK	10.55%	10.55%	842.06	1,624.72	(4.36)	(41.32)
1 to 5 years			**842.06**	**1,624.72**	**(4.36)**	**(41.32)**
Total			**842.06**	**1,624.72**	**(4.36)**	**(41.32)**
Balance in the cash flow hedge reserve (net of tax)					**4.84**	**(22.82)**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

The line-items in the standalone financial statements that include the above hedging instruments are "Other financial assets "and "Other financial liabilities".

44.7 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 quoted equity instruments and mutual funds. The Company does not have any quoted equity instrument as at end of the reporting period. Further, equity investments in subsidiaries and joint venture 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. Thus, the exposure to risk of changes in market rate is minimal.

44.8 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.

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, 2022	As at 31st March, 2021
Balance at the beginning of the year	51.61	46.55
Movement in expected credit loss allowance	(4.42)	5.06
Balance at the end of the year	**47.19**	**51.61**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

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.

44.9 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.

44.9.1 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, 2022				
Borrowings	1,11,314.15	41,150.12	1,109.56	1,53,573.83
Trade payables	49,630.88	-	-	49,630.88
Security deposits	517.63	-	-	517.63
Other payables	15,426.28	-	-	15,426.28
Derivative financial liabilities	4.36	-	-	4.36
Total	**1,76,893.30**	**41,150.12**	**1,109.56**	**2,19,152.98**
As at 31st March, 2021				
Borrowings	1,15,960.55	33,833.28	3,516.22	1,53,310.05
Trade payables	41,068.40	-	-	41,068.40
Security deposits	523.67	-	-	523.67
Other payables	9,625.65	344.22	-	9,969.87
Derivative financial liabilities	41.32	-	-	41.32
Total	**1,67,219.59**	**34,177.50**	**3,516.22**	**2,04,913.31**

Particulars of contractual maturities in respect of lease liabilities is as per Note 42.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

44. Financial instruments (Contd.)

44.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities

44.10.1 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
	31st March, 2022	31st March, 2021				
1. Principal only swaps designated in hedge accounting relationships (Note 11)	Assets - ₹ 111.55 Lakhs and Liabilities - Nil	Assets - ₹ 220.51 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 - ₹ 4.36 Lakhs	Assets - Nil and Liabilities - ₹ 41.32 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. Investments in Mutual Funds (Note 9(c) & 9(d))	Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 1,864.65 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 8,694.18 Lakhs	Level 1	Quoted prices in an active market	NA	NA
4.Investment in Venture Capital Funds (Note 9(c) & 9(d))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.10 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.98 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.

During the year, there were no transfers between Level 1, Level 2 and Level 3.

44.10.2 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures

(A) Where control exists:

Ultimate holding party

Mr. V. K. Jain (w.e.f. 08.11.2021)

Holding company

Inox Leasing and Finance Limited

Subsidiary companies

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

GFCL EV Products Limited (incorporated on 08.12.2021)

GFCL Solar and Green Hydrogen Products Limited (incorporated on 08.12.2021)

Gujarat Fluorochemicals FZE, Dubai (incorporated on 05.12.2021)

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Executive directors

Mr. V. K. Jain (Managing Director, also ultimate holding party)

Mr. Sanath Kumar Muppirala

Mr. Sanjay Borwankar

Mr. Niraj Agnihotri (w.e.f. 01.07.2021)

b) Non-executive directors

Mr. D. K. Jain

Mr. P. K. Jain (upto 06.02.2021)

Mr. Deepak Asher (upto 12.10.2020)

Mr. Shailendra Swarup

Mr. Shanti Prashad Jain

Ms. Vanita Bhargava

Mr. Chandra Prakash Jain

Mr. Om Prakash Lohia

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Fellow subsidiaries and their associates

GFL Limited (upto 21.09.2021 and subsequently reclassified)

Inox Leisure Limited (upto 21.09.2021 and subsequently reclassified)

Inox Wind Energy Limited

Inox Wind Limited

Inox Green Energy Services Limited (Earlier known as Inox Wind Infrastructure Services Limited)

Waft Renergy Private Limited

Resco Global Wind Service Private 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

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

Sri Pawan Energy Private Limited (upto 21.05.2020)

Wind Four Renergy Private Limited (w.e.f 01.01.2021)

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 (upto 31.12.2020)

Wind Five Renergy Private Limited

Enterprises over which a Key Management Personnel, or his relatives, have control/significant influence

GFL Limited (w.e.f. 22.09.2021)

Devansh Gases Private Limited

Devansh Trademart LLP

Inox India Private Limited

Inox Air Products Private Limited

Inox Chemicals LLP

Inox Leisure Limited (w.e.f. 22.09.2021)

Refron Valves Limited

Rajni Farms Private Limited

Siddhapavan Trading LLP

Siddho Mal Trading LLP

Swarup & Company

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
A) Transactions during the year										
Sale of goods										
Inox Air Products Private Limited							0.61	0.84	0.61	0.84
GFL Americas LLC	45,892.30	23,304.23							45,892.30	23,304.23
GFL GmbH, Germany	36,927.14	24,178.86							36,927.14	24,178.86
Refron Valves Limited							-	0.16	-	0.16
Inox Wind Limited			117.45	1,474.45					117.45	1,474.45
Inox Green Energy Services Limited			-	108.16					-	108.16
Total	**82,819.44**	**47,483.09**	**117.45**	**1,582.61**			**0.61**	**1.00**	**82,937.50**	**49,066.70**
Sales return										
GFL Americas LLC	87.66	236.01							87.66	236.01
Total	**87.66**	**236.01**							**87.66**	**236.01**
Sale of services										
Inox India Private Limited							-	1.46	-	1.46
Total							**-**	**1.46**	**-**	**1.46**
Purchase of assets										
Inox India Private Limited							83.00	-	83.00	-
Total							**83.00**	**-**	**83.00**	**-**
Purchase of goods										
Inox Air Products Private Limited							1,807.00	1,027.90	1,807.00	1,027.90
Inox India Private Limited							2,311.62	2,784.18	2,311.62	2,784.18
Refron Valves Limited							0.10	-	0.10	-
GFL GM Fluorspar SA	2,559.86	890.93							2,559.86	890.93
GFL GmbH, Germany	188.50	3.37							188.50	3.37
GFL Americas LLC	488.53	521.43							488.53	521.43
Total	**3,236.89**	**1,415.73**					**4,118.72**	**3,812.08**	**7,355.61**	**5,227.81**
Purchase of services										
Inox India Private Limited							-	6.16	-	6.16
Inox Air Products Private Limited							-	1.48	-	1.48
Total							**-**	**7.64**	**-**	**7.64**
Advances given towards purchases of goods										
GFL GM Fluorspar SA	2,701.07	424.60							2,701.07	424.60
Total	**2,701.07**	**424.60**							**2,701.07**	**424.60**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Advances given towards purchases of assets										
Inox Wind Limited			-	591.42					-	591.42
Total			-	**591.42**					**-**	**591.42**
Advance given towards service of assets										
Inox Green Energy Services Limited			1,000.00	-					1,000.00	-
Total			**1,000.00**	**-**					**1,000.00**	**-**
Advance received back for service of assets										
Inox Green Energy Services Limited			1,000.00	-					1,000.00	-
Total			**1,000.00**	**-**					**1,000.00**	**-**
Interest income (on capital advances)										
Inox Green Energy Services Limited			-	1,674.90					-	1,674.90
Inox Wind Limited			5,327.33	7,082.68					5,327.33	7,082.68
Resco Global Wind Service Private Limited			1,256.17	-					1,256.17	-
Total			**6,583.50**	**8,757.58**					**6,583.50**	**8,757.58**
Interest income (on Inter-Corporate deposit)										
GFCL EV Products Limited	19.07	-							19.07	-
Total	**19.07**	-							**19.07**	**-**
Guarantees/securities given										
GFL GM Fluorspar SA	-	1,992.00							-	1,992.00
Inox Green Energy Services Limited			38,434.00	54,433.00					38,434.00	54,433.00
Inox Wind Limited			61,641.00	54,194.00					61,641.00	54,194.00
Resco Global Wind Service Private Limited			39,473.00	-					39,473.00	-
Total	-	**1,992.00**	**1,39,548.00**	**1,08,627.00**					**1,39,548.00**	**1,10,619.00**
Guarantees/securities extinguished/exposure reduced										
GFL GM Fluorspar SA	3,564.34	1,075.53							3,564.34	1,075.53
Inox Green Energy Services Limited			48,601.00	29,929.00					48,601.00	29,929.00
Inox Wind Limited			30,387.00	-					30,387.00	-
Total	**3,564.34**	**1,075.53**	**78,988.00**	**29,929.00**					**82,552.34**	**31,004.53**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Equity shares subscribed										
GFL Singapore Pte. Limited	5,135.30	-							5,135.30	-
Gujarat Fluorochemicals FZE	61.59	-							61.59	-
GFCL EV Products Limited	1.00	-							1.00	-
GFCL Solar and Green Hydrogen Products Limited	1.00	-							1.00	-
Total	**5,198.89**	**-**							**5,198.89**	**-**
Inter corporate deposits given										
GFCL EV Products Limited	3,500.00	-							3,500.00	-
Total	**3,500.00**	**-**							**3,500.00**	**-**
Reimbursement of expenses (paid)/payments made on behalf of the Company										
GFL Americas LLC	29.74	31.25							29.74	31.25
GFL GmbH, Germany	1.79	10.79							1.79	10.79
GFCL EV Products Limited	25.49	-							25.49	-
Devansh Gases Private Limited							7.32	7.32	7.32	7.32
GFL Limited			522.00	871.39					522.00	871.39
Total	**57.02**	**42.04**	**522.00**	**871.39**			**7.32**	**7.32**	**586.34**	**920.75**
Reimbursement of expenses (received)/ payments made on behalf by the Company										
Inox Leisure Limited			-	2.80					-	2.80
Inox Wind Limited			15.25	43.72					15.25	43.72
GFL GM Fluorspar SA	0.92	-							0.92	-
Inox Air Products Private Limited							4.72	4.37	4.72	4.37
GFL GmbH, Germany	0.37	1.32							0.37	1.32
Inox Green Energy Services Limited			308.94	328.29					308.94	328.29
GFL Limited			-	66.30					-	66.30
Gujarat Fluorochemicals FZE	8.01	-							8.01	-
GFCL EV Products Limited	21.54	-	-	-					21.54	-
Inox Wind Energy Limited			-	11.92					-	11.92
Total	**30.84**	**1.32**	**324.19**	**453.03**			**4.72**	**4.37**	**359.75**	**458.72**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Guarantee commission income										
Inox Green Energy Services Limited			693.52	455.53					693.52	455.53
Inox Wind Limited			935.53	373.26					935.53	373.26
Resco Global Wind Service Private Limited			101.30	-					101.30	-
GFL GM Fluorspar SA	30.30	57.76							30.30	57.76
Total	**30.30**	**57.76**	**1,730.35**	**828.79**					**1,760.65**	**886.55**
Rent received										
Inox Air Products Private Limited							20.92	20.92	20.92	20.92
Inox Wind Limited			72.39	72.39					72.39	72.39
Inox Leisure Limited			-	27.21					-	27.21
GFCL EV Products Limited	0.08	-							0.08	-
GFCL Solar and Green Hydrogen Products Limited	0.08	-							0.08	-
Inox Green Energy Services Limited			3.01	-					3.01	-
Others			3.83	4.00			0.36	0.72	4.19	4.72
Total	**0.16**	-	**79.23**	**103.60**			**21.28**	**21.64**	**100.67**	**125.24**
Rent paid										
Devansh Gases Private Limited							24.00	24.00	24.00	24.00
Total							**24.00**	**24.00**	**24.00**	**24.00**
O&M charges & lease rents paid										
Inox Air Products Private Limited							216.27	199.78	216.27	199.78
Inox Green Energy Services Limited			539.85	514.14					539.85	514.14
Total			**539.85**	**514.14**			**216.27**	**199.78**	**756.12**	**713.92**
Write-off of other receivables										
GFL Limited			41.12	-					41.12	-
Total			**41.12**	**-**					**41.12**	**-**
Sale of assets										
Inox Chemicals LLP							2,277.00	-	2,277.00	-
Mr. D. K. Jain					425.00	-			425.00	-
Total					**425.00**	**-**	**2,277.00**	**-**	**2,702.00**	**-**

The above amounts are exclusive of duties and taxes, wherever applicable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of amounts outstanding as at 31st March, 2022

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow subsidiary companies and their associates		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Amounts payable								
GFL Americas LLC	197.32	289.00					197.32	289.00
GFL GmbH, Germany	159.97	16.09					159.97	16.09
GFCL EV Products Limited	3.86	-					3.86	-
GFL Limited			-	821.00			-	821.00
Inox India Private Limited					273.56	503.77	273.56	503.77
Inox Air Products Private Limited					494.03	164.88	494.03	164.88
Inox Green Energy Services Limited			384.39	331.96			384.39	331.96
Inox Wind Limited			459.12	459.12			459.12	459.12
Total	**361.15**	**305.09**	**843.51**	**1,612.08**	**767.59**	**668.65**	**1,972.25**	**2,585.82**
Amounts receivable								
a) Trade/Other receivables								
GFL Americas LLC	15,931.45	9,667.93					15,931.45	9,667.93
GFL GmbH, Germany	10,198.74	10,455.42					10,198.74	10,455.42
Inox Leisure Limited			-	30.48	30.48	-	30.48	30.48
Inox Green Energy Services Limited			575.71	3,455.87			575.71	3,455.87
Inox Air Products Private Limited					0.45	0.56	0.45	0.56
GFL GM Fluorspar SA	299.75	268.79					299.75	268.79
GFL Limited			-	197.80	156.67	-	156.67	197.80
Inox Wind Limited			18,578.42	12,466.50			18,578.42	12,466.50
Inox Wind Energy Limited			33.13	32.36			33.13	32.36
Resco Global Wind Service Private Limited			4,941.20	-			4,941.20	-
Gujarat Fluorochemicals FZE	8.01	-					8.01	-
GFCL Solar and Green Hydrogen Products Limited	0.09	-					0.09	-
Others			20.27	18.33			20.27	18.33
Total	**26,438.04**	**20,392.14**	**24,148.73**	**16,201.34**	**187.60**	**0.56**	**50,774.37**	**36,594.04**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Particulars of amounts outstanding as at 31st March, 2022

(₹ in Lakhs)

Particulars	Subsidiary Companies		Fellow subsidiary companies and their associates		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
b) Advances for purchase of goods								
GFL GM Fluorspar SA	1,714.40	1,565.86					1,714.40	1,565.86
Total	**1,714.40**	**1,565.86**					**1,714.40**	**1,565.86**
c) Advances for purchase of assets								
Inox Wind Limited			71,031.02	71,031.02			71,031.02	71,031.02
Inox Green Energy Services Limited			-	16,748.98			-	16,748.98
Resco Global Wind Service Private Limited			16,748.98	-			16,748.98	-
Total			**87,780.00**	**87,780.00**			**87,780.00**	**87,780.00**
d) Inter-corporate deposits								
GFCL EV Products Limited	3,500.00	-					3,500.00	-
Total	**3,500.00**	**-**					**3,500.00**	**-**
e) Interest accrued on inter-corporate deposit								
GFCL EV Products Limited	17.16	-					17.16	-
Total	**17.16**	**-**					**17.16**	**-**
f) Guarantees/securities								
GFL GM Fluorspar SA	1,689.66	5,254.00					1,689.66	5,254.00
Inox Green Energy Services Limited			56,129.00	66,296.00			56,129.00	66,296.00
Inox Wind Limited			86,948.00	55,694.00			86,948.00	55,694.00
Resco Global Wind Service Private Limited			39,473.00	-			39,473.00	-
Total	**1,689.66**	**5,254.00**	**1,82,550.00**	**1,21,990.00**			**1,84,239.66**	**1,27,244.00**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

45. Related Party disclosures (Contd.)

Compensation of Key Management Personnel for the year ended:

(₹ in Lakhs)

Particulars	2021-22	2020-21
(i) Remuneration paid -		
Mr. V. K. Jain	2,333.25	718.72
Mr. D. K. Jain	1,058.10	451.24
Mr. Sanath Kumar Muppirala	115.31	98.81
Mr. Sanjay Borwankar	99.69	71.77
Mr. Niraj Agnihotri	81.32	-
Total	**3,687.67**	**1,340.54**
(ii) Director sitting fees paid	**27.00**	**19.00**
(iii) Professional fees paid to		
Mr. Deepak Asher	-	90.00
Swarup & Co.	8.97	-
Total	**8.97**	**90.00**

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 ₹ 30.36 Lakhs (as at 31st March, 2021: ₹ 22.80 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, 2022 and 31st March, 2021 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) During the year, the capital advance and interest thereon is transferred from Inox Green Energy Services Limited to Resco Global Wind Service Private Limited as a part of Business Transfer agreement.

46. Payments to Auditor

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As Statutory auditor	47.50	43.00
Audit of subsidiary companies	12.00	9.50
Tax Audit	17.50	16.50
For taxation matters	3.00	16.50
Certification	3.50	3.50
	83.50	**89.00**

Note: All amounts are exclusive of goods and services tax.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

47. (a) Disclosure as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
GFCL EV Products Limited		
Amount of inter-corporate deposits at the year end	3,500.00	-
Maximum balance during the year	3,500.00	-
Investment by the loanee in the shares of the Company	-	-

47. (b) Disclosure required under section 186(4) of the Companies Act, 2013

A) In respect of related parties:

(i) The inter-corporate deposits of ₹ 3,500.00 Lakhs (as at 31st March, 2021: Nil) to GFCL EV Products Limited are unsecured and given for business purpose. The inter-corporate deposits are repayable at call and carry interest @ 7.50% p.a.

(ii) For Corporate guarantees/securities given by the Company - see Note 45

B) Inter-corporate deposits to others:

(₹ in Lakhs)

Name of the party	Rate of Interest	Amount outstanding	
		As at 31st March, 2022	As at 31st March, 2021
Wearit Global Limited	10.00%	292.14	292.14
Castle Suppliers Private Limited	10.00%	2,725.00	2,725.00

Note:

1) The above inter-corporate deposits are given for general business purposes and are repayable at call.

2) As at 31st March, 2022, inter-corporate deposit given to Wearit Global Limited has been fully provided.

48. On 16th December, 2021, there was a fire at the Company's MPP Unit-2 plant at the Ranjitnagar site in Gujarat. In this incident, certain property, plant and equipment, inventory and other assets were damaged. The Company is adequately insured for the replacement value of the damaged facilities and also for loss of profits due to business interruption. The Company, on the basis of valid insurance contracts, has lodged initial claims with the insurance company in March 2022. The survey and loss assessment by the insurance company is currently ongoing.

The Company has derecognized the net book value of the assets (including property, plant and equipment and inventories) damaged of ₹ 4,256.98 Lakhs and has also recognised ₹ 2,788.73 Lakhs towards loss of profits due to business interruption. Expenses/loss pertaining to this incident (including estimated compulsory deductible by the insurance company) amounting to ₹ 720.67 Lakhs has been expensed out and included in the "Other Expenses". The amount of ₹ 6,832.87 Lakhs recognized towards insurance claim lodged in respect of this fire incident is included in "Other current financial assets". Difference, if any, will be recognized upon the final settlement of such claim.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

49. Corporate Social Responsibility (CSR)

The gross amount required to be spent by the Company during the year towards CSR is as under:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
i) in respect of the Company	573.47	404.84
ii) towards CSR obligation in respect of the profits of the demerged Chemical Business Undertaking vested in this Company	522.00	821.00
Total	**1,095.47**	**1,225.84**

i) in respect of the Company:

(₹ in Lakhs)

Sr. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Balance excess spent at the beginning of the year	752.39	-
2	Amount required to be spent during the year	573.47	404.84
3	Amount spent during the year		
	(i) Construction/acquisition of any fixed assets	-	-
	(ii) On purposes other than (i) above	304.80	1,157.23
4	Balance excess spent at the end of the year	483.72	752.39
5	Details of related party transactions	Nil	Nil
6	Provision is made with respect to a liability entering into a contractual obligation	Nil	Nil
7	Nature of CSR activities under taken:	Rural Development projects, Promoting healthcare and Preventive health care, Eradicating hunger and poverty, Promoting Education, Animal welfare, Agriculture allied activities etc.	

ii) towards CSR obligation in respect of the profits of the said Chemical Business Undertaking vested in this Company

During the year ended 31st March, 2020, as per the Scheme of Arrangement ("the Scheme") between the Company and its holding company, GFL Limited ("the demerged company"), the Chemical Business Undertaking was demerged from GFL Limited and vested in the Company. As per the legal opinion obtained by the Company, the obligation towards expenditure to be incurred on CSR in respect of the past profits of the demerged Chemical Business Undertaking also vests with the Company. Accordingly, the Company has recognised such CSR expenditure and reimbursed the same to the demerged company, as under:

(₹ in Lakhs)

Sr. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	**Balance at the beginning of the year**	821.00	-
2	Towards CSR obligation in respect of the profits of the said Chemical Business Undertaking vested in the Company	522.00	821.00
3	Amount paid during the year	(1,343.00)	-
4	**Balance at the end of the year**	-	821.00

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

50. Ratios

Sr. No.	Name of the Ratio	Numerator	Denominator	Year ended 31st March, 2022	Year ended 31st March, 2021	% Variance	Reason for variance of more than 25%
1	Current ratio (in times)	Total current assets	Total current liabilities	1.26	1.06	19.00%	Not applicable
2	Debt-equity ratio (in times)	Total debt (including lease liabilities)	Shareholder's equity	0.36	0.44	17.72%	Not applicable
3	Debt service coverage ratio (in times)	Earnings available for debt service = Net profit after taxes (*) + finance cost + depreciation and amortisation	Debt Service = Interest and lease payments + Principal repayment	3.60	1.86	93.80%	On account of increase in earnings.
4	Return on equity (ROE) (in %)	Net profit after taxes (*)	Average shareholder's equity	20.13%	9.92%	103.00%	On account of increase in earnings.
5	Inventory turnover ratio (in times)	Net Sales	Average inventory	5.05	3.65	38.45%	On account of revenue growth.
6	Trade receivables turnover ratio (in times)	Net credit sales	Average trade receivables	4.71	3.64	29.34%	On account of improved relisation of trade receivables.
7	Trade payable turnover ratio (in times)	Purchases of goods / services and other expenses	Average trade payables	5.40	4.66	15.90%	Not applicable
8	Net capital turnover ratio (in times)	Net Sales	Average working capital (Inventories+Trade receivables-Trade payables)	3.46	2.58	34.23%	On account of revenue growth and improved operating cash flows.
9	Net profit ratio (in %)	Net profit after taxes (*)	Net sales	20.84%	14.22%	46.54%	On account of increase in earnings.
10	Return on capital employed (ROCE (in %)	Profit before tax and finance cost	Capital employed = tangible net worth + total debt (including lease liabilities) + Deferred tax liabilities	18.39%	11.02%	66.84%	On account of increase in earnings.
11	Return on investment (ROI) (in %)	Income generated from investments	Weighted average investment	7.52%	16.99%	(55.73%)	On account of higher return in previous years on Sale of equity instruments

(*) The amount of net profit after tax considered above is after excluding tax pertaining to earlier periods and impact of net deferred tax charge on remeasurement on account of change in tax rate.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013

a) Title deeds of Immovable Properties not held in name of the Company:

The title deeds in respect of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company, except as under:

Sr. No.	Line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the company (*)
1	Property, plant and equipment	Premises located at Dubai, UAE	2,580.18	Meydan Sobha LLC-FZ	No	1st May, 2019	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	Property, plant and equipment	Building located at Noida, Uttar Pradesh (on Leasehold land)	733.92	GFL Limited	No	1st April, 2019	This property is transferred and vested with the Company on demerger as per the Scheme of Arrangement and is in the process of being registered in the name of the Company.
3	Investment property	Building located at Noida, Uttar Pradesh (on Leasehold land)	473.81	GFL Limited	No	1st April, 2019	
4	Right-of-use assets	Leasehold land at Noida, Uttar Pradesh	314.69	GFL Limited	No	1st April, 2019	

(*) There are no disputes in respect of the title for above immovable properties.

b) Details of benami property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

c) Compliance with number of layers of companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

d) Compliance with approved Scheme(s) of Arrangements

There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

e) Undisclosed income

There is no income surrendered or disclosed as income during the current or preceding year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

f) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

g) Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether, directly or indirectly lend or invest in other persons/ entities identified in any manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than investments made aggregating to ₹ 5,135.30 Lakhs during the year in Gujarat Fluorochemicals Singapore Pte. Limited, wholly-owned subsidiary, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to a step-down subsidiary of the Company, GFL GM Fluorspar SA (a subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited), towards meeting its business requirements. Accordingly, no further disclosures in this regard, are required.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

h) In case of borrowings from banks or financial institutions

i) Utilisation of borrowed funds

At the balance sheet date, the Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

ii) Security of current assets against borrowings

The Company does not have any borrowings from banks on the basis of security of current assets.

iii) Wilful defaulter

The Company is not declared wilful defaulter by any bank or financial institution or other lender.

iv) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.

i) Loans and advances granted to related party

The Company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment either severally or jointly with any other person. The Company has granted loans repayable on demand and the details are as under:

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ in Lakhs)		Percentage to the total Loans and Advances in the nature of loans (%)	
	As at 31st March,2022	As at 31st March,2021	As at 31st March,2022	As at 31st March,2021
Related Parties (see Note 45)	3,500.00	-	53.70%	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

j) Relationship with Struck off Companies

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

Sr. No.	Name of struck off Company	Nature of transactions with struck off Company	Balance as at 31st March, 2022 (₹ in Lakhs)	Balance as at 31st March, 2021 (₹ in Lakhs)	Relationship with the Struck off Company
1	Trinidhi Construction Private Limited	Advance to supplier	-	9.84	None

Below struck off companies are equity shareholders of the Company as on the Balance Sheet date:

Sr. No.	Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company
1	Dreams Broking Private Limited	Shares held by struck off company	None
2	Mittal Sales Private Limited	Shares held by struck off company	None
3	Kamla Holdings Private Limited	Shares held by struck off company	None
4	Meghna Finance and Investment Private Limited	Shares held by struck off company	None

As per our report of even date attached
For PATANKAR & ASSOCIATES
Chartered Accountants
Firm's Reg. No: 107628W

S. S. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Independent Auditor's Report

To the members of Gujarat Fluorochemicals Limited

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"), 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 31st March, 2022, 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 31st March, 2022, 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 on the consolidated financial statements.

Emphasis of Matter

Commission of ₹ 1,058.10 Lakhs to a non-executive director requires approval of the shareholders in the ensuing 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 this matter.

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. We have determined that there are no key audit matters to communicate in our report.

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 Annual Report, for example, Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance etc., but does not include the consolidated financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc. is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Corporate Governance etc., if we

conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

Other Matter

We did not audit the financial statements of one jointly controlled entity, whose unaudited financial statements reflects Group's share of net loss of ₹ 0.52 Lakhs for the year ended 31st March, 2022, 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 jointly controlled entity, 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 jointly controlled entity, 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 matter.

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 including 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 Management and 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 respective 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for assessing the ability of respective entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Management and 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 and its jointly controlled entity.

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 Holding Company has 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.

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

1) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order" or "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we give in the Annexure I, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

2) 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 consolidated financial statements have been kept so far as it appears from our examination of those books.

   (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 31st March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31st March, 2022 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 the operating effectiveness of such controls, refer to our separate Report in Annexure II which is based on the auditors' reports of the Holding Company and its subsidiary companies which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   (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:

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;

iv. (a) The respective management of the Holding Company, its subsidiaries and jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditor of jointly controlled entity respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and jointly controlled entity to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company any of such subsidiaries and jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding Company, its subsidiaries and jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditor of jointly controlled entity respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries and jointly controlled entity from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and jointly controlled entity shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in note 19.3 to the consolidated financial statements:

(a) The interim dividend declared by the Holding Company during the year and paid until the date of this audit report is in accordance with section 123 of the Act.

(b) The Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

No dividend has been declared or paid during the year by subsidiaries and jointly controlled entity, which are companies incorporated in India.

For PATANKAR & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 107628W

S. S. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXODF9795

Place: Pune
Date: 13th May 2022

Annexure I to Independent auditor's report to the members of Gujarat Fluorochemicals Limited on the consolidated financial statements for the year ended 31st March, 2022 - referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO")

Sr. No.	Name of the Entity	CIN	Holding Company/ Subsidiary/ Jointly controlled entity	Clause number of the CARO Report which is qualified or adverse
1	Gujarat Fluorochemicals Limited	L24304GJ2018PLC105479	Holding Company	Clause 3(i)(c) Clause 3(iii)(b) Clause 3(iii)(c)

The statutory audit report on the financial statements of Swarnim Gujarat Fluorspar Private Limited, a Jointly controlled entity, for the year ended 31st March, 2022 has not been issued until the date of this report. Accordingly, no comments for the said jointly controlled entity have been included for the purpose of reporting under this clause.

For PATANKAR & ASSOCIATES,
Chartered Accountants
Firm's Registration No. 107628W

S. S. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXODF9795

Place: Pune
Date: 13th May 2022

Annexure II to Independent auditor's report to the members of Gujarat Fluorochemicals Limited on the consolidated financial statements for the year ended 31st March, 2022 – 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 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") as of and for the year ended 31st March, 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal 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 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 subsidiary companies' 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 subsidiary companies' 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 subsidiary companies, 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 31st March, 2022, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies, which are companies incorporated in India, 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. MALANI
Partner
Membership No. 110051
UDIN: 22110051AIXODF9795

Place: Pune
Date: 13th May 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
(1)	***Non-current assets***			
	(a) Property, plant and equipment	5	2,44,736.00	2,28,883.31
	(b) Capital work-in-progress	6	67,982.25	40,006.30
	(c) Right-of-use assets	43	4,662.27	4,905.78
	(d) Investment property	7	643.71	989.46
	(e) Intangible assets	8	1,324.66	1,887.67
	(f) Investments accounted for using the equity method	9(a)	86.81	87.33
	(g) Financial assets			
	(i) Other investments	9(b)	-	1,863.22
	(ii) Loans	10	42.41	85.91
	(iii) Other non current financial assets	11	25,570.73	31,573.01
	(h) Deferred tax assets (net)	12	26.57	3.90
	(i) Other non-current assets	13	98,917.25	94,233.86
	Sub-total		**4,43,992.66**	**4,04,519.75**
(2)	***Current assets***			
	(a) Inventories	15	94,725.76	86,390.61
	(b) Financial assets			
	(i) Other investments	9(c)	1,882.75	6,849.94
	(ii) Trade receivables	16	77,809.17	66,713.08
	(iii) Cash & cash equivalents	17	2,554.82	1,156.19
	(iv) Bank balances other than (iii) above	18	12,737.20	1,014.78
	(v) Loans	10	3,702.89	3,946.24
	(vi) Other current financial assets	11	31,763.83	17,416.91
	(c) Current tax assets (net)	14	4.39	-
	(d) Other current assets	13	18,631.09	6,879.31
	Sub-total		**2,43,811.90**	**1,90,367.06**
	Assets held for sale		-	1,980.86
	Total Assets		**6,87,804.56**	**5,96,867.67**
	EQUITY & LIABILITIES			
	Equity			
	(a) Equity share capital	19	1,098.50	1,098.50
	(b) Other equity	20	4,24,414.64	3,48,183.86
	(c) Non-controlling interest	21	(2,484.24)	(1,388.34)
	Sub-total		**4,23,028.90**	**3,47,894.02**
	LIABILITIES			
(1)	***Non-current liabilities***			
	(a) Financial liabilities			
	(i) Borrowings	22	43,542.25	39,209.10
	(ii) Lease liabilities	43	127.99	300.94
	(iii) Other non current financial liabilities	23	-	344.22
	(b) Provisions	24	3,289.26	2,862.63
	(c) Deferred tax liabilities (net)	12	25,946.46	26,378.03
	(d) Income tax liabilities (net)	28	1,229.56	1,001.36
	Sub-total		**74,135.52**	**70,096.28**
(2)	***Current liabilities***			
	(a) Financial liabilities			
	(i) Borrowings	25	1,11,729.38	1,19,333.63
	(ii) Lease liabilities	43	171.29	206.94
	(iii) Trade payables			
	a) total outstanding dues of micro enterprises and small enterprises	26	483.48	141.02
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	26	50,864.87	43,042.16
	(iv) Other current financial liabilities	23	16,587.62	10,263.15
	(b) Other current liabilities	27	2,687.29	2,025.22
	(c) Provisions	24	1,613.03	1,575.86
	(d) Current tax liabilities (net)	28	6,503.18	2,289.39
	Sub-total		**1,90,640.14**	**1,78,877.37**
	Total equity & liabilities		**6,87,804.56**	**5,96,867.67**

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
I	Revenue from operations	29	3,95,358.85	2,65,049.70
II	Other income	30	16,055.39	20,108.32
III	**Total Income (I+II)**		**4,11,414.24**	**2,85,158.02**
IV	**Expenses**			
	Cost of materials consumed	31	1,19,573.78	89,764.59
	Material extraction and processing cost	32	2,747.48	3,247.75
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	33	(863.69)	(4,187.04)
	Power & fuel		67,395.89	44,194.24
	Employee benefits expense	34	26,545.68	21,789.53
	Finance costs	35	7,840.62	11,256.73
	Depreciation and amortisation expense	36	20,544.13	20,206.54
	Other expenses	37	63,110.99	50,650.77
	Total expenses (IV)		**3,06,894.88**	**2,36,923.11**
V	Share of loss of joint venture		(0.52)	(0.51)
VI	**Profit before tax (III-IV+V)**		**1,04,518.84**	**48,234.40**
VII	Tax expense	38		
	(i) Current tax		27,401.64	12,676.88
	(ii) Deferred tax		(364.64)	(589.20)
	(iii) Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate		(104.68)	58,298.94
	Total tax expense		**26,932.32**	**70,386.62**
VIII	**Profit/(loss) for the year (VI-VII)**		**77,586.52**	**(22,152.22)**
IX	**Other comprehensive income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefits plans		17.37	29.75
	(ii) Tax on above		(4.37)	(7.49)
	B. Items that will be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		(295.30)	(498.91)
	(ii) Gains on effective portion of hedging instruments in a cash flow hedge		36.96	41.50
	(iii) Tax on (ii) above		(9.30)	(10.44)
	Total other comprehensive income		**(254.64)**	**(445.59)**
X	**Total comprehensive income for the year (VIII+IX)**		**77,331.88**	**(22,597.81)**
	Profit/(loss) for the year attributable to:			
	- Owners of the Company		78,718.98	(21,870.90)
	- Non-controlling interest		(1,132.46)	(281.32)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		(291.20)	(407.60)
	- Non-controlling interest		36.56	(37.99)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		78,427.78	(22,278.50)
	- Non-controlling interest		(1,095.90)	(319.31)
	Earnings/(loss) per equity share of ₹ 1 each			
	Basic and Diluted (in ₹)	47	70.63	(20.17)

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

A. Equity Share Capital

Particulars	₹ In Lakhs
Balance as at 1st April, 2020	**1,098.50**
Changes in equity share capital during the year	-
Balance as at 31st March, 2021	**1,098.50**
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	**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, 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**
Movement during the year ended 31st March, 2021										
Loss for the year	-	-	(21,870.90)	(21,870.90)	-	-	-	(21,870.90)	(281.32)	(22,152.22)
Other comprehensive income for the year, net of income tax (*)	-	-	22.26	22.26	31.06	(460.92)	(429.86)	(407.60)	(37.99)	(445.59)
Total comprehensive income for the year	**-**	**-**	**(21,848.64)**	**(21,848.64)**	**31.06**	**(460.92)**	**(429.86)**	**(22,278.50)**	**(319.31)**	**(22,597.81)**
Balance as at 31st March, 2021	**12,547.50**	**3,20,000.00**	**14,017.26**	**3,46,564.76**	**(22.82)**	**1,641.92**	**1,619.10**	**3,48,183.86**	**(1,388.34)**	**3,46,795.52**
Movement during the year ended 31st March, 2022										
Profit for the year	-	-	78,718.98	78,718.98	-	-	-	78,718.98	(1,132.46)	77,586.52
Other comprehensive income for the year, net of income tax (*)	-	-	13.00	13.00	27.66	(331.86)	(304.20)	(291.20)	36.56	(254.64)
Interim dividend - see Note 19.3	-	-	(2,197.00)	(2,197.00)	-	-	-	(2,197.00)	-	(2,197.00)
Total comprehensive income for the year	**-**	**-**	**76,534.98**	**76,534.98**	**27.66**	**(331.86)**	**(304.20)**	**76,230.78**	**(1,095.90)**	**75,134.88**
Balance as at 31st March, 2022	**12,547.50**	**3,20,000.00**	**90,552.24**	**4,23,099.74**	**4.84**	**1,310.06**	**1,314.90**	**4,24,414.64**	**(2,484.24)**	**4,21,930.40**

(*) 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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
A. Cash flow from operating activities		
Profit/(loss) for the year	**77,586.52**	**(22,152.22)**
Adjustments for :		
Tax expense	26,932.32	70,386.62
Depreciation and amortisation expense	20,544.13	20,206.54
Gain on sale of investment property	(1,948.86)	-
(Gain)/loss on sale/disposal of property, plant and equipment (net)	(151.53)	247.12
Allowance for doubtful deposits/advances/inter-corporate deposits	472.53	-
Liabilities and provisions no longer required written back	(209.64)	(759.18)
Advances and other claims written off	129.42	63.34
Loss of property, plant and equipment and inventory due to fire	212.85	-
Exchange difference on translation of assets and liabilities (net)	(52.34)	(1,578.05)
Unrealised foreign exchange gain (net)	(806.95)	(577.88)
Net gain on fair value changes in investments classified at FVTPL	(218.10)	(3,524.96)
Mark-to-market loss on derivative financial instruments (net)	108.96	638.76
Allowance for doubtful trade receivables and expected credit losses (net)	474.07	45.05
Share of loss of a joint venture	0.52	0.51
Interest income	(8,143.03)	(10,434.76)
Finance costs	7,840.64	11,256.73
Operating profit before working capital changes	**1,22,771.51**	**63,817.62**
Adjustments for :		
Increase/(decrease) in provisions	481.17	554.44
Increase/(decrease) in trade payables	9,003.20	(2,212.52)
Increase /(decrease) in other financial liabilities	3,297.55	3,573.23
Increase /(decrease) in other liabilities	667.43	(748.14)
(Increase) /decrease in loans	2.71	(150.82)
(Increase)/decrease in inventories	(8,369.84)	(5,108.08)
(Increase)/decrease in trade receivables	(10,924.67)	(10,332.49)
(Increase)/decrease in other financial assets	(3,953.16)	(2,558.25)
(Increase)/decrease in other assets	(15,638.57)	750.74
Cash generated from operations	**97,337.33**	**47,585.73**
Income-tax paid/(refund) (net)	(23,200.09)	14,054.31
Net cash generated from operating activities	**74,137.24**	**61,640.04**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances)	(67,401.95)	(27,366.55)
Proceeds from sale/disposal of property, plant and equipment	2,477.78	-
Proceeds from sale of investment property	2,277.00	-
Purchase of other investments	(10,499.47)	(26,806.93)
Redemption/sale of other investments	17,547.99	47,395.82
Interest received	885.86	709.06
Movement in other bank balances	(3,675.21)	(31,275.60)
Net cash used in investing activities	**(58,388.00)**	**(37,344.20)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
C. Cash flow from financing activities		
Proceeds from borrowings - non current	20,352.98	11,861.61
Repayment of borrowings - non current	(18,644.38)	(23,204.22)
Proceeds from/(repayment of) current borrowings (net)	(4,927.62)	(1,926.92)
Payment of lease liabilities	(234.63)	(277.89)
Finance costs	(8,699.96)	(11,251.37)
On account of interim dividend	(2,197.00)	-
Net cash used in financing activities	**(14,350.61)**	**(24,798.79)**
Net increase/(decrease) in cash and cash equivalents	**1,398.63**	**(502.95)**
Cash and cash equivalents as at the beginning of the year	1,156.19	1,659.14
Cash and cash equivalents as at the end of the year	2,554.82	1,156.19

Changes in liabilities arising from financing activities during the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance	1,02,019.81	56,522.92
Cash flows	(4,927.62)	1,708.60
Interest expense	4,044.02	3,653.88
Interest paid	(4,095.05)	(3,640.72)
Foreign exchange adjustment	(15.52)	1.31
Closing balance	**97,025.64**	**58,245.99**

Changes in liabilities arising from financing activities during the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance	1,04,511.60	67,963.91
Cash flows	(1,926.92)	(11,342.61)
Interest expense	5,808.13	4,271.27
Interest paid	(5,967.87)	(4,372.29)
Foreign exchange adjustment	(405.13)	2.64
Closing balance	**1,02,019.81**	**56,522.92**

Notes:

(a) Components of cash and cash equivalents are as per Note 17.

(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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

1. Group information

Gujarat Fluorochemicals Limited ("the Company"), is a public limited company incorporated and domiciled in India. 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. The Group is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoromonomers, specialty fluorointermediates, specialty chemicals, mining and sale of fluorspar and allied activities. The Group caters to both domestic and international markets. The Company's holding 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. The accounting policies 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 2.3).

Ministry of Corporate Affairs (MCA), vide its Notification dated 24th March, 2021, amended Schedule III to the Companies Act, 2013 with effect from 1st April, 2021. Accordingly, previous year figures have been re-grouped/re-classified wherever necessary, to conform to the classification for the current year in order to comply with the requirements of the amended Schedule III to the Act.

These financial statements for the year ended 31st March, 2022 were approved for issue by the Company's Board of Directors at its meeting held on 13th May, 2022.

2.2 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 two decimal places to the nearest lakhs, unless otherwise indicated.

These CFS have been prepared on an accrual basis and under the historical cost basis except as under:

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value or amortised cost (refer accounting policy regarding financial instruments)

b) asset held for sale – measured at fair value less cost to sell, and

c) defined benefit liability is measured as per actuarial valuation

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

- 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.

2.3 Amendments of existing accounting standards and recent accounting pronouncements

a. Amendments to existing accounting standards:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 18th June, 2021, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2021. Following amendments have become applicable for the current reporting period:

- Amendments to Ind AS 116 Leases - COVID-19 related rent concessions: The amendments to Ind AS 116 extend the period of availing the practical expedient relating to Covid-19 related rent concessions to 30th June, 2022 (from earlier 30th June, 2021). This amendment does not have any impact on the consolidated financial statements of the Group.
- Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116 - Interest Rate Benchmark Reform Phase 2: The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). These amendments do not have any impact on the consolidated financial statements of the Group.

b. New accounting pronouncements

As per Notification dated 23rd March, 2022, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2022. The summary of these amendments is as under:

- Amendments to Ind AS 103 Business Combinations: The amendments specify that in a business combination, to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed, at the acquisition date, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India.
- Amendments to Ind AS 16 Property Plant & Equipment: The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
- Amendments to Ind AS 37 Provisions, Contingent liabilities & Contingent assets: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- Amendments to Ind AS 109 Financial Instruments: The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

The Group does not expect the above amendments to have any significant impact on its consolidated financial statements.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 Investment in joint venture

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 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 Group 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, Group'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 Group 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.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the Group has continued to account 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, as permitted by para D13AA of Ind AS 101. Accordingly, exchange differences on conversion and on settlement of long- term foreign currency monetary items that 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

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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 Group 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

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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 profits will be available to allow all or part of the asset to be recovered.

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

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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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the cost of depreciable capital assets includes exchange differences on conversion and on settlement of long-term foreign currency monetary items that relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), as permitted by para D13AA of Ind AS 101 (see Note 3.7).

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. Expenses that are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. 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 respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, 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.

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In respect of the assets acquired pursuant to demerger of the Chemical Business Undertaking, the Group has continued with the carrying value of its investment properties recognised as of 1st 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;
- 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, the Group has continued with the carrying value of its intangible assets recognised as of 1st 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 property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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

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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 Group 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.

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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.

Based on the above criteria, the Group 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 Group. 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 Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Group 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 Group 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.

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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 Group 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.

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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 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.

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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 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

3.20 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 3.11 and 3.13 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 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 Group's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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 consolidated 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Freehold land	46.86	46.86
Buildings	27,529.17	25,884.71
Plant and equipment	2,15,854.97	2,01,847.29
Furniture and fixtures	271.94	350.79
Vehicles	597.09	326.83
Office equipment	435.97	426.83
	2,44,736.00	**2,28,883.31**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost							
Balance as at 1st April, 2020	**46.86**	**28,484.03**	**2,76,068.07**	**1,092.82**	**340.53**	**1,551.56**	**3,07,583.87**
Additions	-	3,414.61	12,958.07	53.15	190.09	166.79	16,782.71
Effect of foreign currency translation differences	-	2.36	907.74	3.76	-	1.77	915.63
Disposals	-	-	-	-	(4.99)	-	(4.99)
Reclassified as held for sale	-	-	(4,795.13)	-	-	-	(4,795.13)
Balance as at 31st March, 2021	**46.86**	**31,901.00**	**2,85,138.75**	**1,149.73**	**525.63**	**1,720.12**	**3,20,482.09**
Additions	-	3,461.03	35,099.58	15.16	433.44	245.72	39,254.93
Borrowing costs	-	27.01	465.10	-	-	-	492.11
Effect of foreign currency translation differences	-	(0.85)	(327.36)	(0.75)	-	(0.14)	(329.10)
Disposals	-	(819.92)	(3,485.12)	-	(170.81)	(9.79)	(4,485.64)
Balance as at 31st March, 2022	**46.86**	**34,568.27**	**3,16,890.95**	**1,164.14**	**788.26**	**1,955.91**	**3,55,414.39**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation							
Balance as at 1st April, 2020	**-**	**4,878.81**	**68,119.66**	**684.14**	**156.23**	**1,043.91**	**74,882.75**
Eliminated on disposal of assets	-	-	-	-	(4.99)	-	(4.99)
Eliminated on reclassification as held for sale	-	-	(2,567.14)	-	-	-	(2,567.14)
Depreciation expense for the year	-	1,137.06	17,616.71	112.15	47.56	247.98	19,161.46
Effect of foreign currency translation differences	-	0.42	122.23	2.65	-	1.40	126.70
Balance as at 31st March, 2021	**-**	**6,016.29**	**83,291.46**	**798.94**	**198.80**	**1,293.29**	**91,598.78**
Eliminated on disposal of assets	-	(99.64)	(395.04)	-	(75.21)	(7.14)	(577.03)
Depreciation expense for the year	-	1,122.76	18,224.03	94.08	67.58	233.99	19,742.44
Effect of foreign currency translation differences	-	(0.31)	(84.47)	(0.82)	-	(0.20)	(85.80)
Balance as at 31st March, 2022	**-**	**7,039.10**	**1,01,035.98**	**892.20**	**191.17**	**1,519.94**	**1,10,678.39**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

5. Property, plant and equipment (Contd.)

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount							
As at 31st March, 2021	46.86	25,884.71	2,01,847.29	350.79	326.83	426.83	2,28,883.31
As at 31st March, 2022	**46.86**	**27,529.17**	**2,15,854.97**	**271.94**	**597.09**	**435.97**	**2,44,736.00**

Note:

1) Details of property, plant and equipment (PPE) hypothecated as security towards borrowings (see Note 39)

Details of carrying amounts of PPE hypothecated as security for borrowings are as under:

(₹ in Lakhs)

Assets at carrying value	As at 31st March, 2022	As at 31st March, 2021
Plant and equipment	1,11,341.10	96,877.96
Furniture and Fixtures	2.39	5.91
Vehicles	493.76	198.31
Office equipment	2.27	6.08
Total	**1,11,839.52**	**97,088.26**

2) The Group has not revalued its property, plant and equipment.

6. Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital work-in-progress	64,205.30	40,006.30
Pre-operative expenditure pending allocation	3,776.95	-
Total	**67,982.25**	**40,006.30**

Particulars of pre-operative expenditure incurred during the year are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	-	-
Add: Expenses incurred during the year		
Salaries and wages	1,157.82	-
Contribution to provident and other funds	61.90	-
Gratuity	19.90	-
Staff welfare expenses	26.13	-
Borrowing costs	1,100.84	-
Power & fuel	548.48	-
Stores and spares consumed	333.11	-
Insurance	11.43	-
Production labour charges	89.69	-
Factory expenses	66.39	-
Rates and taxes	107.93	-
Travelling and conveyance	105.75	-
Legal & professional fees and expenses	327.35	-
Rent, lease rentals and hire charges	52.53	-
Miscellaneous expenses	259.81	-
	4,269.06	-
Sub total	**4,269.06**	**-**
Less: Capitalised during the year	(492.11)	-
Closing balance	**3,776.95**	**-**

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for the year ended 31st March, 2022

6. Capital work-in-progress (Contd.)

Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2022

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**49,331.54**	**12,989.31**	**4,352.73**	**1,308.67**	**67,982.25**
Projects temporarily suspended	-	-	-	-	-

Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2022

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	865.25	-	-	-	865.25
Project 2	445.04	-	-	-	445.04
Others (*)	34.70	45.00	-	-	79.70
Total	**1,344.99**	**45.00**	**-**	**-**	**1,389.99**

Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2021

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**21,924.09**	**13,699.93**	**4,034.83**	**347.45**	**40,006.30**
Projects temporarily suspended	-	-	-	-	-

Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2021

(₹ in Lakhs)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	383.68	-	-	-	383.68
Project 2	1,425.03	-	-	-	1,425.03
Project 3	359.74	-	-	-	359.74
Others (*)	88.41	-	45.00	-	133.41
Total	**2,256.86**	**-**	**45.00**	**-**	**2,301.86**

(*) Others comprise of various projects with individually immaterial values.

7. Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Buildings	643.71	989.46
	643.71	**989.46**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

7. Investment property (Contd.)

(₹ in Lakhs)

Particulars	Buildings
I. Cost or Deemed Cost	
Balance as at 1st April, 2020	**1,117.08**
Balance as at 31st March, 2021	**1,117.08**
Disposals	(376.04)
Balance as at 31st March, 2022	**741.04**

(₹ in Lakhs)

Particulars	Buildings
II. Accumulated depreciation	
Balance as at 1st April, 2020	**106.35**
Depreciation expense for the year	21.27
Balance as at 31st March, 2021	**127.62**
Depreciation expense for the year	17.59
Eliminated on disposal of assets	(47.88)
Balance as at 31st March, 2022	**97.33**

(₹ in Lakhs)

Particulars	Buildings
III. Net carrying amount	
As at 31st March, 2021	**989.46**
As at 31st March, 2022	**643.71**

7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2022 and 31st March, 2021 have been arrived at on the basis of valuation carried out by an independent valuer, R.K Patel, who is a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 and is not related to the Company. In the opinion of management, he has appropriate qualifications and recent experience in the valuation of properties. For all investment properties, fair values have been determined based on the capitalised income projections, 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 adopted, 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, 2021	**10,172.50**
Fair value as at 31st March, 2022	**8,433.33**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

7. Investment property (Contd.)

7.2 Amounts recognized in profit or loss in respect of investment properties

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Rental income	483.18	507.56
Direct operating expenses in respect of properties that generated rental income	159.20	150.86
Depreciation	17.59	21.27
Gain on sale of investment property	1,948.86	-

Note: The Group has not revalued its investment properties.

8. Intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Carrying amount of:		
Product Development	-	-
Technical Know How	785.64	1,228.69
Software	0.68	13.12
Mining Rights	538.34	645.86
	1,324.66	**1,887.67**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
I. Cost or Deemed Cost					
Balance as at 1st April, 2020	**695.80**	**5,205.80**	**220.23**	**1,136.19**	**7,258.02**
Effect of foreign currency translation differences	-	-	-	113.22	113.22
Balance as at 31st March, 2021	**695.80**	**5,205.80**	**220.23**	**1,249.41**	**7,371.24**
Additions	-	-	0.79	-	0.79
Effect of foreign currency translation differences	-	-	-	(40.69)	(40.69)
Balance as at 31st March, 2022	**695.80**	**5,205.80**	**221.02**	**1,208.72**	**7,331.34**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
II. Accumulated amortisation					
Balance as at 1st April, 2020	**695.80**	**3,359.14**	**175.59**	**454.67**	**4,685.20**
Amortisation expense for the year	-	617.97	31.52	92.27	741.76
Effect of foreign currency translation differences	-	-	-	56.61	56.61
Balance as at 31st March, 2021	**695.80**	**3,977.11**	**207.11**	**603.55**	**5,483.57**
Amortisation expense for the year	-	443.05	13.23	89.72	546.00
Effect of foreign currency translation differences	-	-	-	(22.89)	(22.89)
Balance as at 31st March, 2022	**695.80**	**4,420.16**	**220.34**	**670.38**	**6,006.68**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

8. Intangible assets (Contd.)

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
III. Net Carrying amount					
Balance as at 31st March, 2021	-	1,228.69	13.12	645.86	1,887.67
Balance as at 31st March, 2022	-	**785.64**	**0.68**	**538.34**	**1,324.66**

Note: The Group has not revalued its intangible assets.

9. (a) Investments accounted for using the equity method

Investment in Joint Venture

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investment					
Investments in Equity Instruments					
Swarnim Gujarat Fluorspar Private Limited	10	1182500	86.81	1182500	87.33
Total investment in joint venture (a)			**86.81**		**87.33**

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, 2022	As at 31st March, 2021
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 Fluorspar. This joint venture is accounted for using the equity method in these consolidated financial statements.

Aggregate information of joint venture:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
The Group's share of loss	(0.52)	(0.51)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(0.52)	(0.51)

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.

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for the year ended 31st March, 2022

9. (b) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Non-current investments					
I. Quoted Investments (fully paid up)					
Investments in Mutual Funds					
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	-	-	10000000	1,231.15
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	-	-	10000000	1,242.40
Kotak FMP - Series 240 - Growth (Regular Plan)	10	-	-	10000000	1,246.77
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	-	-	10000000	1,248.03
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	-	-	10000000	1,239.59
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	-	-	5000000	623.02
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,864.65	15000000	1,792.50
Total quoted Investments			**1,864.65**		**8,623.46**
Less: Current portion of non-current investments disclosed under current investments			(1,864.65)		(6,830.96)
Total quoted Investments			**-**		**1,792.50**
II. Unquoted Investments (fully paid up)					
Investments in Equity Instruments					
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs (as at 31st March, 2021: ₹ 60.75 Lakhs)	1	562500	-	562500	-
Investments in Mutual Funds					
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	-	-	281601	70.72
Total Mutual Funds			**-**		**70.72**
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.10	250000	18.98
Less: Current portion of non-current investments disclosed under current investments			(18.10)		(18.98)
Total Unquoted Investments			**-**		**70.72**
Total non-current other investments (I + II)			**-**		**1,863.22**
Total non-current investments (a + b)			**86.81**		**1,950.55**
Aggregate amount of quoted investments			-		1,792.50
Aggregate market value of quoted investments			-		1,792.50
Aggregate amount of unquoted investments			86.81		158.05
Aggregate amount of impairment in value of investments			60.75		60.75

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

9. (c) Other Investments - Current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2022		As at 31st March, 2021	
		Nos.	Amounts	Nos.	Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			1,864.65		6,830.96
II. Unquoted Investments (fully paid up)					
Investments in venture capital funds					
Kshitij Venture Capital Fund	121	250000	18.10	250000	18.98
Total Unquoted Investments			**18.10**		**18.98**
Total current investments (I + II)			**1,882.75**		**6,849.94**
Aggregate amount of quoted investments			1,864.65		6,830.96
Aggregate market value of quoted investments			1,864.65		6,830.96
Aggregate amount of unquoted investments			18.10		18.98
Aggregate amount of impairment in value of investments			-		-

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Summary of other investments		
Non-current investments	-	1,863.22
Current investments	1,882.75	6,849.94
Total	**1,882.75**	**8,713.16**
Category - wise other investments - as per Ind AS 109 classification:		
Investments carried at fair value through profit or loss	1,882.75	8,713.16
Total	**1,882.75**	**8,713.16**

Notes: The Group had pledged certain mutual fund investments having carrying amount of Nil (as at 31st March 2021: ₹ 70.72 Lakhs) against the borrowings of a fellow subsidiary (see Note 40).

10. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Loan to employee	42.41	85.91
Total	**42.41**	**85.91**
Current		
Inter corporate deposits to other parties		
- Considered good	3,660.49	3,903.29
- Credit impaired	292.14	-
	3,952.63	**3,903.29**
Less: Provision for impairment	(292.14)	-
	3,660.49	3,903.29
Loan to employee	42.40	42.95
Total	**3,702.89**	**3,946.24**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

11. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Security deposits	1,114.13	1,062.41
Non-current bank balances (from Note 18)	24,345.05	30,290.09
Derivative assets	111.55	220.51
Total	**25,570.73**	**31,573.01**
Current		
Security deposits	268.07	1,005.83
Other receivables		
- from related parties (including interest on capital advance of ₹ 18,351.25 Lakhs (previous year ₹ 12,426.10 Lakhs) - see Note 46)	24,297.07	16,202.01
- Insurance claims lodged - see Note 50	7,190.54	-
- others	8.15	209.07
Total	**31,763.83**	**17,416.91**

12. Deferred tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax assets	26.57	3.90
Deferred tax liabilities	(25,946.46)	(26,378.03)
Net Deferred tax liabilities	**(25,919.89)**	**(26,374.13)**

For the year ended 31st March, 2022

12.1 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2021	Effect of foreign currency translation differences	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31st March, 2022
Property, plant and equipment	(29,027.78)	(0.14)	105.12	-	(28,922.80)
Expenses allowable on payment basis	279.60	0.37	23.21	-	303.18
Allowance for doubtful trade receivables and expected credit losses	161.52	(0.06)	126.20	-	287.66
Effect of measuring derivative instruments at fair value	(32.40)	-	20.09	(9.30)	(21.61)
Expenses allowable in subsequent years	393.23	-	(131.07)	-	262.16
Gratuity and leave benefits	1,110.65	-	113.95	(4.37)	1,220.23
Other deferred tax assets	741.05	-	210.24	-	951.29
Net Deferred tax liabilities	**(26,374.13)**	**0.17**	**467.74**	**(13.67)**	**(25,919.89)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

12. Deferred tax assets/(liabilities) (Contd.)

For the year ended 31st March, 2021

12.2 The major components of deferred tax assets/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Balance as at 1st April, 2020	Effect of foreign currency translation differences	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at 31st March, 2021
Property, plant and equipment	(40,847.06)	0.32	11,818.96	-	(29,027.78)
Expenses allowable on payment basis	439.03	(0.08)	(159.35)	-	279.60
Allowance for doubtful trade receivables and expected credit losses	204.77	-	(43.25)	-	161.52
Effect of measuring derivative instruments at fair value	(53.03)	-	31.07	(10.44)	(32.40)
Expenses allowable in subsequent years	727.97	-	(334.74)	-	393.23
Gratuity and leave benefits	1,358.87	-	(240.73)	(7.49)	1,110.65
Other deferred tax assets	548.53	-	192.52	-	741.05
	(37,620.92)	**0.24**	**11,264.48**	**(17.93)**	**(26,374.13)**
MAT credit entitlement	61,466.04	-	(61,466.04)	-	-
Net Deferred tax liabilities	**23,845.12**	**0.24**	**(50,201.56)**	**(17.93)**	**(26,374.13)**

12.3 As at 31st March, 2022, the Group has following unused tax losses under the Income-Tax Act for which no deferred tax asset has been recognised:

(₹ in Lakhs)

Nature of tax loss	Financial Year	Gross amount	Expiry date
Business losses of subsidiary	2018-19	2,443.91	31/03/2023
Business losses of subsidiary	2019-20	1,926.06	31/03/2024
Business losses of subsidiary	2020-21	1,932.90	31/03/2025
Business losses of subsidiary	2021-22	2,707.53	31/03/2026
Unabsorbed depreciation of subsidiary	Various	3,828.45	Indefinite

12.4 No deferred tax liability has been recognised in respect of temporary differences associated with the investments in subsidiaries (on account of undistributed earnings of the subsidiaries and foreign currency translation differences) aggregating to ₹ 14,606.37 Lakhs (as at 31st March, 2021: ₹ 9,471.64 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.

13. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Capital advances		
to related parties (see Note 46)	87,780.00	87,780.00
to others	10,206.87	5,759.12
Security deposits with Government authorities	205.03	205.03
Balances with government authorities - Balance in VAT accounts	507.89	479.55
Prepayments	217.46	10.16
Total	**98,917.25**	**94,233.86**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

13. Other assets (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Advance to suppliers		
Considered good	9,888.53	3,712.74
Considered doubtful	46.80	101.33
	9,935.33	3,814.07
Less: Allowance for doubtful advances	(46.80)	(101.33)
	9,888.53	**3,712.74**
Custom duty refund claimed	953.19	525.73
Less: Allowance for doubtful refund	(94.83)	-
	858.36	**525.73**
Deposits towards import duties	855.16	-
Balances with government authorities - Balance in GST accounts	2,091.58	1,158.52
Export incentive receivables	3,065.09	451.16
Other advances	262.12	92.41
Prepayments	1,610.25	938.75
Total	**18,631.09**	**6,879.31**

14. Current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Current tax assets (net)	4.39	-
Total	**4.39**	**-**

15. Inventories

(at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw materials (see note (i) below)	24,737.42	17,842.20
Work-in-progress	10,446.74	10,533.34
Finished goods	42,456.15	41,434.83
Stock in trade	-	25.03
Stores, spares and consumables	15,276.39	15,063.32
Others		
- Fuel	948.36	935.80
- Packing materials	786.41	484.37
- By products	74.29	71.72
Total	**94,725.76**	**86,390.61**

Notes:

(i) Raw materials include material in transit of ₹ 103.39 lakhs (as at 31st March,2021: Nil)

(ii) The cost of inventories recognised as an expense includes ₹ 731.49 Lakhs (as at 31st March, 2021: ₹ 926.26 Lakhs) in respect of write downs of inventory to net realisable value.

(iii) The mode of valuation of inventories has been stated in Note 3.15.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

16. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Considered good	77,809.17	66,713.08
Trade receivables which have significant increase in credit risk	84.74	91.94
Trade receivables - credit impaired	1,021.11	538.44
	78,915.02	**67,343.46**
Provision for expected credit loss and impairment	(1,105.85)	(630.38)
Total	**77,809.17**	**66,713.08**

Note: The Group has entered into an arrangement for factoring of receivables with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on 31st March, 2022 are of ₹ 3,795.72 Lakhs (as at 31st March, 2021: Nil). The Group has derecognized these receivables as it has transferred its contractual rights to the banks with all the risks and rewards of ownership and retains no control over these receivables.

Trade receivables ageing schedule

Ageing for trade receivables - outstanding as at 31st March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	56,894.53	19,582.25	679.99	631.86	20.01	0.53	77,809.17
Which have significant increase in credit risk	23.58	5.26	6.53	41.67	7.70	-	84.74
Credit impaired	-	-	-	2.94	220.00	798.17	1,021.11
Disputed trade receivables							-
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub-total	**56,918.11**	**19,587.51**	**686.52**	**676.47**	**247.71**	**798.70**	**78,915.02**
Provision for expected credit loss & impairment	(23.58)	(5.26)	(6.53)	(44.61)	(227.70)	(798.17)	(1,105.85)
Net Trade Receivables	**56,894.53**	**19,582.25**	**679.99**	**631.86**	**20.01**	**0.53**	**77,809.17**

Ageing for trade receivables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	52,451.29	13,116.26	380.10	230.86	505.10	29.47	66,713.08
Which have significant increase in credit risk	22.33	3.65	3.75	45.04	15.62	1.55	91.94
Credit impaired	-	-	-	15.37	155.44	367.63	538.44

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

16. Trade receivables (Contd.)

Ageing for trade receivables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Sub-total	**52,473.62**	**13,119.91**	**383.85**	**291.27**	**676.16**	**398.65**	**67,343.46**
Provision for expected credit loss & impairment	(22.33)	(3.65)	(3.75)	(60.41)	(171.06)	(369.18)	(630.38)
Net Trade Receivables	**52,451.29**	**13,116.26**	**380.10**	**230.86**	**505.10**	**29.47**	**66,713.08**

17. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks in current accounts	2,548.11	1,151.24
Cash on hand	6.71	4.95
Total	**2,554.82**	**1,156.19**

18. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance in interim dividend payable account	2,197.00	-
Bank deposits with original maturity for more than 3 months but less than 12 months	4,355.88	-
Bank deposits with original maturity of more than 12 months	30,529.37	31,304.87
	34,885.25	**31,304.87**
Amount disclosed under Note 11 - 'Other financial assets - non current'	(24,345.05)	(30,290.09)
Total	**12,737.20**	**1,014.78**

Note: Other bank balances includes ₹ 50.92 Lakhs (as at 31st March, 2021: ₹ 27.92 Lakhs) margin money deposits kept as security against bank guarantees and fixed deposits of ₹ 33,059.00 Lakhs (as at 31st March, 2021: ₹ 29,600.00 Lakhs) kept as security against working capital facilities to fellow subsidiaries.

19. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorized		
20,00,00,000 (31st March, 2021: 20,00,00,000) equity shares of ₹ 1 each	2,000.00	2,000.00
Issued and Subscribed and Fully Paid		
10,98,50,000 (31st March, 2021: 10,98,50,000) equity shares of ₹ 1 each	1,098.50	1,098.50
Total	**1,098.50**	**1,098.50**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

19. Equity share capital (Contd.)

19.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2022		
At the beginning of the year	10,98,50,000	1,098.50
At the end of the year	10,98,50,000	1,098.50
As at 31st March, 2021		
At the beginning of the year	10,98,50,000	1,098.50
At the end of the year	10,98,50,000	1,098.50

19.2 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.

19.3 During the year, the Company has paid ₹ 2 per equity share as interim dividend for the year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs.

The Board of Directors at its meeting held on 13th May, 2022 have recommended a payment of final dividend of ₹ 2 per equity share for the financial year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and is not recognised as a liability.

19.4 Shares held by holding company

Particulars	Nos.	(₹. in Lakhs)
As at 31st March, 2022		
Inox Leasing and Finance Limited	6,02,91,906	602.92
As at 31st March, 2021		
Inox Leasing and Finance Limited	5,77,64,316	577.64

19.5 Details of shareholders holding more than 5% shares in the Company

Particulars	Nos.	holding %
As at 31st March, 2022		
Inox Leasing and Finance Limited	6,02,91,906	54.89%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
As at 31st March, 2021		
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%

19.6 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

19. Equity share capital (Contd.)

19.7 Shareholdings of promoters

Disclosure of Shareholding of promoters as at 31st March, 2022 is as follows:

Sr. No.	Name of the promoter	As at 31st March, 2022		As at 31st March, 2021		% Change during the year
		No. of Shares	% of holding	No. of Shares	% of holding	
	Promoter					
1	Inox Leasing and Finance Limited	6,02,91,906	54.89%	5,77,64,316	52.58%	2.30%
	Promoter Group					
2	Devendra Kumar Jain	20,100	0.02%	20,100	0.02%	-
3	Pavan Kumar Jain	-	-	20,100	0.02%	(0.02%)
4	Vivek Kumar Jain	20,100	0.02%	20,100	0.02%	-
5	Siddharth Jain	-	-	20,000	0.02%	(0.02%)
6	Devansh Jain	10,000	0.01%	10,000	0.01%	-
7	Hem Kumari	-	-	10,000	0.01%	(0.01%)
8	Kapoor Chand Jain	-	-	10,000	0.01%	(0.01%)
9	Nandita Jain	10,000	0.01%	10,000	0.01%	-
10	Nayantara Jain	-	-	10,000	0.01%	(0.01%)
11	Devansh Trademart LLP	66,62,360	6.06%	66,62,360	6.06%	-
12	Siddhapavan Trading LLP	55,76,440	5.08%	55,76,440	5.08%	-
13	Inox Chemicals LLP	-	-	29,55,230	2.69%	(2.69%)
14	Siddho Mal Trading LLP	-	-	20,19,260	1.84%	(1.84%)

Disclosure of Shareholding of promoters as at 31st March, 2021 is as follows:

Sr. No.	Name of the promoter	As at 31st March, 2021		As at 31st March, 2020		% Change during the year
		No. of Shares	% of holding	No. of Shares	% of holding	
	Promoter					
1	Inox Leasing and Finance Limited	5,77,64,316	52.58%	5,77,64,316	52.58%	-
	Promoter Group					
2	Devendra Kumar Jain	20,100	0.02%	20,100	0.02%	-
3	Pavan Kumar Jain	20,100	0.02%	20,100	0.02%	-
4	Vivek Kumar Jain	20,100	0.02%	20,100	0.02%	-
5	Siddharth Jain	20,000	0.02%	20,000	0.02%	-
6	Devansh Jain	10,000	0.01%	10,000	0.01%	-
7	Hem Kumari	10,000	0.01%	10,000	0.01%	-
8	Kapoor Chand Jain	10,000	0.01%	10,000	0.01%	-
9	Nandita Jain	10,000	0.01%	10,000	0.01%	-
10	Nayantara Jain	10,000	0.01%	10,000	0.01%	-
11	Devansh Trademart LLP	66,62,360	6.06%	66,62,360	6.06%	-
12	Siddhapavan Trading LLP	55,76,440	5.08%	55,76,440	5.08%	-
13	Inox Chemicals LLP	29,55,230	2.69%	29,55,230	2.69%	-
14	Siddho Mal Trading LLP	20,19,260	1.84%	20,19,260	1.84%	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

20. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital reserve	12,547.50	12,547.50
General reserve	3,20,000.00	3,20,000.00
Cash flow hedge reserve	4.84	(22.82)
Foreign currency translation reserve	1,310.06	1,641.92
Retained earnings	90,552.24	14,017.26
Total	**4,24,414.64**	**3,48,183.86**

20.1 Capital reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	12,547.50	12,547.50
Balance at the end of the year	**12,547.50**	**12,547.50**

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated.

20.2 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	3,20,000.00	3,20,000.00
Balance at the end of the year	**3,20,000.00**	**3,20,000.00**

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.

20.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	(22.82)	(53.88)
Other comprehensive income for the year, net of income tax	27.66	31.06
Balance at the end of the year	**4.84**	**(22.82)**

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.

20.4 Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	1,641.92	2,102.84
Other comprehensive income for the year, net of income tax	(331.86)	(460.92)
Balance at the end of the year	**1,310.06**	**1,641.92**

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

20. Other equity (Contd.)

20.5 Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	14,017.26	35,865.90
Profit/(loss) for the year attributable to owners of the Company	78,718.98	(21,870.90)
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	13.00	22.26
Payment of interim dividend on equity shares - see Note 19.3	(2,197.00)	-
Balance at the end of the year	**90,552.24**	**14,017.26**

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.

21. Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	(1,388.34)	(1,069.03)
Share of total comprehensive income for the year	(1,095.90)	(319.31)
Balance at the end of the year	**(2,484.24)**	**(1,388.34)**

For details of non-controlling interest - see Note 48

22. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	2,952.51	6,429.36
- Rupee loans	54,864.98	49,919.52
(b) From others		
- Rupee loans	428.50	174.04
	58,245.99	**56,522.92**
Less: Disclosed under Note 25: Current borrowings		
(i) Current maturities	14,407.42	17,031.96
(ii) Interest accrued	296.32	281.86
Total	**43,542.25**	**39,209.10**

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

23. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Premium payable on option contract	-	21.32
Creditors for capital expenditure	-	322.90
Total	**-**	**344.22**
Current		
Interim dividend payable	2,197.00	-
Security deposits	517.63	523.67
Creditors for capital expenditure	7,101.62	5,779.66
Derivative financial liabilities	4.36	41.32
Employees dues payable	5,592.58	3,399.45
Premium payable on option contract	21.32	49.65
Other payables	1,153.11	469.40
Total	**16,587.62**	**10,263.15**

24. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	2,355.59	2,025.02
- for Compensated absences	933.67	837.61
Total	**3,289.26**	**2,862.63**
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	588.43	599.12
- for Compensated absences	1,024.60	976.74
Total	**1,613.03**	**1,575.86**

25. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From banks		
Short term / working capital demand loans	-	1,220.90
Unsecured		
From banks		
Foreign currency loans		
- Short term / working capital demand loans	2,523.24	-
- Packing credit / Buyers credit/Import finance	30,961.11	30,135.76
Rupee loans		
- Short term / working capital demand loans	63,541.29	65,992.15
- Cash credit / overdraft	-	2,271.00
- Packing credit	-	2,400.00
	97,025.64	**1,00,798.91**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

25. Current borrowings (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturities of long term borrowing (from Note 22)	14,407.42	17,031.96
Interest accrued of long term borrowing (from Note 22)	296.32	281.86
Total	**1,11,729.38**	**1,19,333.63**

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.

26. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) total outstanding dues of micro enterprises and small enterprises (MSME)	483.48	141.02
b) total outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	50,864.87	43,042.16
Total	**51,348.35**	**43,183.18**

Trade Payables ageing schedule

Ageing for trade payables - outstanding as at 31st March, 2022 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	483.48	-	-	-	**483.48**
(ii) Others	11,741.26	38,272.62	81.29	434.54	278.03	**50,807.74**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	45.61	11.52	-	**57.13**
Total	**11,741.26**	**38,756.10**	**126.90**	**446.06**	**278.03**	**51,348.35**

Ageing for trade payables - outstanding as at 31st March, 2021 is as follows:

(₹ in Lakhs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	141.02	-	-	-	**141.02**
(ii) Others	9,295.01	32,754.02	461.19	240.50	232.69	**42,983.41**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	46.90	11.85	-	-	**58.75**
Total	**9,295.01**	**32,941.94**	**473.04**	**240.50**	**232.69**	**43,183.18**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

27. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	572.76	767.67
Statutory dues and taxes payable	2,114.53	1,257.55
Total	**2,687.29**	**2,025.22**

28. Income tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income tax liabilities (net of payments)	1,229.56	1,001.36
Total	**1,229.56**	**1,001.36**

Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current tax liabilities (net of payments)	6,503.18	2,289.39
Total	**6,503.18**	**2,289.39**

29. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Revenue from contracts with customers:		
Sale of products	3,85,043.34	2,62,189.35
(b) Other operating revenue	10,315.51	2,860.35
Total	**3,95,358.85**	**2,65,049.70**

29.1 Disaggregated revenue information

For year ended 31st March, 2022

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	15,220.52	169.94	-	16,670.78	**32,061.24**
Caustic Soda	46,702.70	-	-	639.73	**47,342.43**
Chloromethane	43,293.99	-	838.71	1,050.59	**45,183.29**
Poly Tetrafluoroethylene (PTFE)	41,824.86	37,623.70	23,464.16	29,959.77	**1,32,872.49**
Other products	43,100.12	46,731.27	22,689.95	15,062.55	**1,27,583.89**
Total	**1,90,142.19**	**84,524.91**	**46,992.82**	**63,383.42**	**3,85,043.34**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

29. Revenue from operations (Contd.)

For year ended 31st March, 2021

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	13,483.40	397.52	-	20,500.96	**34,381.88**
Caustic Soda	22,676.18	290.44	-	191.37	**23,157.99**
Chloromethane	31,290.87	-	-	-	**31,290.87**
Poly Tetrafluoroethylene (PTFE)	26,712.05	24,751.14	11,343.05	19,762.87	**82,569.11**
Other products	37,860.53	32,243.53	12,474.43	8,211.01	**90,789.50**
Total	**1,32,023.03**	**57,682.63**	**23,817.48**	**48,666.21**	**2,62,189.35**

29.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivables	77,809.17	66,713.08
Contract liabilities - advance from customers	572.76	767.67

During the year ended 31st March, 2022, the Group has recognized revenue of ₹ 596.55 Lakhs (as at 31st March, 2021: ₹ 804.78 Lakhs) arising from opening contract liabilities.

29.3 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.

29.4 Reconciliation of gross revenue with revenue from contracts with customers

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Gross revenue	3,86,042.65	2,63,121.05
Less: Discounts, rebates etc.	999.31	931.70
Net revenue recognised from contracts with customers	**3,85,043.34**	**2,62,189.35**

30. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Interest Income		
(I) On financial assets using effective interest method:		
- on fixed deposits with bank	1,291.94	726.31
- on Inter-corporate deposits and other loans	272.50	301.71
- on security deposits	0.09	0.09
(II) Other interest income		
- on income tax refunds	20.19	690.83
- on capital advances	6,583.50	8,757.58
- other interest	4.81	16.04
	8,173.03	**10,492.56**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

30. Other income (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(b) Other non-operating income		
Rental income from operating leases	483.53	508.28
Guarantee commission income	1,730.36	828.78
Net gain on retirement/disposal of property, plant and equipment and investment property	2,100.39	-
Allowance for doubtful trade receivables written back	4.18	-
Liabilities and provisions no longer required, written back	4.31	573.18
Miscellaneous income	430.22	7.56
	4,752.99	**1,917.80**
(c) Other gains and losses		
Net gain on investments carried at FVTPL	218.10	3,524.96
Net gain on foreign currency transactions and translation	3,020.23	4,811.76
Net loss on fair value changes in derivatives classified at FVTPL	(108.96)	(638.76)
	3,129.37	**7,697.96**
Total	**16,055.39**	**20,108.32**
Note: Realised gain/(loss) on sale of investments	1,482.86	(9,285.46)

31. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Raw materials consumed	1,10,907.69	82,144.83
Packing materials consumed	8,666.09	7,619.76
Total	**1,19,573.78**	**89,764.59**

32. Material extraction and processing Cost

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Stripping Cost		
Drilling, blasting, loading and stripping cost	755.17	1,671.24
Royalty	10.96	51.56
Sub-total (A)	**766.13**	**1,722.80**
Raw ore purchased & consumed (B)	**873.22**	**20.21**
Beneficiation cost		
Material cost	616.14	754.63
Stores, spares & consumable expenses	36.03	87.92
Equipment hiring charges	234.73	436.16
Production labour charges	163.46	163.90
Laboratory expenses	8.10	13.00
Other expenses	49.67	49.13
Sub-total (C)	**1,108.13**	**1,504.74**
Total (A+B+C)	**2,747.48**	**3,247.75**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

33. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Opening inventories		
Finished goods	41,434.83	40,357.04
Stock-in-trade	25.03	4.18
Work-in-progress	10,533.34	6,931.69
By-products	71.72	140.31
	52,064.92	**47,433.22**
Less : Closing inventories		
Finished goods	42,456.15	41,434.83
Stock-in-trade	-	25.03
Work-in-progress	10,446.74	10,533.34
By-products	74.29	71.72
	52,977.18	**52,064.92**
Effect of changes in exchange currency rates	48.57	444.66
(Increase) / Decrease in inventories	**(863.69)**	**(4,187.04)**

34. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and wages	24,041.56	19,611.05
Contribution to provident and other funds	1,271.35	1,076.37
Gratuity	549.95	481.51
Staff welfare expenses	682.82	620.60
Total	**26,545.68**	**21,789.53**

35. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	7,697.90	10,081.44
b) Interest on lease liabilities - (see Note 43)	26.17	41.46
c) Interest on income tax	282.00	221.00
d) Other interest expenses	136.49	126.46
	8,142.56	**10,470.36**
(B) Net foreign exchange loss on borrowings (considered as finance costs)	633.84	744.90
(C) Other borrowing costs	165.06	41.47
Sub-total (A+B+C)	**8,941.46**	**11,256.73**
Less: Borrowing costs capitalised	(1,100.84)	-
Total	**7,840.62**	**11,256.73**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

36. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation on property, plant and equipment	19,742.44	19,161.47
Depreciation on right-of-use assets (see Note 43)	238.10	282.04
Depreciation of investment property	17.59	21.27
Amortisation of intangible assets	546.00	741.76
Total	**20,544.13**	**20,206.54**

37. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Stores, spares and consumables	10,503.53	9,873.86
Freight	14,405.10	8,140.96
Insurance	1,604.77	1,417.47
Indirect tax expenses	1,067.03	607.73
Production labour charges	3,236.79	3,017.59
Processing charges	595.12	562.91
Rent, lease rentals and hire charges	2,256.83	1,844.04
Factory expenses	2,043.89	3,213.11
Repairs to		
- Buildings	619.87	669.09
- Plant and equipment	7,455.32	6,164.73
- Others	733.88	641.35
Directors' sitting fees	27.00	19.00
Commission to non-executive director	1,058.10	451.24
Rates and taxes	527.73	938.38
Travelling and conveyance	1,826.32	1,487.80
Communication expenses	201.68	197.98
Legal and professional fees and expenses	5,718.17	4,588.75
Loss on retirement /disposal of property, plant and equipment	-	247.12
Allowance for doubtful inter corporate deposits	292.14	-
Allowance for doubtful trade receivables and expected credit losses	478.25	45.05
Corporate Social Responsibility (CSR) expenses	522.00	1,978.23
Commission	91.31	246.10
Loss by fire (see Note 50)	720.67	-
Royalty	2,398.66	1,432.58
Miscellaneous expenses	4,726.83	2,865.70
Total	**63,110.99**	**50,650.77**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

38. Tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Income tax recognized in statement of profit and loss		
Current Tax		
In respect of current year	27,401.64	12,676.88
In respect of earlier years	(1.58)	7,508.18
	27,400.06	**20,185.06**
Deferred Tax		
In respect of current year	(364.64)	(589.20)
Impact of net deferred tax liability remeasurement on account of change in tax rate	-	(10,675.28)
In respect of earlier years	(103.10)	61,466.04
	(467.74)	**50,201.56**
	26,932.32	**70,386.62**
(b) Income tax recognized in other comprehensive income		
Deferred tax on remeasurement of defined benefits plan	4.37	7.49
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	9.30	10.44
	13.67	**17.93**
Total tax expense	**26,945.99**	**70,404.55**

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, 2022	Year ended 31st March, 2021
Profit before tax	1,04,518.84	48,234.40
Income tax using the Company's domestic tax rate @ 25.168%	26,305.30	12,139.63
Effect of expenses that are not deductible in determining taxable profits	444.04	626.20
Effect of income which is taxed at special rates	(634.36)	(28.92)
Effect of loss on fair value of investments on which deferred tax asset is not recognised	-	(887.16)
Effect of deferred tax on losses not recognised by subsidiary companies	812.90	-
Effect of differential tax rates of foreign subsidiaries	145.12	244.16
Others (net)	(36.00)	(6.23)
	27,037.00	**12,087.68**
Taxation pertaining to earlier years	(104.68)	68,974.22
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168%	-	(10,675.28)
Tax expense as per the Statement of Profit and Loss	**26,932.32**	**70,386.62**

The tax rate used in the reconciliations above is the corporate tax rate of 25.168% payable under section 115BAA by corporate entities in India on taxable profits.

38.2 The Company had filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14, in respect of demerged Chemical Business Undertaking vested with the Group, which were being contested by the Income-tax Department before Hon'ble Supreme Court. The applications filed were accepted and accordingly the Group was required to pay 50% of disputed income-tax aggregating to ₹ 2,944.18 lakhs in respect of these years. The total impact of the settlement of ₹ 68,974.22 lakhs (mainly on account of reduction in MAT credit entitlement) was recognized and included in 'Tax pertaining to earlier years'.

Consequent to settlement of above income-tax matters and reversal of MAT credits, the Company has exercised the option under section 115BAA of the Income-tax Act, 1961 from the year ended 31st March, 2021 and thus, applicable tax rate for the Company is 25.168% as against the earlier rate of 34.944%. Accordingly, the net deferred tax liability as on 1st April, 2020 was also re-measured and the reduction of ₹ 10,675.28 lakhs in the deferred tax liability was recognized during the year ended 31st March, 2021.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment

I. In respect of borrowings availed by Gujarat Fluorochemicals Limited

Nature of securities and terms of repayment of secured term loans are as under:

As at 31st March, 2022

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	Foreign Currency Loan	842.05	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	Foreign Currency Loan	408.40	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Rupee Loan	6,368.14	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(b)
4	Rupee Loan	152.77	Monthly repayment, final maturity on 4th January, 2025	8.75% p.a.	(c)
5	Rupee Loan	194.68	Monthly repayment, final maturity on 4th September, 2024	8.30% p.a.	(c)
6	Rupee Loan	78.39	Monthly repayment, final maturity on 7th March, 2023	10.00% p.a.	(c)
7	Rupee Loan	21,318.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(d)
8	Rupee Loan	16,924.32	Quarterly repayment, final maturity on 26th June, 2027	Repo Rate + 2.40 % p.a.	(d)
9	Rupee Loan	9,972.50	Quarterly repayment, final maturity on 21st March, 2026	3M T Bill + 2.87 % p.a.	(d)

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	Foreign Currency Loan	1,624.72	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	Foreign Currency Loan	787.99	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Rupee Loan	7,581.12	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(b)
4	Rupee Loan	72.87	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(c)
5	Rupee Loan	100.00	Monthly repayment, final maturity on 7th March, 2023	10.00% p.a.	(c)
6	Rupee Loan	26,953.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(d)
7	Rupee Loan	9,970.00	Quarterly repayment, final maturity on 26th June, 2027	Repo Rate + 2.40 % p.a.	(d)
8	Rupee Loan	2,554.46	Quarterly repayment, final maturity on 30th August, 2021	3M MCLR + 0.05 % p.a.	(e)
9	Rupee Loan	2,601.71	Quarterly repayment, final maturity on 31st August, 2021	3M MCLR + 0.05 % p.a.	(e)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment (Contd.)

Notes:

a) The foreign currency term loan 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 term loan 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.

c) The vehicle loans are secured by way of hypothecation of vehicles.

d) The term loans are secured by way of exclusive charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant, DPTFE Plant and FKM Plant , CPU COAL BASED & CPU CCGT 4 & 5 + Common Plant Utility located at 12A, GIDC Estate, Village - Dahej, Taluka - Vagra, District - Bharuch, Gujarat.

e) The working capital term loan was 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.

39.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2022

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Foreign Currency Loan- Import Finance	4,836.68	Repayment range from 13th May, 2022 to 7th September, 2022	Interest range from 6M LIBOR/ SOFR + 0.65% to 6 M LIBOR/SOFR + 0.85%
2	Foreign Currency Loan- Import Finance	4,071.04	Repayment range from 11th April, 2022 to 18th August, 2022	Interest range from 6M LIBOR/ SOFR + 0.30% to 6M LIBOR/SOFR + 0.90%
3	Foreign Currency Loan- Import Finance	2,556.46	Repayment on 27th June, 2022	Interest range from 6M SOFR + 0.47%
4	Foreign Currency Loan- Import Finance	2,283.14	Repayment range from 18th April, 2022 to 20th June, 2022	Interest range from 6M LIBOR/ SOFR + 0.38%
5	Foreign Currency Loan - Packing Credit	11,728.06	Repayment range from 8th April, 2022 to 23rd September, 2022	Interest range from 6M EURIBOR + 0.48% to 6M EURIBOR + 0.55%
6	Foreign Currency Loan - Packing Credit	3,783.24	Repayment range from 8th May, 2022 to 7th June, 2022	Interest range from 6M EURIBOR + 0.32% to 6M EURIBOR + 0.35%
7	Foreign Currency Loan - Packing Credit	1,681.44	Repayment on 1st June, 2022	Interest range 6M EURIBOR + 0.35%
8	Foreign Currency Loan - WCL FCY	2,522.16	Repayment on 27th July, 2022	Interest 6M EURIBOR + 0.50%
9	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 2nd April, 2022	1M T Bill + 1.37% (1M T Bill Reset every 1 M)
10	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 7th April, 2022	1M T Bill + 1.20% (1M T Bill Reset every 1 M)
11	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8th April, 2022	1M T Bill + 1.26% (1M T Bill Reset every 1 M)
12	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 16th April, 2022	1M T Bill + 1.22% (1M T Bill Reset every 1 M)
13	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 12th May, 2022	1M T Bill + 1.45% (1M T Bill Reset every 1 M)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment (Contd.)

39.2 The terms of repayment of unsecured loans are as under:

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
14	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7th July, 2022	1M T Bill + 1.34% (1M T Bill Reset every 1 M)
15	Rupee Loan - Working Capital Demand Loan	1,979.05	Bullet repayment on 8th April, 2022	Repo Rate + 1.15% (Repo Rate Reset every 3 M)
16	Rupee Loan - Working Capital Demand Loan	1,979.05	Bullet repayment on 26th July, 2022	Repo Rate + 1.05% (Repo Rate Reset every 3 M)
17	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th May, 2022	5.20% p.a.
18	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 11th April, 2022	5.50% p.a.
19	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 4th August, 2022	6M T Bill + 1.48% (6M T Bill Reset every 3 M)
20	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th August, 2022	6M T Bill + 1.48% (6M T Bill Reset every 3 M)
21	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 11th September, 2022	6M T Bill + 1.23% (6M T Bill Reset every 3 M)
22	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 27th September, 2022	6M T Bill + 1.28% (6M T Bill Reset every 3 M)
23	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 28th April, 2022	1M Mibor + 0.64% (1M Mibor reset every 1 M)
24	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5th May, 2022	1M Mibor + 0.65% (1M Mibor reset every 1 M)
25	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 24th June, 2022	1M Mibor + 1.01% (1M Mibor reset every 1 M)
26	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 1st July, 2022	1M Mibor + 1.00% (1M Mibor reset every 1 M)
27	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 27th July, 2022	1M Mibor + 1.00% (1M Mibor reset every 1 M)
28	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 7th April, 2022	5.25% p.a.
29	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 20th April, 2022	4.50% p.a.
30	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 30th April, 2022	4.50% p.a.
31	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 28th July, 2022	3M T Bill + 1.30% (3M T Bill Reset every 3 M)
32	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 19th April, 2022	Repo Rate + 0.95%
33	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 30th April, 2022	Repo Rate + 0.95%
34	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 10th June, 2022	Repo Rate + 0.70%
35	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 9th September, 2022	Repo Rate + 0.85%
36	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 13th April, 2022	Overnight Mibor + 1.15%
37	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 15th June, 2022	4.75% p.a.
38	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 12th July, 2022	4.75% p.a.
39	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29th July, 2022	4.75% p.a.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment (Contd.)

39.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Foreign Currency Loan- Import Finance	4,070.14	Repayment range from 29th April, 2021 to 6th July, 2021	Interest range from 6M LIBOR + 0.45% to 6 M LIBOR + 0.70%
2	Foreign Currency Loan- Import Finance	5,743.16	Repayment range from 7th April, 2021 to 17th September, 2021	Interest range from 6M LIBOR + 0.67% to 6 M LIBOR + 1.65% and interest range from 6M EURIBOR +0.75% to 6M EURIBOR +0.95%
3	Foreign Currency Loan- Import Finance	2,709.13	Repayment range from 9th April, 2021 to 9th June, 2021	Interest 6M LIBOR + 1.25% and 6M EURIBOR + 1.25%
4	Foreign Currency Loan- Import Finance	3,781.39	Repayment range from 14th April, 2021 to 19th August, 2021	Interest range from 6M LIBOR + 0.50% to 6M LIBOR + 1.70%
5	Foreign Currency Loan- Import Finance	578.91	Repayment on 20th April, 2021	Interest 6M LIBOR + 0.85%
6	Foreign Currency Loan - Packing Credit	11,064.85	Repayment range from 9th April, 2021 to 20th August, 2021	Interest range from 6M EURIBOR + 0.65% to 6M EURIBOR + 0.75%
7	Foreign Currency Loan - Packing Credit	2,147.68	Repayment on 1st April, 2021	Interest 6M EURIBOR + 0.90%
8	Rupee Loan - Packing Credit	2,400.00	Bullet repayment on 9th July, 2021	Interest range from 3M MIBOR + 1.94% and 1M MIBOR + 2.01%
9	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 6th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
10	Rupee Loan - Short Term Working Capital Loan	500.00	Bullet repayment on 12th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
11	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 12th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
12	Rupee Loan - Short Term Working Capital Loan	2,000.00	Bullet repayment on 22nd April, 2021	Repo Rate + 2.50% (Repo Rate Reset every 1 M)
13	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 9th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
14	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 9th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
15	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 26th May, 2021	Repo Rate + 1.95% (Repo Rate Reset every 1 M)
16	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 29th June, 2021	Repo Rate + 1.90% (Repo Rate Reset every 1 M)
17	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 16th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
18	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 27th May, 2021	Repo Rate + 1.75% (Repo Rate Reset every 1 M)
19	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 1st September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment (Contd.)

39.2 The terms of repayment of unsecured loans are as under:

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
20	Rupee Loan - Working Capital Demand Loan	1,450.00	Bullet repayment on 2nd September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
21	Rupee Loan - Working Capital Demand Loan	5,000.00	Bullet repayment on 24th April, 2021	8.45% p.a.
22	Rupee Loan - Working Capital Demand Loan	300.00	Bullet repayment on 27th August, 2021	7.50% p.a.
23	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 30th April, 2021	7.00% p.a.
24	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8th June, 2021	1M Mibor + 2.30% (1M Mibor reset every 1 M)
25	Rupee Loan - Working Capital Demand Loan	1,600.00	Bullet repayment on 23rd July, 2021	1M Mibor + 2.26% (1M Mibor reset every 1 M)
26	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7th May, 2021	1M Mibor + 2.48% (1M Mibor reset every 1 M)
27	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5th June, 2021	6.25% p.a.
28	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 20th July, 2021	5.60% p.a.
29	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 31st May, 2021	6.25% p.a.
30	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 29th June, 2021	5.60% p.a.
31	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 8th April, 2021	6.95% p.a.
32	Rupee Loan -Short Term Loan	5,500.00	Bullet repayment on 2nd June, 2021	7.80% p.a.
33	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 2nd June, 2021	7.80% p.a.
34	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29th June, 2021	7.80% p.a.
35	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 22nd September, 2021	7.80% p.a.
36	Rupee Loan -Short Term Loan	4,000.00	Bullet repayment on 18th March, 2022	7.80% p.a.
37	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 16th August, 2021	5.75% p.a.
38	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 26th August, 2021	5.75% p.a.
39	Rupee Loan - Cash Credit Limit	2,138.59	Daily working capital Limit / cash Credit	Overnight MCLR (Reset every 1 M)
40	Rupee Loan - Cash Credit Limit	132.41	Daily working capital Limit / cash Credit	6M MCLR (Reset every 6 M)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39. Nature of securities and terms of repayment (Contd.)

39.3 Nature of securities and terms of repayment of secured non-current borrowing is as under:

As at 31st March, 2022

Sr. No.	Particulars	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	External Commercial Borrowing	1,697.81	The ECB is repayable in 11 structured half yearly instalments commencing from 1st September, 2021.	6 Month Libor Plus 4% per annum	(a)

(a) External commercial borrowing of USD 2.725 million is secured by way of exclusive charge on entire movable fixed assets both present and future, exclusive charge on GFL GM's entire receivables both present and future, irrevocable Corporate Guarantee of holding company. The term loan is repayable in the 11 structured half yearly instalments commencing from 1st September, 2021, and carries interest @ 6 months LIBOR plus 4% p.a.

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	External Commercial Borrowing	1,992.32	The ECB is repayable in 11 structured half yearly instalments commencing from 1st September, 2021.	6 Month Libor Plus 4% per annum	(a)
2	External Commercial Borrowing	2,045.07	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2017.	6 Month Libor Plus 4% per annum	(b)

(a) External commercial borrowing of USD 2.725 million is secured by way of exclusive charge on entire movable fixed assets of GFL GM, both present and future and unconditional irrevocable Corporate Guarantee of holding company. The term loan is repayable in the 11 structured half yearly instalments commencing from 1st September, 2021 and carries interest @ 6 months LIBOR plus 4% p.a.

(b) External commercial borrowing of USD 2.80 million is secured by way of exclusive charge on movable fixed assets of the proposed project upto value of USD 9.50 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of holding company, the intermediate holding company and GFL Limited, a fellow subsidiary company. The term loan is repayable in the 10 structured half yearly instalments commencing from 8th September, 2017, and carries interest @ 6 months LIBOR plus 4% p.a.

39.4 The terms of repayment of secured current borrowings is as under:

As at 31st March, 2022

Working Capital borrowing had been fully repaid in the financial year ended 31st March, 2022.

As at 31st March, 2021

Sr. No.	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Working capital loan	1,217.23	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 1.66 million was secured by exclusive charge on inventories, present and future receivables of GFL GM and irrevocable Corporate Guarantee of the holding company.

39.5 See Note 51(g) for additional disclosures/regulatory information in respect of borrowings from banks or financial institutions, as required by Schedule III to the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

40. Contingent Liabilities

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
1)	**In respect of Gujarat Fluorochemicals Limited**		
a	**In respect of Income Tax Matters -**		
i)	Demand on account of addition made in assessment order for A.Y.2017-18 on Benchmarking of corporate guarantee, Benchmarking on Margin on sale of goods, Disallowance of deduction u/s 80-IA, etc.	1,819.19	-
ii)	Demand on account of addition made in assessment order for A.Y. 2015-16 on depreciation charged at higher rate on windmills. The Company has filed appeal before CIT(A), Vadodara.	26.83	-
	Total of Income Tax Matters	**1,846.02**	**-**
b	**In respect of Excise Duty Matters -**		
i)	Dispute 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	930.88
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	2,682.06
	Total of Excise Duty Matters	**3,612.94**	**3,612.94**
c	**In respect of Custom Duty Matters -**		
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	1,372.12
	Total of Custom Duty Matters	**1,383.94**	**1,383.94**
d	**In respect of Sales Tax Matters -**		
i)	Demands under VAT on account of disallowance of proportionate Input tax credit on Capital Goods.	6.00	6.00
ii)	Demands under CST on account of disallowance of proportionate Input tax credit on Capital Goods.	49.33	49.33
iii)	Demands under CST on account of non-submission of C forms. The Company has filed appeals before appropriate appellate authorities against the said orders.	64.20	52.87
	Total of Sales Tax Matters	**119.53**	**108.20**
	Total Contingent Liability in respect of Taxation Matters	**6,962.43**	**5,105.08**
e	**In respect of Other Matters -**		
i)	Details of corporate guarantees/securities given to banks and financial institutions for loans taken by fellow subsidiaries, lien on investments of the Company and working capital facilities of the Company used by fellow subsidiaries.	1,82,550.00	1,21,990.00
	Total Contingent Liability in respect of Other Matters	**1,82,550.00**	**1,21,990.00**

Note: In respect of above Excise duty, Custom duty and Sales tax matters, the Company has paid an amount of ₹ 163.45 Lakhs (as at 31st March, 2021: ₹ 156.81 Lakhs) and not charged to Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

40. Contingent Liabilities: (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
2)	**In respect of Gujarat Fluorochemicals Americas LLC**		
a	**In respect of other matters -**		
	US Department of Commerce has imposed Additional Anti Dumping Duty (ADD) & Countervailing Duty (CVD) on Granular PTFE Resin imported from holding company. The Company has filed an appeal against the said levy. The total amount of such duties paid is ₹ 855.16 Lakhs (as at 31st March, 2021: Nil) which is paid and caried as deposits towards import duties in 'other current assets'.	**855.16**	-
3)	**In respect of GFL GM Fluorspar SA**		
a	**Claim against the Company not acknowledged as debt -**		
	One of the parties from whom the Company had purchased mining licence have claimed VAT towards consideration paid for transfer of said licence. The Company has filed an appeal at appropriate level. An amount of ₹ 159.16 Lakhs (as at 31st March, 2021: Nil) held in escrow with the bank is carried as security deposit.	**159.16**	-

Notes:

1 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.

2 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020, which could impact the contributions by the Group towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Group will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.

41. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 19,928.08 Lakhs (as at 31st March, 2021: ₹ 8,168.52 Lakhs).

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.

42.1 Breakup of revenue from operations

a) Product-wise breakup

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
a) Sale of products		
Refrigerant Gases	32,061.24	34,381.88
Caustic Soda (Caustic Soda Lye & Flakes)	47,342.43	23,157.99
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	45,183.29	31,290.87
Poly Tetrafluoroethylene (PTFE)	1,32,872.49	82,569.11
Other products	1,27,583.89	9,0,789.50
	3,85,043.34	**2,62,189.35**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

42. Segment information (Contd.)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
b) Other operating revenue		
Export incentives	4,370.19	1,043.83
Sale of scrap	838.30	664.79
Insurance claim (see Note 50)	2,788.73	-
Carbon credits	437.46	-
Others	1,880.83	1,151.73
	10,315.51	**2,860.35**
Total revenue from operations	**3,95,358.85**	**2,65,049.70**

b) Geographical breakup

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
India	1,99,983.09	1,34,883.38
Europe	84,538.25	57,682.63
USA	47,430.28	23,817.48
Rest of the world	63,407.23	48,666.21
Total	**3,95,358.85**	**2,65,049.70**

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 2021-2022 and 2020-2021.

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.

(b) 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
Gross Block				
Balance as at 1st April, 2020	**4,460.55**	**276.16**	**665.85**	**5,402.56**
Additions for the year	-	-	64.60	64.60
Add: Effect of foreign currency translation differences (gain)/loss	-	8.19	8.64	16.83
Balance as at 31st March, 2021	**4,460.55**	**284.35**	**739.09**	**5,483.99**
Additions for the year	-	-	-	-
Disposal	-	(133.15)	(129.29)	(262.44)
Add: Effect of foreign currency translation differences (gain)/loss	-	10.80	(5.53)	5.27
Balance as at 31st March, 2022	**4,460.55**	**162.00**	**604.27**	**5,226.82**
Accumulated depreciation				
Balance as at 1st April, 2020	**50.57**	**79.61**	**165.20**	**295.38**
Depreciation expense for the year	50.57	74.51	156.96	282.04
Add: Effect of foreign currency translation differences (gain)/loss	-	0.62	0.17	0.79
Balance as at 31st March, 2021	**101.14**	**154.74**	**322.33**	**578.21**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

43. Leases (Contd.)

i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
Depreciation expense for the year	50.57	30.88	156.65	238.10
Eliminated on disposal of assets	-	(133.15)	(134.60)	(267.75)
Add: Effect of foreign currency translation differences (gain)/loss	-	13.30	2.69	15.99
Balance as at 31st March, 2022	**151.71**	**65.77**	**347.07**	**564.55**

(₹ in Lakhs)

Carrying amounts	Land-leasehold	Plant & Equipment	Buildings	Total
As at 31st March, 2021	4,359.41	129.61	416.76	4,905.78
As at 31st March, 2022	**4,308.84**	**96.23**	**257.20**	**4,662.27**

Note: The Group has not revalued its right-of-use assets.

ii. Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	**507.88**	**672.25**
Addition during the year	-	64.60
Interest on lease liabilities	26.17	41.46
Payment of lease liabilities	(234.63)	(277.89)
Effect of foreign currency translation differences (gain)/loss (net)	(0.14)	7.46
Balance at the end of the year	**299.28**	**507.88**

iii Contractual maturities of lease liabilities as at reporting date on an undiscounted basis

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Maturity analysis - contractual undiscounted cash flows		
Less than one year	184.31	203.06
One to five years	131.10	317.14
Total undiscounted lease liabilities	**315.41**	**520.20**

iv. Amounts recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on lease liabilities	26.17	41.46
Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases	523.49	572.36

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Total cash outflow for leases	234.63	277.89

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

43. Leases (Contd.)

B. Group as a lessor

Operating leases relate to Investment Properties transferred and vested with the Group 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.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	63.84	383.04
One to five years	-	63.84
Total	**63.84**	**446.88**

44. Employee Benefits

(a) Defined Contribution Plans

The Group contributes to the Government managed provident & pension fund for all qualifying employees of Indian entities. Contribution to Provident fund of ₹ 999.31 Lakhs (as at 31st March, 2021: ₹ 849.11 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss and ₹ 61.90 lakhs (as at 31st March, 2021: Nil) is included in pre-operative expenses.

(b) Defined Benefit Plans

The Group 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 Group'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, 2022 by Mr. Charan Gupta, 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, 2022	As at 31st March, 2021
Opening defined benefit obligation	2,624.14	2,284.57
Current Service Cost	394.30	328.45
Interest cost	175.55	153.06
Actuarial gains/(losses) on obligation:		
a) arising from changes in financial assumptions	(102.20)	1.97
b) arising from experience adjustments	84.83	(31.72)
Benefits paid	(232.60)	(112.19)
Present value of defined benefit obligation as at year end	**2,944.02**	**2,624.14**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

44. Employee Benefits (Contd.)

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Service Cost	394.30	328.45
Interest expense	175.55	153.06
Less: amount included in pre-operative expenses	(19.90)	-
Amount recognized in profit & loss	**549.95**	**481.51**
Actuarial gains/(losses):		
a) arising from changes in financial assumptions	(102.20)	1.97
b) arising from experience adjustments	84.83	(31.72)
Amount recognized in other comprehensive income	(17.37)	(29.75)
Total	**532.58**	**451.76**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Discount rate	7.15%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5.00%	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 Group 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 occurring 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, 2022	As at 31st March, 2021
if discount rate increased by 1%	(213.18)	(192.29)
if discount rate decreased by 1%	229.88	207.10
if salary escalation rate increased by 1%	226.91	204.11
if salary escalation rate decreased by 1%	(212.50)	(190.89)

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

44. Employee Benefits (Contd.)

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Expected outflow in 1st Year	588.43	599.12
Expected outflow in 2nd Year	191.39	128.33
Expected outflow in 3rd Year	213.05	153.21
Expected outflow in 4th Year	171.73	168.61
Expected outflow in 5th Year	182.18	142.80
Expected outflow in 6th to 10th Year	1,597.22	1,432.05

The average duration of the defined benefit plan obligation at the end of the reporting period is in the range of 11.32 to 12.79 years (as at 31st March 2021: 12.74 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, 2022 based on actuarial valuation carried out by using Projected Unit Credit Method resulted in increase in liability by ₹ 115.63 Lakhs (as at 31st March 2021: ₹ 70.21 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, 2022	As at 31st March, 2021
Discount rate	7.15%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	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, 2022	As at 31st March, 2021
Total debt	1,55,271.63	1,58,542.73
Cash & bank balance	(4,330.15)	(2,833.14)
Net debt	**1,50,941.48**	**1,55,709.59**
Total equity	**4,23,028.90**	**3,47,894.02**
Net debt to equity Ratio (in times)	**0.36**	**0.45**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

Notes:

Debt is defined as non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon (Note 22 and 25), and excludes lease liability.

Cash and bank balances include cash & cash equivalents (Note 17) and other bank balances (Note 18) (excluding margin money deposits & fixed deposits kept as security and balance in interim dividend payable account).

45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured as at FVTPL		
(i) Investments in mutual funds	1,864.65	8,694.18
(ii) Investments in venture capital funds	18.10	18.98
(b) Derivative instruments designated as Fair value hedge in hedge accounting	111.55	220.51
Sub total	**1,994.30**	**8,933.67**
Measured at amortised cost		
(a) Cash and bank balances	39,637.07	32,461.06
(b) Other financial assets at amortised cost		
(i) Trade receivables	77,809.17	66,713.08
(ii) Loans	3,745.30	4,032.15
(iii) Others	32,877.96	18,479.32
Sub total	**1,54,069.50**	**1,21,685.61**
Total Financial Assets	**1,56,063.80**	**1,30,619.28**
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,55,271.63	1,58,542.73
(b) Lease liabilities	299.28	507.88
(c) Trade payables	51,348.35	43,183.18
(d) Other financial liabilities	16,583.26	10,566.05
Sub total	**2,23,502.52**	**2,12,799.84**
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)		
Derivative instruments designated as cash flow hedge accounting relationship	4.36	41.32
Sub total	**4.36**	**41.32**
Total Financial liabilities	**2,23,506.88**	**2,12,841.16**

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

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, 2022	As at 31st March, 2021
Liabilities		
USD	22,506.45	32,074.05
Euro	20,039.48	14,573.89
Others	0.47	0.50
Assets		
USD	24,676.04	21,641.93
Euro	15,098.91	17,622.67

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 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.

10% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to additional impact in the Statement of Profit and Loss. 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, 2022	As at 31st March, 2021
Impact on profit or loss for the year	162.36	780.66
Impact on total equity as at the end of the reporting period	162.36	780.66

(₹ in Lakhs)

Euro impact (net of taxes)	As at 31st March, 2022	As at 31st March, 2021
Impact on profit or loss for the year	369.71	228.15
Impact on total equity as at the end of the reporting period	369.71	228.15

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

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 11 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)	
		As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Fair value hedges									
Principal only swaps (POS) contracts (Financial assets)	USD	75.79	73.11	11.11	22.22	842.06	1,624.72	111.55	220.51

The line-items in the consolidated financial statements 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 are no major interest rate risks associated with foreign currency long-term borrowings. The short-term foreign currency borrowings are at fixed rate of interest. Bank overdraft/cash credit facility and certain short-term rupee loans carry a variable rate of interest. The Group is exposed to interest rate risk mainly on account of its non-current borrowings, which have both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The financial assets i.e., bank fixed deposits are at a fixed rate of interest.

45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate non-current borrowings at the end of the reporting period. For floating rate borrowings, 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 Group's profit/(loss) for the year ended 31st March, 2022 would decrease/increase by ₹ 199.56 Lakhs (net of tax) (for the year ended 31st March, 2021 decrease/increase by ₹ 28.53 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

Interest Rate Swap Contracts outstanding	Average Contracted Fixed Interest Rate %		Notional Principal Value (₹ in Lakhs)		Fair value derivative assets / (liabilities) (₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
ICICI BANK	10.55%	10.55%	842.05	1,624.72	(4.36)	(41.32)
1 to 5 years			**842.05**	**1,624.72**	**(4.36)**	**(41.32)**
Total			**842.05**	**1,624.72**	**(4.36)**	**(41.32)**
Balance in the cash flow hedge reserve (net of tax)					**4.84**	**(22.82)**

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 consolidated financial statements 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 quoted equity instruments and mutual funds. The Group does not have any quoted equity instrument as at end of the reporting period. Further, equity investments in joint venture are held for strategic rather than trading purposes and the Group does not actively trade in this investment. In respect of debt mutual funds, the exposure to risk of changes in market rates is low since the underlying investments are debt instruments. Thus, the exposure to risk of changes in market rate is minimal.

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 Group'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 Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	91.94	46.55
Movement in expected credit loss allowance	(7.20)	45.39
Balance at the end of the year	**84.74**	**91.94**

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.

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 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, 2022				
Borrowings	1,11,697.77	42,464.30	1,109.56	1,55,271.63
Trade payables	51,348.35	-	-	51,348.35
Security deposits	517.63	-	-	517.63
Other payables	16,065.63	-	-	16,065.63
Derivative financial liabilities	4.36	-	-	4.36
Total	**1,79,633.74**	**42,464.30**	**1,109.56**	**2,23,207.60**
As at 31st March, 2021				
Borrowings	1,19,311.69	35,714.82	3,516.22	1,58,542.73
Trade payables	43,183.18	-	-	43,183.18
Security deposits	523.67	-	-	523.67
Other payables	9,698.16	344.22	-	10,042.38
Derivative financial liabilities	41.32	-	-	41.32
Total	**1,72,758.02**	**36,059.04**	**3,516.22**	**2,12,333.28**

Particulars of contractual maturities in respect of lease liabilities is as per Note 43.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

45. Financial instruments (Contd.)

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
	31st March, 2022	31st March, 2021				
1. Principal only swaps designated in hedge accounting relationships (Note 11)	Assets - ₹ 111.55 Lakhs and Liabilities - Nil	Assets - ₹ 220.51 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 23)	Assets - Nil and Liabilities - ₹ 4.36 Lakhs	Assets - Nil and Liabilities - ₹ 41.32 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. Investments in Mutual Funds (Note 9(b) & 9(c))	Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 1,864.65 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 8,694.18 Lakhs	Level 1	Quoted prices in an active market	NA	NA
4 .Investment in Venture Capital Funds (Note 9(b) & 9(c))	Investments in units of Venture capital fund - aggregate fair value of ₹ 18.10 Lakhs	Investments in units of Venture capital fund - aggregate fair value of ₹ 18.98 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures

(A) Where control exists:

Ultimate holding party

Mr. V. K. Jain (w.e.f. 08.11.2021)

Holding company

Inox Leasing and Finance Limited

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Executive directors

Mr. V. K. Jain (Managing Director, also ultimate holding party)

Mr. Sanath Kumar Muppirala

Mr. Sanjay Borwankar

Mr. Niraj Agnihotri (w.e.f. 01.07.2021)

b) Non-executive directors

Mr. D. K. Jain

Mr. P. K. Jain (upto 06.02.2021)

Mr. Deepak Asher (upto 12.10.2020)

Mr. Shailendra Swarup

Mr. Shanti Prashad Jain

Ms. Vanita Bhargava

Mr. Chandra Prakash Jain

Mr. Om Prakash Lohia

Fellow subsidiaries and their associates

GFL Limited (upto 21.09.2021 and subsequently reclassified)

Inox Leisure Limited (upto 21.09.2021 and subsequently reclassified)

Inox Wind Energy Limited

Inox Wind Limited

Inox Green Energy Services Limited (Earlier known as Inox Wind Infrastructure Services Limited)

Waft Renergy Private Limited

Resco Global Wind Service Private 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

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

Sri Pawan Energy Private Limited (upto 21.05.2020)

Wind Four Renergy Private Limited (w.e.f. 01.01.2021)

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 (upto 31.12.2020)

Wind Five Renergy Private Limited

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Enterprises over which a Key Management Personnel, or his relatives, have control/significant influence

GFL Limited (w.e.f. 22.09.2021)

Devansh Gases Private Limited

Devansh Trademart LLP

Inox India Private Limited

Inox Air Products Private Limited

Inox Chemicals LLP

Inox Leisure Limited (w.e.f. 22.09.2021)

Refron Valves Limited

Rajni Farms Private Limited

Siddhapavan Trading LLP

Siddho Mal Trading LLP

Swarup & Company

Entity having significant influence in a subsidiary

Global Mines SARL, Morocco

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
A) Transactions during the year								
Sale of goods								
Inox Air Products Private Limited					0.61	0.84	0.61	0.84
Refron Valves Limited					-	0.16	-	0.16
Inox Wind Limited	117.45	1,474.45					117.45	1,474.45
Inox Green Energy Services Limited	-	108.16					-	108.16
Total	**117.45**	**1,582.61**			**0.61**	**1.00**	**118.06**	**1,583.61**
Sale of services								
Inox India Private Limited					-	1.46	-	1.46
Total					**-**	**1.46**	**-**	**1.46**
Purchase of assets								
Inox India Private Limited					83.00	-	83.00	-
Total					**83.00**	**-**	**83.00**	**-**
Purchase of goods								
Inox Air Products Private Limited					1,807.00	1,027.90	1,807.00	1,027.90
Inox India Private Limited					2,311.62	2,784.18	2,311.62	2,784.18
Refron Valves Limited					0.10	-	0.10	-
Total					**4,118.72**	**3,812.08**	**4,118.72**	**3,812.08**
Purchase of services								
Inox India Private Limited					-	6.16	-	6.16
Inox Air Products Private Limited					-	1.48	-	1.48
Total					**-**	**7.64**	**-**	**7.64**
Advances given towards purchases of assets								
Inox Wind Limited	-	591.42					-	591.42
Total	**-**	**591.42**					**-**	**591.42**
Advance given towards service of assets								
Inox Green Energy Services Limited	1,000.00	-					1,000.00	-
Total	**1,000.00**	**-**					**1,000.00**	**-**
Advance received back for service of assets								
Inox Green Energy Services Limited	1,000.00	-					1,000.00	-
Total	**1,000.00**	**-**					**1,000.00**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Interest income (on capital advances)								
Inox Green Energy Services Limited	-	1,674.90					-	1,674.90
Inox Wind Limited	5,327.33	7,082.68					5,327.33	7,082.68
Resco Global Wind Service Private Limited	1,256.17	-					1,256.17	-
Total	**6,583.50**	**8,757.58**					**6,583.50**	**8,757.58**
Guarantees/securities given								
Inox Green Energy Services Limited	38,434.00	54,433.00					38,434.00	54,433.00
Inox Wind Limited	61,641.00	54,194.00					61,641.00	54,194.00
Resco Global Wind Service Private Limited	39,473.00	-					39,473.00	-
Total	**1,39,548.00**	**1,08,627.00**					**1,39,548.00**	**1,08,627.00**
Guarantees/securities extinguished/exposure reduced								
Inox Green Energy Services Limited	48,601.00	29,929.00					48,601.00	29,929.00
Inox Wind Limited	30,387.00	-					30,387.00	-
Total	**78,988.00**	**29,929.00**					**78,988.00**	**29,929.00**
Reimbursement of expenses (paid)/payments made on behalf of the Company								
Devansh Gases Private Limited					7.32	7.32	7.32	7.32
GFL Limited	522.00	871.39					522.00	871.39
Total	**522.00**	**871.39**			**7.32**	**7.32**	**529.32**	**878.71**
Reimbursement of expenses (received)/ payments made on behalf by the Company								
Inox Leisure Limited	-	2.80					-	2.80
Inox Wind Limited	15.25	43.72					15.25	43.72
Inox Air Products Private Limited					4.72	4.37	4.72	4.37
Inox Green Energy Services Limited	308.94	328.29					308.94	328.29
GFL Limited	-	66.30					-	66.30
Inox Wind Energy Limited	-	11.92					-	11.92
Total	**324.19**	**453.03**			**4.72**	**4.37**	**328.91**	**457.40**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Particulars of transactions

(₹ in Lakhs)

Particulars	Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have control/ significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Guarantee commission income								
Inox Green Energy Services Limited	693.52	455.53					693.52	455.53
Inox Wind Limited	935.53	373.26					935.53	373.26
Resco Global Wind Service Private Limited	101.30	-					101.30	-
Total	**1,730.35**	**828.79**					**1,730.35**	**828.79**
Rent received								
Inox Air Products Private Limited					20.92	20.92	20.92	20.92
Inox Wind Limited	72.39	72.39					72.39	72.39
Inox Leisure Limited	-	27.21					-	27.21
Inox Green Energy Services Limited	3.01	-					3.01	-
Others	3.83	4.00			0.36	0.72	4.19	4.72
Total	**79.23**	**103.60**			**21.28**	**21.64**	**100.51**	**125.24**
Rent paid								
Devansh Gases Private Limited					24.00	24.00	24.00	24.00
Total					**24.00**	**24.00**	**24.00**	**24.00**
O&M charges & lease rents paid								
Inox Air Products Private Limited					216.27	199.78	216.27	199.78
Inox Green Energy Services Limited	539.85	514.14					539.85	514.14
Total	**539.85**	**514.14**			**216.27**	**199.78**	**756.12**	**713.92**
Write-off of other receivables								
GFL Limited	41.12	-					41.12	-
Total	**41.12**	**-**					**41.12**	**-**
Sale of assets								
Inox Chemicals LLP					2,277.00	-	2,277.00	-
Mr. D. K. Jain			425.00	-			425.00	-
Total			**425.00**	**-**	**2,277.00**	**-**	**2,702.00**	**-**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Transaction with shareholder having significant influence in a subsidiary.

(₹ in Lakhs)

Particulars	2021-22	2020-21
Global Mines SARL, Morocco		
Royalty expense	-	33.12
Sale of goods	-	53.99

The above amounts are exclusive of duties and taxes, wherever applicable.

Particulars of amounts outstanding as at 31st March, 2022

(₹ in Lakhs)

Particulars	Fellow subsidiary companies and their associates		Enterprises over which KMP or his relatives have control/significant influence		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Amounts payable						
GFL Limited	-	821.00			-	821.00
Inox India Private Limited			273.56	503.77	273.56	503.77
Inox Air Products Private Limited			494.03	164.88	494.03	164.88
Inox Green Energy Services Limited	384.39	331.96			384.39	331.96
Inox Wind Limited	459.12	459.12			459.12	459.12
Total	**843.51**	**1,612.08**	**767.59**	**668.65**	**1,611.10**	**2,280.73**
Amounts receivable						
a) Trade/Other receivables						
Inox Leisure Limited		30.48	30.48	-	30.48	30.48
Inox Green Energy Services Limited	575.71	3,455.87			575.71	3,455.87
Inox Air Products Private Limited			0.45	0.56	0.45	0.56
GFL Limited	-	197.80	156.67	-	156.67	197.80
Inox Wind Limited	18,578.42	12,466.50			18,578.42	12,466.50
Inox Wind Energy Limited	33.13	32.36			33.13	32.36
Resco Global Wind Service Private Limited	4,941.20	-			4,941.20	-
Others	20.27	18.33			20.27	18.33
Total	**24,148.73**	**16,201.34**	**187.60**	**0.56**	**24,336.33**	**16,201.90**
b) Advances for purchase of assets						
Inox Wind Limited	71,031.02	71,031.02			71,031.02	71,031.02
Inox Green Energy Services Limited	-	16,748.98			-	16,748.98
Resco Global Wind Service Private Limited	16,748.98	-			16,748.98	-
Total	**87,780.00**	**87,780.00**			**87,780.00**	**87,780.00**
Guarantees/securities						
Inox Green Energy Services Limited	56,129.00	66,296.00			56,129.00	66,296.00
Inox Wind Limited	86,948.00	55,694.00			86,948.00	55,694.00
Resco Global Wind Service Private Limited	39,473.00	-			39,473.00	-
Total	**1,82,550.00**	**1,21,990.00**			**1,82,550.00**	**1,21,990.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46. Related Party disclosures (Contd.)

Particulars of amounts outstanding as at 31st March, 2022 in case of entity having significant influence in a subsidiary

(₹ in Lakhs)

Particulars	2021-22	2020-21
Global Mines SARL, Morocco		
Trade payable	57.13	58.75
Trade receivable	67.14	69.04

Compensation of Key Management Personnel for the year ended:

(₹ in Lakhs)

Particulars	2021-22	2020-21
(i) Remuneration paid -		
Mr. V. K. Jain	2,333.25	718.72
Mr. D. K. Jain	1,058.10	451.24
Mr. Sanath Kumar Muppirala	115.31	98.81
Mr. Sanjay Borwankar	99.69	71.77
Mr. Niraj Agnihotri	81.32	-
Total	**3,687.67**	**1,340.54**
(ii) Director sitting fees paid	27.00	19.00
(iii) Professional fees paid to		
Mr. Deepak Asher	-	90.00
Swarup & Co.	8.97	-
Total	**8.97**	**90.00**

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 ₹ 30.36 Lakhs (as at 31st March, 2021: ₹ 22.80 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, 2022 and 31st March, 2021 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) During the year, the capital advance and interest thereon is transferred from Inox Green Energy Services Limited to Resco Global Wind Services Private Limited as a part of Business Transfer agreement.

47. Earnings Per Share

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit/(loss) for the year (₹ in Lakhs)	77,586.52	(22,152.22)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	10,98,50,000	10,98,50,000
Nominal value of each share (in ₹)	1.00	1.00
Basic and Diluted Earnings per share (in ₹)	70.63	(20.17)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

48. Non controlling interest

Details of non wholly owned subsidiary:

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Name of subsidiary	GFL GM Fluorspar SA	GFL GM Fluorspar SA
Place of incorporation and principal place of business	Morocco	Morocco
Proportion of ownership interest and voting rights held by non-controlling interest	26.00%	26.00%
Accumulated non-controlling interest (₹ in Lakhs)	(2,484.24)	(1,388.34)

Note: The above non-controlling interest is not material to the Group

49. Details of subsidiaries at the end of the reporting period are as follows:

a) Subsidiaries of the Company

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31st March, 2022	31st March, 2021
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%
GFCL EV Products Limited (*) (incorporated on 08/12/2021)	In the process of setting up a plant for manufacturing of PVDF Electrode Binders, Battery Chemicals, LiPF6, Additives, Electrolyte Formulations and Battery casings for Electric Vehicles.	India	100.00%	NA
GFCL Solar and Green Hydrogen Products Limited (*) (incorporated on 08/12/2021)	In the process of setting up a plant for manufacturing PVDF films, back-sheet used in solar panel and allied products and also going to manufacture Fluoropolymers required for the hydrogen electrolysers, fuel cells and charging stations.	India	100.00%	NA
Gujarat Fluorochemicals FZE (*) (incorporated on 05/12/2021)	In the process of setting up a plant for manufacturing of HFC blends of R410a and R407c refrigerants.	Dubai	100.00%	NA

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

49. Details of subsidiaries at the end of the reporting period are as follows: (Contd.)

b) Subsidiary of GFL Singapore Pte. Limited

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31st March, 2022	31st March, 2021
GFL GM Flourspar SA	Exploration of fluorspar mines and sale of resultant fluorspar.	Morocco	74.00%	74.00%

The financial year of the above entities is 1st April to 31st March.

There are no restrictions on the holding 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.

(*) Companies are yet to commence their commercial operations.

50. On 16th December, 2021, there was a fire at the Company's MPP Unit-2 plant at the Ranjitnagar site in Gujarat. In this incident, certain property, plant and equipment, inventory and other assets were damaged. The Company is adequately insured for the replacement value of the damaged facilities and also for loss of profits due to business interruption. The Company, on the basis of valid insurance contracts, has lodged initial claims with the insurance company in March 2022. The survey and loss assessment by the insurance company is currently ongoing.

The Company has derecognized the net book value of the assets (including property, plant and equipment and inventories) damaged of ₹ 4,256.98 Lakhs and has also recognised ₹ 2,788.73 Lakhs towards loss of profits due to business interruption. Expenses/loss pertaining to this incident (including estimated compulsory deductible by the insurance company) amounting to ₹ 720.67 Lakhs has been expensed out and included in the "Other expenses". The amount of ₹ 6,832.87 lakhs recognized towards insurance claim lodged in respect of this fire incident is included in "Other current financial assets". Difference, if any, will be recognized upon the final settlement of such claim.

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013

a) Details of benami property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

b) Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

c) Compliance with approved Scheme(s) of Arrangements

There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or preceding year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

e) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in crypto currency or virtual currency during the financial year.

f) Utilisation of Borrowed funds and share premium

The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g) In case of borrowings from banks or financial institutions

i) Utilisation of borrowed funds

At the balance sheet date, the Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

ii) Security of current assets against borrowings

The Group does not have any borrowings from banks on the basis of security of current assets.

iii) Wilful defaulter

The Group is not declared wilful defaulter by any bank or financial institution or other lender.

iv) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.

h) Loans and advances granted to related party

The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties.

i) Relationship with Struck off Companies

Details of struck off companies with whom the Group has transaction during the year or outstanding balance:

In respect of Gujarat Fluorochemicals Limited (holding company)

Sr. No.	Name of struck off Company	Nature of transactions with struck off Company	Balance as at 31.03.2022 (₹ in Lakhs)	Balance as at 31.03.2021 (₹ in Lakhs)	Relationship with the struck off Company
1	Trinidhi Construction Private Limited	Advance to supplier	-	9.84	None

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

51. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

Below struck off companies are equity shareholders of the Company as on the Balance Sheet date:

Sr. No.	Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the struck off Company
1	Dreams Broking Private Limited	Shares held by struck off company	None
2	Mittal Sales Private Limited	Shares held by struck off company	None
3	Kamla Holdings Private Limited	Shares held by struck off company	None
4	Meghna Finance and Investment Private Limited	Shares held by struck off company	None

52. Disclosure of additional information as required by the Schedule III

(a) As at and for the year ended 31st March, 2022

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 (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Parent								
Gujarat Fluorochemicals Limited	99.69%	4,21,736.35	99.78%	77,414.29	(15.97%)	40.66	100.16%	77,454.95
Subsidiaries (Group's share)								
Indian subsidiaries								
GFCL EV Products Limited	(0.01%)	(34.68)	(0.05%)	(35.68)	-	-	(0.05%)	(35.68)
GFCL Solar and Green Hydrogen Products Limited	*	(0.70)	*	(1.70)	-	-	*	(1.70)
Foreign subsidiaries								
GFL GmbH	1.27%	5,388.37	2.30%	1,781.79	62.64%	(159.51)	2.10%	1,622.28
GFL LLC, USA	1.87%	7,894.46	3.22%	2,501.68	(95.99%)	244.43	3.55%	2,746.11
GFL Singapore	3.58%	15,164.42	0.37%	288.73	(187.56%)	477.61	0.99%	766.34
GFL GM Morocco	(2.26%)	(9,554.74)	(5.61%)	(4,355.62)	(55.22%)	140.62	(5.45%)	(4,215.00)
Gujarat Fluorochemicals FZE	0.01%	55.86	(0.01%)	(5.91)	(0.07%)	0.18	(0.01%)	(5.73)
Minority Interest in all subsidiaries	(0.59%)	(2,484.24)	(1.46%)	(1,132.46)	(14.36%)	36.56	(1.42%)	(1,095.90)
Joint Ventures (Investments as per equity method)								
Indian Joint Venture								
Swarnim Gujarat Flourspar Private Limited	0.02%	86.81	*	(0.52)	-	-	*	(0.52)
Intercompany eliminations								
Consolidation eliminations/ adjustments	(3.58%)	(15,223.01)	1.46%	1,131.92	406.53%	(1,035.19)	0.13%	96.73
Total	**100.00%**	**4,23,028.90**	**100.00%**	**77,586.52**	**100.00%**	**(254.64)**	**100.00%**	**77,331.88**

(*) less than 0.01%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

52. Disclosure of additional information as required by the Schedule III (Contd.)

(b) As at and for the year ended 31st March, 2021

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 (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of consolidated total comprehensive income	Amount (₹ in Lakhs)
Parent								
Gujarat Fluorochemicals Limited	99.58%	3,46,478.40	103.02%	(22,817.00)	(11.97%)	53.32	100.75%	(22,763.68)
Subsidiaries (Group's share)								
Foreign subsidiaries								
GFL GmbH	1.08%	3,766.10	(4.68%)	1,035.98	(18.42%)	82.08	(4.95%)	1,118.06
GFL LLC USA	1.48%	5,148.35	(3.43%)	759.15	36.48%	(162.54)	(2.64%)	596.61
GFL Singapore	2.78%	9,659.59	(0.86%)	190.16	61.12%	(272.35)	0.36%	(82.19)
GFL GM Morocco	(1.53%)	(5,339.74)	4.88%	(1,082.00)	32.79%	(146.11)	5.43%	(1,228.11)
Minority Interest in all subsidiaries	(0.40%)	(1,388.34)	1.27%	(281.32)	8.53%	(37.99)	1.41%	(319.31)
Joint Ventures (Investments as per equity method)								
Swarnim Gujarat Flourspar Private Limited	0.03%	87.33	*	(0.51)	-	-	*	(0.51)
Intercompany eliminations								
Consolidation eliminations/ adjustments	(3.02%)	(10,517.67)	(0.20%)	43.32	(8.53%)	38.00	(0.36%)	81.32
Total	**100.00%**	**3,47,894.02**	**100.00%**	**(22,152.22)**	**100.00%**	**(445.59)**	**100.00%**	**(22,597.81)**

(*) less than 0.01%

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. MALANI
Partner
Mem No: 110051

Place: Pune
Dated: 13th May 2022

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782
Place: Noida

V. K. JAIN
Managing Director
DIN: 00029968
Place: Noida

B. V. DESAI
Company Secretary
Place: Vadodara
Dated: 13th May 2022

MANOJ AGRAWAL
Chief Financial Officer
Place: Noida

Annexure - I - GRI Index

GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI102-1	Name of the organization	Growing with innovation, integration and professionalism	10										
GRI102-2	Activities, brands, products, and services	Growing with innovation, integration and professionalism	10										
GRI102-3	Location of the organization's headquarters	Corporate Overview	3										
GRI102-4	Location of operations	Growing our global reach and relevance	12										
GRI102-5	Ownership and legal form.	Growing our global reach and relevance	12										
GRI102-6	Markets served	Growing our global reach and relevance	12										
GRI102-7	Scale of the organization	A closer look at Inox GFL Group	6										
GRI102-8	Information on employees and other workers	Human Capital	66				SDG-8 SDG-10						
GRI102-9	Supply chain	Manufactured Capital	58										
GRI102-10	Significant changes to the organization and its supply chain	About this report, Social and Relationship capital	4, 78										
GRI102-11	Precautionary approach or principle	Manufactured Capital, Intellectual Capital	58, 62					7					
GRI102-12	External initiatives	Social and Relationship capital	82										
GRI102-13	Memberships of associations	Social and Relationship capital	82										
GRI102-14	Statement from senior decision-maker	Message from Managing Director,CEO's perspective	16,18										
GRI102-15	Key impacts, risks, and opportunities	Strategy and Risk management	38										
GRI102-16	Values, principles, standards, and norms of behaviour	Key policies and practises	50	4.4		Principle 1	SDG-16	10					
GRI-102-17	Mechanisms for advice and concerns about ethics	Governance	47, 51										
GRI102-18	Governance structure	Governance	47	6.2.3									
GRI102-19	Delegating authority.	Governance	48										
GRI102-20	Executive-level responsibility for economic, environmental, and social topics	Governance	48										

Annexure I - GRI Index

GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI102 - 21	Consulting stakeholders on economic, environmental, and social topics	Engaging with stakeholders to create value that endures	32				SDG-16						
GRI102-22	Composition of the highest governance body and its committees	Governance	47				SDG-5 SDG-16						
GRI-102-23	Chair of the highest governance body	Governance	47				SDG-16						
GRI-102-24	Nominating and selecting the highest governance body	Governance	47				SDG-5 SDG-16						
GRI102-25	Conflicts of interest	Key policies and practises	50				SDG-16						
GRI-102-26	Role of highest governance body in setting purpose, values, and strategy	Governance	48										
GRI-102-27	Collective knowledge of highest governance body	Governance	48										
GRI-102-28	Evaluating the highest governance body's performance	Governance	46										
GRI-102-29	Identifying and managing economic, environmental, and social impacts	Governance	46				SDG-16						
GRI-102-30	Effectiveness of risk management processes	Strategy and Risk management	38										
GRI-102-31	Review of economic, environmental, and social topics	Governance	47										
GRI-102-32	Highest governance body's role in sustainability reporting	Governance	47										
GRI-102-33	Communicating critical concerns	Governance	50									7.4	
GRI-102-35	Remuneration policies	Human Capital	67										
GRI102-36	Process for determining remuneration	Human Capital	67										
GRI102-40	List of stakeholder groups	Engaging with stakeholders to create value that endures	32	5.3.2									

Annexure I - GRI Index

GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI102-42	Identifying and selecting stakeholders	Engaging with stakeholders to create value that endures	32	5.3.2		Principle 4.1							
GRI-102-43	Approach to stakeholder engagement	Engaging with stakeholders to create value that endures	32	5.3.3				1,10					
GRI-102-44	Key topics and concerns raised	Engaging with stakeholders to create value that endures	33										
GRI-102-45	Entities included in the consolidated financial statements	About this report	4										
GRI-102-46	Defining report content and topic boundaries	About this report, Materiality Assessment	4, 30										
GRI-102-47	List of material topics	Materiality Assessment	30										
GRI-102-49	Changes in reporting	About this report	5										
GRI-102-50	Reporting period	About this report	5										
GRI-102-52	Reporting principle	About this report	5										
GRI-102-53	Contact point for questions regarding the report	About this report	6										
GRI-102-54	Claims of reporting in accordance with the GRI Standards	About this report	7										
GRI-102-55	GRI content index	Context Index (Annexure II)	324										
GRI-103	Management Approach	Message from Managing Director,CEO's perspective	16-19										
GRI-103-1	Explanation of the material topic and its boundary	About this report, Evaluating material issues core to the business	4, 31	7.3.2.1		Principle 4.2		8					
GRI-103-2	The management approach and its components	Message from Managing Director,CEO's perspective	16-19										
GRI-201-1	Direct economic value generated and distributed	Financial Capital	54				SDG-9						
GRI201-2	Financial implications and other risks and opportunities due to climate change	Managing risks prudently in a dynamic environment	38				SDG-13	7,8,9					
GRI203-1	Infrastructure investments and services supported	Social and Relationship capital	86				SDG-5 SDG-9 SDG-11	8,9					

Annexure I - GRI Index

GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI203-2	Indirect economic impacts of the organization	Social and Relationship capital	84				SDG-1 SDG -3 SDG -8						
GRI-205	Anti Corruption	Anti-corruption	52	6.6.3.2		Principle 1		10					
GRI-205-1	Operations assesses for Risk related to Correction	Key policies and practises	51				SDG-16	10		VII.	4.2		
GRI-205-2	Communication and training about anti-corruption policies Procedures	Anti-corruption	52	6.6.3.1		Principle 1	SDG-16	10			5.3.1		
GRI-205-3	Confirmed incidents of correction and action taken	Governance	52			Principle 1	SDG-16	10			10.1		
GRI-206-1	Legal actions for anti competitive behaviour, anti trust, and monopoly practices	Governance	52	6.6.5.2			SDG-16	10		X.			
GRI-302-1	Energy consumption within the organization	Natural capital	74			Principle 6.4	SDG-7 SDG-8 SDG-12 SDG-13	7,8					RT-CH-130a.1
GRI-303-1	Interactions with water as a shared resource	Natural capital	77	6.5.3			SDG-6	7,8					
GRI-303-2	Management of water discharge-related impacts	Natural capital	77				SDG-6	7,8					RT-CH-104a.2
GRI-303-3	Water withdrawal	Natural capital	77				SDG-6 SDG-8 SDG - 12	7,8					RT-CH-104a.1
GRI-303-4	Water discharge	Natural capital	77					7,8					
GRI-303-5	Water consumption	Natural capital	77					7,8					
GRI-304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural capital	77	6.5.6		Principle 6.3	SDG-6 SDG-14 SDG-15	9					
GRI-304-2	Significant impacts of activities, products, and services on biodiversity	Natural capital	77			Principle 6.3	SDG-6 SDG-14 SDG-15	9					
GRI-304-3	Size and location of all habitat areas protected or restored	Natural capital	77			Principle 6.3	SDG-6 SDG-14 SDG-15	9					
GRI306-1	Waste discharge by quality and destination	Natural capital	77	6.5.3		Principle 6.5	SDG-3 SDG-5 SDG-6 SDG-12 SDG-14	8					

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GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI-306-2	Waste by type and disposal method	Natural capital	77	6.5.4.1		Principle 6.5	SDG-6 SDG-12	8					RT-CH-150a.1
GRI-308-2	Suppliers assessed for environmental impacts	Social and Relationship capital	81					8					
GRI-401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Human Capital	67	6.4.4.1			SDG-3 SDG-5 SDG -8	1,2,6					
GRI-401-3	Parental leave	Human Capital	67				SDG-5 SDG-8	6					
GRI-403-1	Occupational health and safety management system	Human Capital	71	6.4.6.2	3.1 -3.10		SDG-8	1,6					
GRI-403-2	Hazard identification, risk assessment, and incident investigation	Human Capital	73				SDG-3 SDG-8						
GRI-403-3	Occupational health services	Human Capital	73					1					
GRI-403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital	73				SDG-8						
GRI-403-5	Worker training on occupational health and safety	Human Capital	73										
GRI-403-6	Promotion of worker health	Human Capital	68										
GRI-403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	72										
GRI-403-8	Workers covered by an occupational health and safety management system	Human Capital	71										
GRI-403-9	Work-related injuries	Human Capital	72										RT-CH-320a.1
GRI-403-10	Work-related ill health	Human Capital	67										
GRI-404-1	Average hours of training per year per employee	Human Capital	66	6.4.7.1			SDG-4 SDG-5 SDG-8 SDG-10	V.					

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GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI-404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	73				SDG-8	6					
GRI-405-1	Diversity of governance bodies and employees	Human Capital	69	6.3.7.			SDG-5 SDG-8	1,2,6					
GRI-406-1	Incidents of discrimination during the reporting period	Human Capital	70	6.3.10.3	5.1-5.4	Principle 3.3	SDG-5 SDG-8	1,2,6					
GRI-407-1	Workers' rights to exercise freedom of association	Human Capital	70	6.3.10.3, 6.4.5.1	4.1-4.3	Principle 3.1	SDG-8						
GRI-408-1	Operations and suppliers considered to have significant risk for incidents	Human Capital	70	6.3.10.3	1.1 -1.4	Principle 3.3	SDG-8 SDG-16	5					
GRI-409-1	Operations and suppliers considered to have significant risk	Human Capital	70		2.1-2.5	Principle 3.3	SDG-8	4					
GRI-412-1	Operations that have been subject to human rights reviews or impact assessments	Human Capital	70	6.3.3 and 6.3.4		Principle 5.1		1,2		IV			
GRI-412-2	Employee training on human rights policies or procedures	Human Capital	70		Principle 3.7	Principle 5.4		1					
GRI-412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Capital	70			Principle 4.5		1,2					
GRI-413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship capital	83			Principle 4.4		1,2, 8					RT-CH-210a.1
GRI-413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship capital	84			Principle 8.3	SDG-1 SDG-2	7,8					
GRI-414-1	New suppliers that were screened using social criteria	Human Capital	70				SDG-5 SDG-8 SDG-16	2					
GRI-414-2	Negative social impacts in the supply chain and actions taken	Social and Relationship capital	81				SDG-5 SDG-8 SDG-16	2					

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GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GRI-416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Human Capital	72			Principle 2	SDG-16						
GRI-417-1	Organization's procedures for product and service information and labelling	Social and relationship capital	80	6.7.3.2		Principle 9.3	SDG-12						
GRI-417-2	Incidents of non-compliance with regulations and/ or voluntary codes concerning product and service information and labelling	Anti-corruption	52	6.7.6.2			SDG-16						
GRI-417-3	Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	Anti-corruption	52				SDG-16						

Notes

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