PADMANABH MAFATLAL GROUP

Creating value. Sharing value.

Responsible Care®

June 29, 2017

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

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

Dear Sirs,

Sub: Passing of Special Resolution for authority to grant Employees Stock Options

We wish to inform you that the Members, at their 19th Annual General Meeting held on 29th June, 2017, have passed Special Resolutions under section 62 of Companies Act, 2013 read with provisions of SEBI (Share based Employee Benefits), Regulations, 2014 granting authority in favour of Board of Directors including Committees thereof to issue equity shares under one or more Employee Stock Option Schemes to the eligible employees and directors of the Company and its Subsidiaries.

We attach herewith certified true copies of the two Special Resolutions passed by the Shareholders in this regard together with the relevant explanatory statement for your reference and records.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,
For NAVIN FLUORINE INTERNATIONAL LIMITED,

(Niraj Mankad)
Vice-President & Company Secretary

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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED AT THE 19TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON THURSDAY, THE 29TH JUNE, 2017 AT 3.00 P.M. AT RAMA & SUNDRI WATUMULL AUDITORIUM, K.C. COLLEGE, DINSHAW WACHA ROAD, CHURCHGATE, MUMBAI 400020.

RESOLUTION NO. 8:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") (including any statutory modification/s or re-enactment/s thereof for the time being in force) and the Articles of Association of the Company and in accordance with the provisions of any other applicable laws or regulations and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority/ies while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("NRC") and/or any other Committee constituted by the Board for this purpose), to create, offer, issue and allot equity shares under one or more Employee Stock Option Schemes (ESOS), from time to time, to the eligible employees whether working in India or out of India and to Directors of the Company (excluding Promoters, Independent Directors and Directors holding directly or indirectly more than 10% of the prevailing outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter referred to as "Eligible Employees") on the terms and conditions as detailed in the Explanatory Statement annexed hereto or on such other terms and conditions and at such price and in such number of tranches as may be decided by the Board in its absolute discretion.

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

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

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

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

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

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

CERTIFIED TO BE TRUE

FOR NAVIN FLUORINE INTERNATIONAL LIMITED

(NIRAJ MANKAD)
COMPANY SECRETARY

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RESOLUTION NO. 9:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company and in accordance with the provisions of any other applicable laws or regulations and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority/ies while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination & Remuneration Committee ("NRC") and/or any other Committee constituted by the Board for this purpose), to create, offer, issue and allot equity shares one or more Employee Stock Option Schemes, from time to time, to the eligible employees of the subsidiary(ies) Companies whether working in India or out of India, and to Directors of the subsidiaries (Present & future), (excluding Promoters, Independent Directors and Directors holding directly or indirectly more than 10% of the prevailing outstanding equity shares of the Company/Subsidiary Companies) and to such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time (all such persons are hereinafter referred to as "Eligible Employees") on the terms and conditions as detailed in the Explanatory Statement annexed hereto or on such other terms and conditions and at such price and in such number of tranches as may be decided by the Board in its absolute discretion.

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

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

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

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

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

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

CERTIFIED TO BE TRUE

FOR NAVIN FLUORINE INTERNATIONAL LIMITED

(NIRAJ MANKAD)
COMPANY SECRETARY

EXPLANATORY STATEMENT:

In respect of Item No.8 & 9:

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

It is now proposed to adopt new Employee Stock Option Scheme under the SEBI (Share Based Employee Benefits) Regulations2014 ("SEBI Regulations") for the purposes of granting options to the eligible Employees/Directors of the Company and its subsidiaries, as applicable.

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

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

a. Brief description of the Scheme

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

b. Total number of options to be granted

Each Option would entitle an employee to acquire one equity share of the Company. The Nomination & Remuneration Committee ("NRC") shall determine the Options to be granted to the employees of the Company and its subsidiaries, as applicable, under an ESOS. However, allotment of such number of equity shares pursuant to exercise of the Options by employees, shall not exceed in aggregate 5% of the issued and paid up capital of the Company from time to time.

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

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

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

d. Requirements of vesting and period of vesting

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

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

Five years from the date of the grant.

f. Exercise price or pricing formula

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

g. Exercise period and process of exercise

The Employee Stock Options granted shall be capable of being exercised immediately on vesting within 10 years from the date of Grant. The options cancelled or lapsed without being exercised shall be available for further grant under any Employee Stock Option Scheme of the Company.
The Option Grantee may, at any time during the Exercise Period, and subject to fulfillment of conditions of vesting, exercise the Options by submitting Exercise Application to the Company accompanied by payment of an amount equivalent to the Exercise Price and applicable tax amount, in respect of such Shares. The Exercise Application shall be in such form as may be prescribed in this regard and the NRC may determine the procedure for Exercise from time to time.

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

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

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

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

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

As per applicable SEBI Regulations.

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

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

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

Scheme involves new issue of shares by the Company.

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

NIL

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

Not Applicable

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

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

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

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

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

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

q. Listing of shares

Subject to the approval of the Stock Exchanges the relevant equity shares issued and allotted on exercise of the Options shall be listed on the Stock Exchanges on which the securities of the Company are listed.

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

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

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

CERTIFIED TO BE TRUE

FOR NAVIN FLUORINE INTERNATIONAL LIMITED

(NIRAJ MANKAD)
COMPANY SECRETARY