An INOXGFL Group Company

GUJARAT FLUOROCHEMICALS

VALUE THROUGH GREEN CHEMISTRY

INTEGRATED ANNUAL REPORT 2022-23

# THE CHEMISTRY OF SUSTAINABLE GROWTH

LEGACY OF EXCELLENCE

NEW-AGE PRODUCTS

ROBUST ESG COMMITMENTS

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For more investor-related information, please visit:

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Disclaimer:

This document contains statements about expected future events and financials of Gujarat Fluorochemicals Limited ('The Company'), 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 a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several 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 its entirety by the assumptions, qualifications and risk factors referred in the Management Discussion and Analysis Report of this Integrated Annual Report.

### INVESTOR INFORMATION

| | |
|---|---|
| Market Capitalisation as at 31st March, 2023 | ₹ 33,177 Crores |
| CIN | L24304GJ2018PLC105479 |
| BSE Code | 542812 |
| NSE Symbol | FLUOROCHEM |
| Bloomberg Code | FLUOROCH:IN |
| Dividend Declared | ₹ 4 per equity share |
| AGM Date | 29th September, 2023 |

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr. Devendra Kumar Jain**
*Chairman & Non-Independent Director*

**Mr. Shailendra Swarup**
*Independent Director*

**Mr. Vivek Jain**
*Managing Director & 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 Muppirala**
*Whole-Time Director & Non-Independent Director*

**Mr. Jay Shah**
*Whole-Time Director & Non-Independent Director*

**Mr. Niraj Agnihotri**
*Whole-Time Director & Non-Independent Director*

## BOARD LEVEL COMMITTEES

### Audit Committee

**Mr. Shanti Prashad Jain**
*Chairman & Independent Director*

**Mr. Vivek Jain**
*Managing Director & Non-Independent Director*

**Mr. Shailendra Swarup**
*Independent Director*

**Ms. Vanita Bhargava**
*Independent Director*

### Nomination and Remuneration Committee

**Mr. Shanti Prashad Jain**
*Chairman & Independent Director*

**Mr. Shailendra Swarup**
*Independent Director*

**Mr. Om Prakash Lohia**
*Independent Director*

### Stakeholders' Relationship Committee

**Mr. Shailendra Swarup**
*Chairman & Independent Director*

**Mr. Vivek Jain**
*Managing Director & Non-Independent Director*

**Mr. Shanti Prashad Jain**
*Independent Director*

### Corporate Social Responsibility Committee

**Mr. Shanti Prashad Jain**
*Chairman & Independent Director*

**Mr. Vivek Jain**
*Managing Director & Non-Independent Director*

**Mr. Shailendra Swarup**
*Independent Director*

### Risk Management Committee

**Mr. Vivek Jain**
*Chairman - Managing Director & Non-Independent Director*

**Mr. Shanti Prashad Jain**
*Independent Director*

**Mr. Shailendra Swarup**
*Independent Director*

### Committee of Directors for Operations

**Mr. Devendra Kumar Jain**
*Chairman & Non-Independent Director*

**Mr. Vivek Jain**
*Managing Director & 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 - 389 380
Taluka Ghoghamba, District Panchmahal, Gujarat
Tel.: +91 267 8248153
Fax: +91 267 8248153

### Dahej Plant A

Plot Number 12 A GIDC
Dahej Industrial Estate, Taluka Vagra, District Bharuch - 392 130, Gujarat Tel.: +91 264 1618031

### Dahej Plant B

Plot Number D-2/CH/173/222, GIDC Industrial Estate, Taluka Vagra, Village Galenda, District Bharuch - 392 130, Gujarat
Tel.: +91 264 1618031

### Vadodara Office

ABS Towers, Second Floor
Old Padra Road,
Vadodara - 390 007, Gujarat
Tel.: +91 265 6198111

### Corporate Office

Inox Towers, 17 Sector 16A,
Noida - 201301, 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 - 411 030

### Cost Auditor

**Kailash Sankhlecha and Associates,**
Cost Accountants
Saffron Complex, 414, Abbas Tyabji Rd, Opposite Indian Airlines Office, Jayesh Colony, Fatehgunj, Vadodara - 390 002, Gujarat

### Secretarial Auditor

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

# ABOUT THE REPORT

### Basis of Reporting

This is the Integrated Annual Report of Gujarat Fluorochemicals Limited (GFL) for FY 2022-23. The Report is prepared on the basis of the material information and aspects of our strategy, governance, performance, opportunities, outcomes and future outlook of our activities reflected within the context of value creation for our stakeholders.

### Approach to Reporting

The Integrated Report provides a comprehensive overview of our business operations and the efforts we undertake to create long-term sustainable value. Furthermore, it explores several important factors that can significantly affect our ability to generate value and outlines the measures we have taken to address these challenges.





### Reporting Principles

This Integrated Report has adopted the capital accounting methodology as prescribed by the International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) framework. The Report is prepared in accordance with the Seven Guiding Principles as required by the IR Framework covering the Seven Content Elements. The Details of the same are given below:

| Guiding Principles | Reference with the Report | Page No. |
|---|---|---|
| Strategic Focus and Future Orientation | The Report provides insight into our strategies, our value-creation methodologies and linkages of the same with the six capitals. | **Across the Report** |
| Connectivity of Information | The Report captures the connections, relationships and interdependencies among the factors that influence our capacity to generate value over time. | **Across the Report** |
| Stakeholder Relationships | The Report conveys our actions towards nurturing the relationship with the stakeholders and how that impacts our operations. | Pages **32-35** |
| Materiality | The Report brings attention to the significant factors that have a substantial impact on our ability to create value in the short, medium and long-term. | Pages **30-31** |
| Conciseness | The Report is kept concise while covering all the material and strategic information. | **Across the Report** |
| Reliability and Completeness | The Report comprehensively covers all the material matters and conveys the same to the audience while the key figures have been assured by the Management and third party consultants. | **Across the Report** |
| Consistency and Comparability | All the facts and figures stated in the Report are consistent with our previous Integrated Annual Reports. | **Across the Report** |

Additionally, the Report comprises the Statutory Reports, which include the Directors' Report, Management Discussion and Analysis (MD&A) Report, Corporate Governance Report and Business Responsibility and Sustainability Report, in accordance with the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the prescribed Secretarial Standards.

### Reporting Period, Scope and Boundary

The reporting period for this integrated report is from 1st April, 2022 to 31st March, 2023. It includes an overview of our operations, business segments and key focus strategies.

### Financial Reporting Boundary

The Report covers our subsidiaries and joint ventures. 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. India, GFCL Solar and Green Hydrogen Products Ltd. India, and Gujarat Fluorochemicals FZE, Dubai and the Standalone Financial Statement covers GFL only.

### Non-financial Reporting Boundary

Data includes our subsidiaries unless otherwise specified.

### Assurance

The Management has thoroughly reviewed the Integrated Report to maintain the accuracy and reliability of the facts and information presented. Additionally, the Financial Statements have undergone an assurance process conducted by M/s Patankar & Associates, Chartered Accountants, Pune, Statutory Auditors and the Integrated Report Assurance Audit has been conducted by Independent Assurance Auditor Ernst & Young LLP. The 'Independent Auditor's Report' provided by them has been included as an integral part of this report.

### Target Audience

The intended recipients of this report typically encompass a diverse array of stakeholders, including Customers, Investors/Shareholders, Employees, Community, Suppliers and Business Partners, Regulatory, Government, and Industry Bodies. These stakeholders possess a vested interest in the Company's financial and non-financial achievements, overall strategic direction, identified risks, potential opportunities and future prospects. They also seek openness, responsibility and reassurance that the Company conducts its operations ethically and sustainably. Therefore, adopting a clear, succinct and inclusive approach, we furnish pertinent and dependable information to address the varying requirements of our target audience.

### 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, Gujarat

**Website:** www.gfl.co.in

### Our Capitals

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship capital
- Natural Capital

### Our Stakeholders

- Customers
- Community
- Investors/ Shareholders
- Suppliers and Business Partners
- Employees
- Regulatory, Government and Industry Bodies

# THE CHEMISTRY OF SUSTAINABLE GROWTH

## Legacy of excellence | New-age products | Robust ESG commitments

**GFL proudly leads the charge in sustainable fluorine chemistry. With an impressive legacy of expertise and innovation, we boldly venture into cutting-edge industries, shaping the future with revolutionary technologies. Our solid commitment to environmental, social and governance (ESG) principles guides our every move, ensuring that our growth is not only remarkable but also responsible.**

As pioneers in the field, we continuously push the boundaries of what's possible, developing new-age products that cater to the evolving needs of emerging industries. Our innovation is not only focussed on technological advancements but also on creating eco-friendly solutions that leave a positive impact on society and environment.

Our robust ESG commitments serve as the foundation for our ethical practices and community-driven initiatives. From environmental stewardship and resource efficiency to fostering diversity and inclusion, we are dedicated to making a meaningful impact in the world.

Together, we pave the way for a greener and more sustainable tomorrow, driving progress that benefits our society and our planet. At GFL, excellence, innovation and responsibility merge to form **the chemistry of sustainable growth** - a force that drives us and the world forward towards a brighter future. Our commitment to ESG principles fuels our purpose-driven journey, ensuring a better world for generations to come.

# A GLIMPSE INTO INOXGFL GROUP

**The INOXGFL Group proudly stands as one of India's most esteemed business conglomerates, with a rich history spanning more than 90 years. Throughout its journey, the Group has exemplified remarkable resilience, transforming into a multibillion-dollar enterprise with a diverse and wide-ranging portfolio comprising of Refrigerants, Fluoropolymers, Speciality Chemicals, Wind Energy and Renewables. The Group's success and achievements are highlighted by its four listed entities, collectively commanding a market capitalisation of around USD 5 Billion.**

## Key Highlights

**4**
Companies listed on BSE & NSE

**6,400+**
Total workforce

**₹ 38,554 Crores**
Market capitalisation
(for listed companies) as on 31st March, 2023

**₹ 6,612 Crores**
Total revenue of the Group

## Group Businesses

### Chemical

#### Gujarat Fluorochemicals Limited ('GFL')

GFL is a leading chemical company with over 36 years of experience in fluorine chemistry. It is India's largest producer of Fluoropolymers. It also manufactures refrigerants, chemicals and fluorospecialities for its customers worldwide.

#### GFCL EV Products Limited ('GFCL EV')

GFCL EV offers a range of solutions for the entire value chain of batteries, battery components and products for electric vehicles and energy storage systems.

#### GFCL Solar and Green Hydrogen Products Limited ('GFCL Solar')

GFCL Solar 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 engaged in trading and processing refrigerants and fluoropolymers.

#### Gujarat Fluorochemicals Americas LLC ('GFL Americas')

GFL America is engaged in the business of trading and warehousing of fluoropolymers.

#### Gujarat Fluorochemicals GmbH ('GFL Germany')

GFL Germany is engaged in the business of trading and warehousing of fluoropolymers.

#### Gujarat Fluorochemicals Singapore Pte. Limited ('GFL Singapore')

GFL Singapore was set up for the purpose of investment activities. The company has invested in Morocco for the mining and beneficiation of fluorspar.

#### GFL GM Fluorspar SA ('GFL Morocco')

GFL Morocco is engaged in the business of exploration of fluorspar mines, mining and beneficiation of mined ore.

### Renewable Energy

#### INOX Wind Limited ('IWL')

IWL is a leader in the wind energy market, with state-of-the-art manufacturing facilities in Gujarat, Himachal Pradesh, and Madhya Pradesh. As a fully integrated player, it manufactures key components of Wind Turbine Generators (WTGs). It offers turnkey solutions for the development of wind power projects, from concept to commissioning, including operation and maintenance. It also has an equipment supply model for maintaining a steady supply of equipment to customers for the erection of wind energy plants.

#### INOX Green Energy Services Limited ('IGESL')

IGESL, one of India's premier wind Operation and Maintenance (O&M) services providers, manages over 3.14 GW of assets and stands as the country's sole listed company offering renewable O&M services.

#### INOX Wind Energy Limited ('IWEL')

IWEL is the holding company of the Wind Business. It is currently undergoing an amalgamation into IWL.

Highlights of 2022-23 – GFL

# GLANCING THROUGH THE BRILLIANCE OF OUR PERFORMANCE

## People

**3,418**
Employees

**24 Hours**
Average training man hours per employee

**₹ 8.62 Crores**
Invested in CSR

**53,859**
Lives benefitted

## Planet

Recycled
**4,73,975 Kilolitres** of water
**3,869 Metric Tons** of waste

**2,00,282 Giga Joules**
Renewable energy utilised

**39,778 $tCO_2$**
Reduction in Green House Gas emission

## Profit

**44%**
Revenue growth

**34.07%**
Return on Capital Employed (ROCE)

**71%**
EBITDA growth

**71%**
PAT growth

Our Company's Brief History

# PIONEERING EXCELLENCE AND INSPIRING SUSTAINABILITY

**Gujarat Fluorochemicals Limited (referred to as 'GFL' or 'the Company' or 'our Company' or 'We') holds a prominent position in the fluoropolymers, fluorochemicals, and bulk chemicals, catering to the material requirements of modern world. With more than three decades of experience in the industry, we have developed extensive expertise in fluorine chemistry, establishing ourselves as the market leader in this segment. As one of the leading global producers of fluoropolymers and the sole producer in India, we have emerged as a significant supplier of fluoropolymers to Europe and the USA.**

Our commitment to research and development, as well as a comprehensive integration across the value chain, empowers us to efficiently meet the evolving demands of our customers. These efforts have instilled a culture of professionalism and excellence throughout our Company, guiding us on our journey as pioneers in the realm of fluoropolymers and beyond.

GFL has strategically expanded its operations to meet the growing customer demand. We operate from three state-of-the-art manufacturing facilities in India, maintain a captive fluorspar mine in Morocco and have established offices and warehouses in Europe and the USA. Additionally, our robust marketing network spans the globe, ensuring widespread access to our products and services for our customers.

## OUR 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 the most competitive prices. We shall conduct our operations keeping Safety and Environment in place along with the upgradation of technology.

Mr. Vivek Kumar Jain, Managing Director of the Company won the Business Transformation Category Award at EY Entrepreneur of the Year 2022 India. This is a testament to the hard work and visionary leadership that has transformed our Company into the leading manufacturer of fluorospecialty.



## OUR PRODUCTS

| | | |
|---|---|---|
| **Fluoropolymers** | **Polytetrafluoroethylene (PTFE)** | **New Fluoropolymers**<br>o Polyvinylidene Fluoride (PVDF)<br>o Fluorine Kautschuk Material (FKM)<br>o Perfluoroaloxy alkanes (PFA)<br>o Micropowder<br>o Fluorinated Ethylene Propylene (FEP)<br>o PPA |
| **Fluorochemicals** | **Specialty Chemicals** | **Refrigerant Gas** |
| **Bulk Chemicals** | **Chloromethanes** | **Caustic Chlorine** |

## 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

## OUR BRANDS

**INOFLON**

Represents PTFE, PFA and FEP manufactured and marketed by GFL

**FLUONOX**

Represents the Fluoroelastomers manufactured and marketed by GFL

**INOFLAR**

Represents PVDF manufactured and marketed by GFL

INOLUB Fluoropolymer Additives

**INOLUB**

Represents PTFE additives and PPA manufactured and marketed by GFL

**Refron**

Represents refrigerants manufactured and marketed by GFL

# OUR PRESENCE

We are an Indian manufacturer of products based on fluorine chemistry catering to their demand worldwide. Headquartered in Noida, India, we have maintained a significant international presence through our subsidiaries, sales and distribution channels and warehouses.

### CORPORATE HEADQUARTERS

- Noida, India

### SUBSIDIARIES

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

### SALES AND DISTRIBUTION

- USA: 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
- Akron, USA
- Hamburg, Germany
- India

### MANUFACTURING UNITS

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

**Disclaimer :**

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Our Investment Case

# LOOKING CLOSER AT OUR POTENTIAL AND DRIVING INVESTMENT VALUE

**Our profound industry experience has helped us enrich every aspect of our Company. Over the years, we have dedicated ourselves to fortifying our market position, leading us to achieve a prominent leadership role in our business verticals. This continuous pursuit of excellence drives us to enhance our strategies and expand our capabilities consistently.**

## Trusted Brand

GFL has become a synonym for customer trust, establishing itself as a trusted brand. Our commitment to excellence and innovation across our portfolio has enhanced our recognition. By building strong relationships and fostering trust, we have fortified our reputation as a brand consistently delivering on its promises.

## Esteemed Clientele

Our strong partnerships and alliances with esteemed global organisations, coupled with the steadfast dedication of our marketing team, contribute significantly to our sustained growth and expanded market presence. We attribute our success to the strategic deployment of our market distribution channels, the expertise of our marketing team and the unwavering commitment of our customer service department. These aspects continue to serve as our primary differentiating factors, enabling us to provide unparalleled value and exceed customer expectations.

## Expertise and Technological Prowess

With our diverse range of expertise and profound technical insight, we possess the capability to leverage emerging opportunities across a wide spectrum of markets. This allows us to capitalising on opportunities and maximise our growth potential in various industries.

## Integrated Facilities

GFL stands as the premier producer of fluoropolymers, fluorochemicals, and bulk chemicals, boasting the largest scale, cutting-edge technology, cost-efficiency and seamless integration. Through our backward integration model, we have successfully positioned ourselves as providers of top-tier quality products, offering unparalleled value to our esteemed customers.

## Constant Innovation in the Portfolio

We constantly look forward to strengthening and improving our portfolio, which is essential for long-term sustainability and success. It enables us to adapt to changing market conditions, attract customers and generate growth opportunities while reducing risks and enhancing investor confidence. Optimal capital structure, stringent cost control, superior business margins and long-term returns are our recipe for success.

# MESSAGE FROM OUR MANAGING DIRECTOR

*Dear Stakeholders,*

I am delighted to present the Integrated Annual Report of Gujarat Fluorochemicals Limited for the financial year 2022-23. It is with great pride and enthusiasm that I share the remarkable journey of GFL amidst the challenges and opportunities posed by the current macro-environment.

The global macro-environment in the year 2022-23 was marked by significant challenges, including geopolitical tensions and high inflation. Despite these obstacles, the world witnessed a positive trajectory following the recovery from the COVID-19 pandemic. In response to inflationary pressures, central banks raised interest rates, which inevitably impacted growth prospects. However, amid these testing circumstances, I am pleased to announce that GFL showcased exceptional performance. Our profit grew by an impressive 71% compared to the previous year, a testament to our resilient spirit and commitment to excellence.

> **We have strategically aligned ourselves with industries experiencing significant growth, such as Electric Vehicles (EV), Solar, 5G, Semiconductors and Green Hydrogen. These sunrise sectors heavily rely on fluoropolymers and GFL's offerings have become indispensable components in their advancements.**

At GFL, we have remained strategically positioned to navigate the complexities of the macro-environment successfully. As a leading global manufacturer of fluoropolymers renowned for reliability and quality, we have carved a niche in the market. Our unwavering vision to produce high-quality grades and secure customer approvals has been the driving force behind our accomplishments.

Furthermore, we have strategically aligned ourselves with industries experiencing significant growth, such as Electric Vehicles (EV), Solar, 5G, Semiconductors and Green Hydrogen. These sunrise sectors heavily rely on fluoropolymers and GFL's offerings have become indispensable components in their advancements. Additionally, the global shift towards the 'China+1' strategy has presented new opportunities for us to expand and fortify our growth prospects in various markets especially in our EV offerings.

The strategic imperative guiding GFL during this period revolves around targeting opportunities in downstream industries. Operating across three key verticals – Fluoropolymers, Fluorochemicals and Bulk Chemicals – we recognise the immense potential of our fluoropolymers segment. As such, we have dedicated substantial capital expenditures to enhance our capacity in this crucial area. Contributing nearly 50% of our total revenue, our fluoropolymer portfolio includes essential offerings like PTFE, PVDF, FKM, PFA and Micropowders, which are irreplaceable in numerous industries.

The EV industry holds immense growth potential and we remain committed to meet its specific demands with our fluoropolymer and battery chemicals offerings. PVDF, in particular, is becoming integral to the EV sector's advancements. Furthermore, the growth of FKM has been boosted by increased blending of ethanol and stricter emission regulations in the automotive industry.

> **As part of our sustainability approach, we embrace technology as an enabler, promoting safety and well-being by minimising human and machine interventions. Our commitment to green chemistry and circular economy principles has driven global growth and provided unique opportunities for transitioning to a sustainable future. We are dedicated to designing and developing products that meet global standards while ensuring the judicious use of natural resources.**

Additionally, the fluoropolymer PFA is projected to experience significant growth due to its widespread application in semiconductor manufacturing, an industry witnessing substantial global capital expenditure. With a solid foundation in place, we are poised to capitalise on exponential growth opportunities across all our verticals.

Turning to our financial growth in the year 2022-23, I am pleased to report that it has been remarkable. Our consolidated revenue reached ₹ 5,685 Crores, representing an impressive YoY growth of 44%. Our consolidated EBITDA stood at ₹ 2,047 Crores, reflecting an extraordinary 71% YoY growth, with EBITDA margins at 36%. Consolidated PAT reached ₹ 1,323 Crores, showing a substantial 71% increase. Furthermore, our Return on Capital Employed (ROCE) improved to 34.07%, and our Return on Equity (ROE) increased to 27.14% in the Financial Year 2022-23, compared to 24.46% and 20.1%, respectively, in the Financial Year 2021-22. These financial achievements validate our progressive strategic approach and commitment to achieving our organisational aspirations.

Another milestone development is our PVDF solar film project, scheduled for commissioning in the upcoming financial year. This integrated PVDF manufacturing facility will effectively cater to both domestic and international markets, further solidifying our position as a global leader in fluoropolymers.

As we continue to evolve, we are proactively developing 'New-Age Products' that align with the changing landscape of industries and technologies. Our Lithium Hexafluorophosphate ($LiPF_6$) project and our battery salt is nearing completion and we anticipate to commission it in the Financial Year 2023-24. Subsequently, we will move on to sample distribution, followed by a validation period of approximately three months before the commercialisation of $LiPF_6$. This project holds immense significance in the growing field of energy storage and will position GFL as a key player in this critical sector.

In addition to the $LiPF_6$ project, we are placing significant emphasis on developing Proton Exchange Membrane (PEM) technology used in hydrogen fuel cells and electrolysers. We are excited about the growth prospects this technology presents and our dedicated efforts are focussed on its successful development and integration into the market.

At GFL, sustainability is deeply ingrained in our business philosophy and serves as a driving force for our future growth. We are committed to Enviornmental, Social and Governance (ESG) and place significant importance on stakeholder engagement, commitment and transparency. Our sustainability efforts align with the Sustainable Development Goals (SDGs), and we continuously strive to improve our ESG performance, ensuring we remain at the forefront of sustainable business practices.

As part of our sustainability approach, we embrace technology as an enabler, promoting safety and well-being by minimising human and machine interventions. Our commitment to green chemistry and circular economy principles has driven global growth and provided unique opportunities for transitioning to a sustainable future. We are dedicated to designing and developing products that meet global standards while ensuring the judicious use of natural resources. Our research focusses on low-carbon pathways to reduce product carbon footprints, enabling us to remain competitive and assist our customers in their efforts to reduce greenhouse gas emissions.





> **Looking ahead, we envision a promising outlook for GFL in both the near and long term. We have successfully transitioned from sunset industries to burgeoning sunrise industries, positioning ourselves for significant growth in the EV sector. The successful commissioning of our first battery chemicals plant will further fuel our growth prospects, paving the way for further expansion.**

We deeply value our ecosystem and stakeholders and our approach to sustainability reflects this. As a responsible corporate entity, we actively support the United Nations Sustainable Development Goals (SDGs). We engage and collaborate with our supply chain partners to reduce emissions, promote human rights practices and contribute to community development, fostering inclusive growth. Our commitment to environmental protection is evident in our efforts to reduce dependencies and produce green products that drive sustainable growth and benefits throughout the supply chain. As we progress in reducing our carbon footprint, we will establish more stringent sustainability targets to support the global agenda in combating climate change. Our progress thus far motivates and encourages us to foster sustainability as an integral part of our organisational culture.

Looking ahead, we envision a promising outlook for GFL in both the near and long term. We have successfully transitioned from sunset industries to burgeoning sunrise industries, positioning ourselves for significant growth in the EV sector. The successful commissioning of our first battery chemicals plant will further fuel our growth prospects, paving the way for further expansion. Additionally, our fluoropolymer offerings will continue to sustain our growth, reinforcing our position in the market.

Our vision extends beyond financial success. We aim to be a global leader in advanced materials while contributing positively to society and the environment. Sustainability will remain a driving force in all our endeavours and we will continue to invest in research and development to create innovative and sustainable solutions. As we embrace technology and innovation, we are committed to maintaining operational efficiency and nurturing a culture of excellence, diversity, and inclusivity.

On behalf of the entire GFL team, I extend my heartfelt gratitude to our stakeholders for their continued trust and support. Our journey towards growth and sustainability would not be possible without your unwavering commitment.

**Warm regards,**
**Vivek Jain**
*Managing Director*

# CEO'S COMMUNIQUE

## Dear Valued Stakeholders,

With great pleasure and gratitude, I extend my warmest greetings to you and present the GFL's Integrated Annual Report for the financial year 2022-23. Over the course of the year gone by, we have achieved remarkable milestones and accomplished significant feats that fill me with a deep sense of pride. It brings me great joy to share our journey with you.

During the year under review, we find ourselves amidst a time of tremendous growth and progress for our country. The Government's dedicated efforts in reshaping our infrastructure and implementing enhanced financial practices have helped India to become one of the world's fastest-growing economies. As the nation experiences a robust momentum, we consider ourselves fortunate to be a part of this positive trajectory.

At GFL, we have emerged as the front runner in the fluoropolymers industry, playing a pivotal role in the growth and expansion of the sector across the globe.

Over the past three decades, we have meticulously built a strong reputation, gained unwavering credibility in the global market and are known for our commitment to high-quality products and superior customer service. Our continuous pursuit of value creation and collaborative approach has placed us at the forefront of the industry, establishing us as market leaders.

In line with our vision and momentum, the year 2022-23 was exceptionally rewarding for GFL. We made significant strides in our fluoropolymer segment, with customer approvals and orders recognising the time and effort invested in developing new grades. Additionally, our other segments performed well, with the bulk chemicals segment experiencing notable growth driven by price increases. While we anticipate additional supplies and raw material adjustments to create subdued prices in the coming financial year, our fluorochemicals segment will continue to thrive, particularly in the refrigerant gas sector. The contributions from our specialty chemicals capacities have positively impacted our top line and we anticipate further growth in this segment.

Looking ahead, we expect our growth to be fueled by new fluoropolymers, aided by the ongoing commercialisation of our integrated battery chemical complex in Gujarat playing a pivotal role. This expansion will support our growth momentum for the next few years, particularly as we compete on a global scale and focus on emerging sectors such as Electric Vehicles (EV), Solar, 5G, Semiconductors and Green Hydrogen.

In the pursuit of innovation, we are debottlenecking our PTFE capacity, adding new capacities for fluoropolymers and continuously enhancing our product portfolio. The demand fundamentals for fluoropolymers remain robust, driven by the increasing demand from new and emerging sectors. We are also making significant progress in the battery chemical space, with the commissioning of our EV Battery salt plant and also the electrolyte plant.

To ensure long-term growth, we are actively exploring potential areas such as PEM for hydrogen fuel cells and electrolysers, with plans to establish new businesses based on these developments. Furthermore, we are strengthening our infrastructure and securing new sites for future expansion to support our growth trajectory. We have invested approximately ₹ 1,350 Crores in FY 2022-23 and we will maintain our capex momentum for the next few years. A major portion of our capex outlay is dedicated to fluoropolymers and battery chemicals, while the rest includes capex towards infra, land and utility.

> **Looking ahead, our primary focus remains on constructing a business driven by green chemistry while expanding our value-added portfolio and attaining cost efficiencies. Moreover, we are committed to expanding our global presence to reach new horizons. At GFL, operational efficiency and sustained growth will always be the cornerstones of our consistent strategy.**

In light of the emerging sunrise sectors in the energy transition space and semiconductor growth, we see substantial opportunities for our fluoropolymers, fluorochemicals, and bulk chemicals. With our comprehensive product portfolio and capacity-building capabilities, we are well-positioned to capture this growth. While the Indian market may be smaller compared to global markets, the demand for fluoropolymers continues to rise across industries, including automobiles, chemicals, pharma and telecom. We also anticipate significant opportunities in the domestic market, driven by the growth of the EV industry. As the leading producer of fluoropolymers in India, we are excited about the potential of the Company.

Looking ahead, our primary focus remains on constructing a business driven by green chemistry while expanding our value-added portfolio and attaining cost efficiencies. Moreover, we are committed to expanding our global presence to reach new horizons. At GFL, operational efficiency and sustained growth will always be the cornerstones of our consistent strategy.

In conclusion, I would like to express my deepest gratitude and heartfelt appreciation to all our esteemed stakeholders. Your unwavering support, trust and collaboration have been the driving force behind our success. Together, we have achieved remarkable milestones, overcome challenges and embraced opportunities. Your belief in our vision and commitment to our Company has been instrumental in shaping our journey. We value the strong relationships we have built and cherish the partnerships we have forged. Looking ahead, we remain dedicated to delivering excellence, driving innovation and creating sustainable value. With your continued support, we are confident that we will not only thrive but also leave a lasting positive impact. Thank you for being an integral part of our journey and we eagerly anticipate the countless opportunities and achievements that lie ahead, hand in hand.

**Warm regards,**
**Dr. Bir Kapoor**
*Chief Executive Officer*

Integrated Business Model

# DECODING THE CHEMISTRY BEHIND OUR INTEGRATED BUSINESS MODEL

**Input — KPIs 2022-23 — Value Creation Process — Output**

## Input and KPIs 2022-23

### FINANCIAL CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Utilising funds for our business and beyond | Equity capital: ₹ **11 Crores**<br>Debt capital: ₹ **1,478 Crores** |

### MANUFACTURING CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Employing our physical establishments for product development | Manufacturing facilities: **4**<br>₹ **1,349 Crores** CAPEX in FY 2022-23 |

### INTELLECTUAL CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Enduring intangible prowess that strengthens our product innovation | R&D facilities: **2**<br>Patents filed: **26**<br>Patents granted: **4** |

### HUMAN CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Nurturing our people-centric culture to strengthen core competencies | Total training man-hours provided: **82,713**<br>Average training man-hours per employee: **24**<br>Amount invested in employee benefit expenditure: ₹ **322 Crores** |

### SOCIAL AND RELATIONSHIP CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Fostering a relationship with society and community that develops our credibility to operate | Amount invested in CSR activities: ₹ **8.62 Crores**<br>No. of CSR activities undertaken: **8** |

### NATURAL CAPITAL

| Input | KPIs 2022-23 |
|---|---|
| Integrating the environment-friendly procedures in our operations | Investment in the development of **Greener Products and Technologies Circular Economy** |

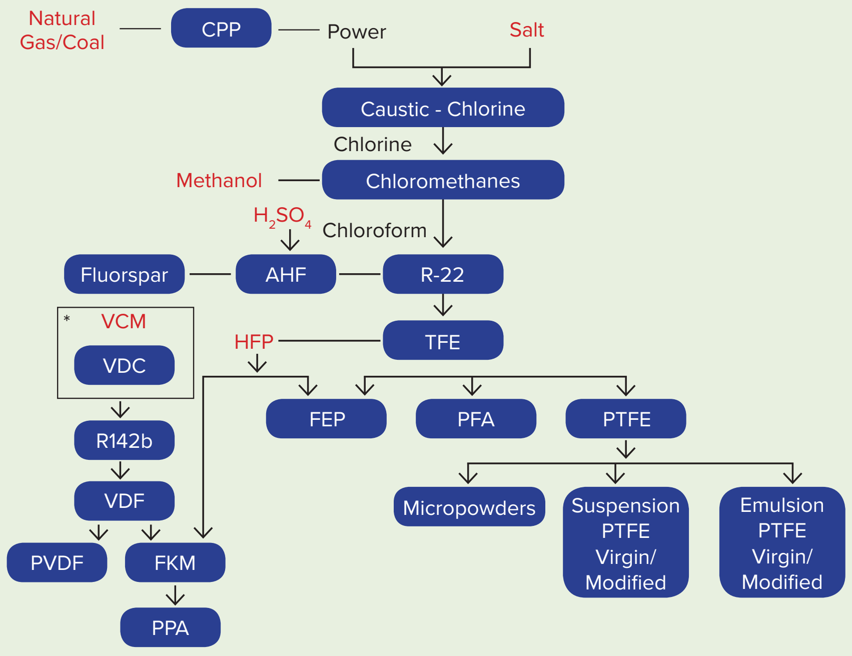
## Value Creation Process

### Diversified Business Verticals

- Bulk Chemical
- Fluorochemicals
- Fluoropolymers
- New-Age Industries

### Vertically Integrated Facilities

Position GFL as one of the most dependable global producers of a diverse range of fluoropolymers




*Under Implementation

### Focussing Greatly on the New-age Industries

- Electric vehicle batteries
- Solar panels
- Hydrogen fuel cells/electrolysers

## Output

### FINANCIAL CAPITAL

Revenue: ₹ **5,685 Crores**
EBITDA: ₹ **2,047 Crores**
PAT: ₹ **1,323 Crores**

### MANUFACTURING CAPITAL

Offices across geographies: **5**
Industries served: **20+**

### INTELLECTUAL CAPITAL

**ISO 27001**
Accredited organisation

**Quality certifications and accreditations**

- ISO 9001
- IATF: 16949 automotive standards
- NABL accredited labs

### HUMAN CAPITAL

Total employees: **3,418**
Employee retention rate: **8%**
Lost time incident frequency rate: >**0.25**
Total recordable incident frequency rate: >**0.7**

### SOCIAL AND RELATIONSHIP CAPITAL

Lives benefitted: **53,859**

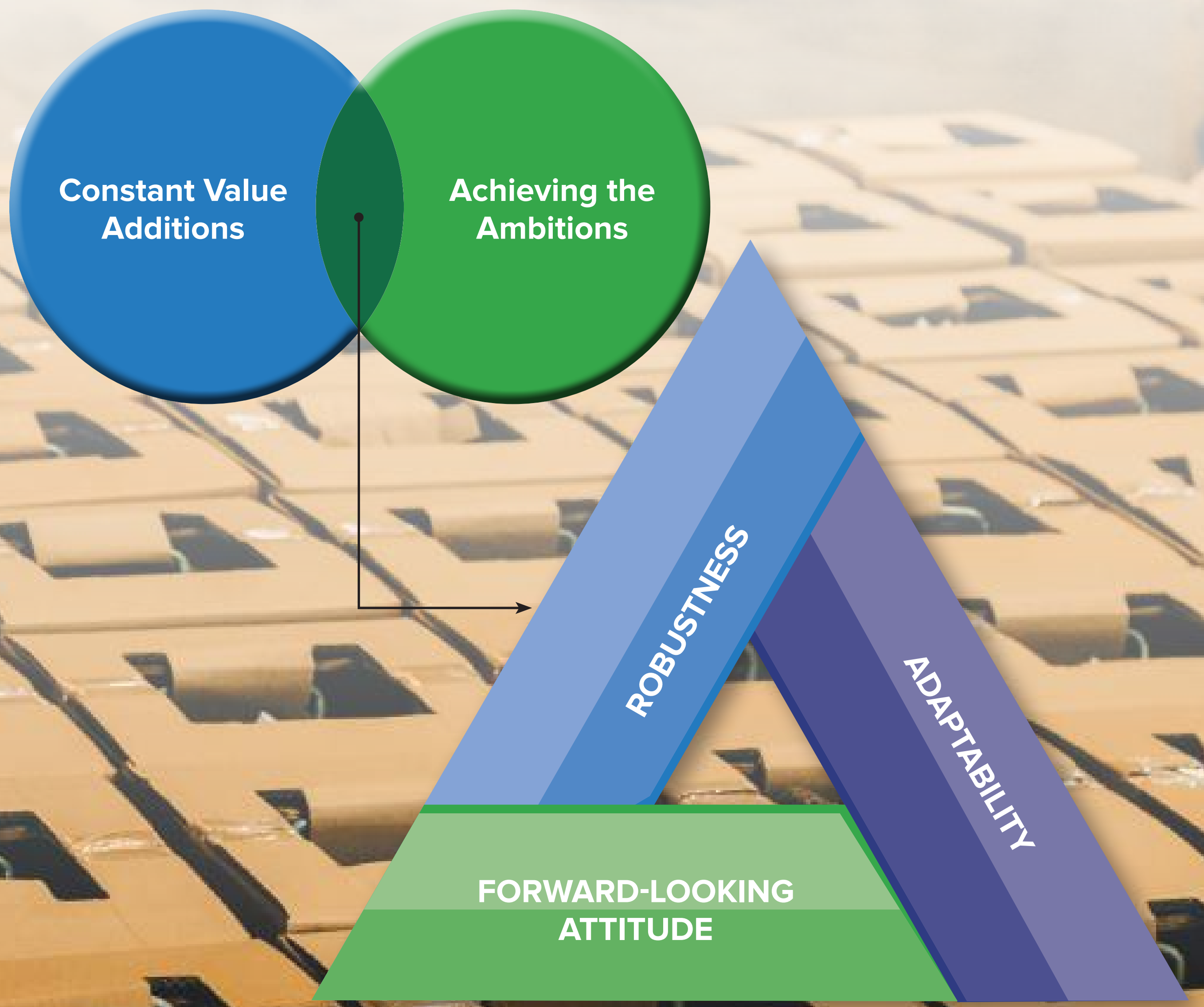
### NATURAL CAPITAL

Renewable energy usage: **2,00,282 GJ**
Waste reused: **18,808 MT**
Waste recycle: **5,348 MT**
Waste recovery: **1,079 MT**
Water recycle: **4,73,975 KL**

Dynamic Growth Strategies

# EMBRACING OUR BLUEPRINT FOR GROWTH AND FUELLING MOMENTUM

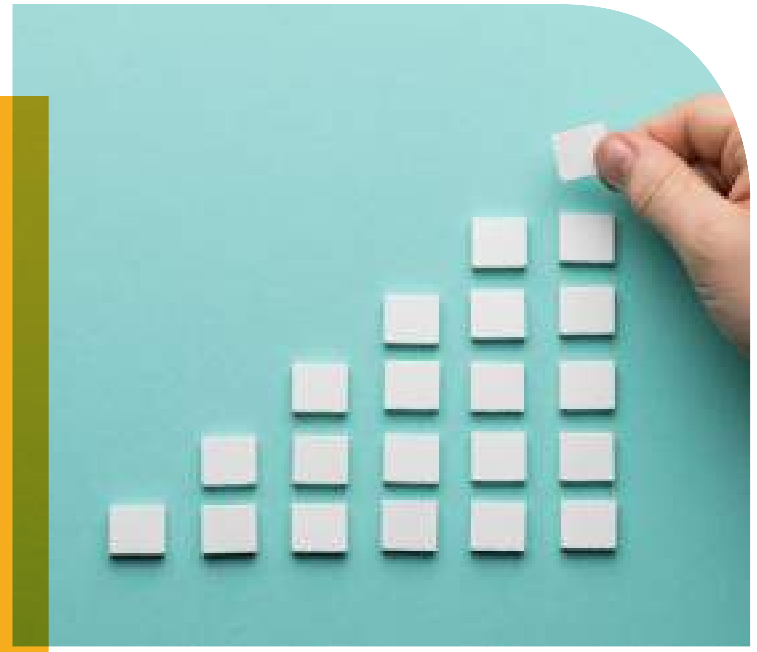
**Guided by our Board and visionary leadership team, our Company's dynamic growth strategies prioritise constant value addition and adaptability to evolving business realities. With a robust and forward-looking attitude, we aim to achieve our ambitions by advancing our growth trajectory towards capturing a greater market share. Our proactive strategy of regularly reviewing our approaches ensures adaptability to industry changes, establishing us as a market leader.**






## CONSTANT VALUE ADDITION

**In today's ever-evolving business landscape, constant value addition plays a pivotal role for companies aiming to maintain their competitive edge and relevance. By committing to enhance our offerings continuously, we effectively meet customers' dynamic needs and expectations, setting ourselves apart from competitors and fostering sustainable long-term growth.**



### Maximising Value from Our Core Operations through Expansion and Technological Disruption

In our relentless pursuit of growth, we prioritise expanding our operations and extracting maximum value from our core areas of expertise, namely manufacturing and supplying fluoropolymers, fluorochemicals, and bulk chemicals. Embracing disruptive technologies bolsters our operational agility while ensuring resilience against price fluctuations and market downturns. Moreover, we strive to augment our cash generation potential in favourable market conditions, positioning ourselves for success in various scenarios.

### Driving Innovation and Sustainability through R&D Investment

At GFL, our dedicated in-house research centre – GFRC, situated in Dahej, India – spearheads our commitment to continuous improvement. Collaborating with esteemed educational and research institutions like the Indian Institute of Technology and Indian Institute of Chemical Technology and leading global experts, we prioritise two core areas: developing new products and sustainable manufacturing technologies. With GFRC as the bedrock of our growth trajectory, we ensure swift responses to customer inquiries, fortifying our business and enabling us to deliver enhanced product quality and operational efficiency.

### Driving Competitive Advantage through a Diversified and Sustainable Product Portfolio

We recognise that product development, innovation and sustainability are crucial for gaining a competitive edge in the fluoro-products market. By leveraging extensive research capabilities and customer insights, we have curated one of the industry's broadest and most adaptable portfolios of fluorospecialties. Additionally, we are strategically undertaking projects that enhance our upstream value chain, boosting cost-competitiveness and aligning with emerging megatrends in sectors like energy transition and the digital economy. The increasing use of fluoropolymers in industries such as automobile, telecom and semiconductor, further motivates us to expand our offerings.

# ACHIEVING OUR COMPANY'S AMBITIONS

**Achieving our Company's ambitions requires meticulous planning, rock solid determination and a relentless pursuit of excellence. Fueled by a clear vision and guided by a well-defined strategy, we navigate through challenges, capitalise on opportunities and strategically position ourselves for success. With each milestone achieved, we advance towards our ambitions, leaving a trail of strategic victories that inspire and drive further growth.**

### Strengthening Brand Presence

Our dedication to establishing a strong brand presence and resonance across regions is exemplified through active participation in industry events and trade organisations. By engaging in forums centered on innovation, sustainability and technological advancements, we showcase our commitment to driving industry progress. Furthermore, our dedicated CSR team spearheads impactful community development projects, fostering health, promoting education, women empowerment, social upliftment and ensuring enviornmental sustainability. Leveraging technology and social media platforms, we effectively communicate key developments to our esteemed customers and business partners, amplifying brand awareness and expanding our brand's reach.

### Delivering Customer Excellence and Global Market Leadership

Our relentless pursuit is to become the preferred partner of our customers by offering cutting-edge technologies, innovative products and top-notch services. At GFL, we prioritise global excellence in quality, service and manufacturing practices, fostering integrity with all stakeholders and inspiring customers through continuous innovation. Our integrated operations, built on years of trust, have positioned us as the most reliable and established leader in the Indian market, while our strong dealers network, efficient supply chain and warehousing capabilities make us the preferred supplier for global markets.

### Fostering Sustainability for a Greener Future

We proactively address the pressing issue of climate change and its impact on our planet. We are creating a safe environment for future generations through various preventive measures. We prioritise responsible operations by minimising the use of environmentally harmful refrigerants and ensuring that our emissions and discharges adhere to permissible PPM levels. We embrace initiatives like responsible sales and marketing, sustainable procurement and compliance with esteemed standards such as UNGC and ISO 26001. Setting stringent sustainability goals and providing comprehensive training to our employees, we strive to achieve our sustainability targets on time.

# OUR STRATEGIC ENABLERS

### Robustness

Our strategic goal is to cultivate a robust operational framework that can withstand challenges, disruptions and changing market dynamics, ensuring our Company's resilience and long-term success.

### Adaptability

We foster an adaptive culture that embraces change and proactively responds to evolving customer needs, industry trends and technological advancements, enabling us to stay agile and seize new opportunities.

### Forward-looking Attitude

We aim to maintain a forward-looking mindset, continuously scanning the horizon for emerging trends, market shifts and disruptive innovations. By anticipating future developments and proactively adapting our strategies, we position ourselves to lead and thrive in a dynamic business environment.

Material Issues Central to Our Business

# SHAPING OUR PRIORITIES AND IDENTIFYING OUR FOCUS AREAS

**With our dynamic progress and set ESG strategies for the future, our initiatives in sustainability face new challenges and opportunities at every step. To ensure our growth trajectory remains on course, we promptly reassess material issues central to our business, environment and stakeholders.**

The sustainability materiality assessment aims to drive strategic focus, improve sustainability performance, enhance stakeholder relationships and contribute to long-term value creation in a responsible and sustainable manner.

### Objectives of Materiality Assessment

- Assessing key sustainability focus areas
- Value creation and risk management
- Alignment of strategies
- Strengthening compliance
- Holistic decision-making
- Stakeholder engagement and trust-building
- Opportunity capitalisation and enhanced performance
- Transparency and accountability

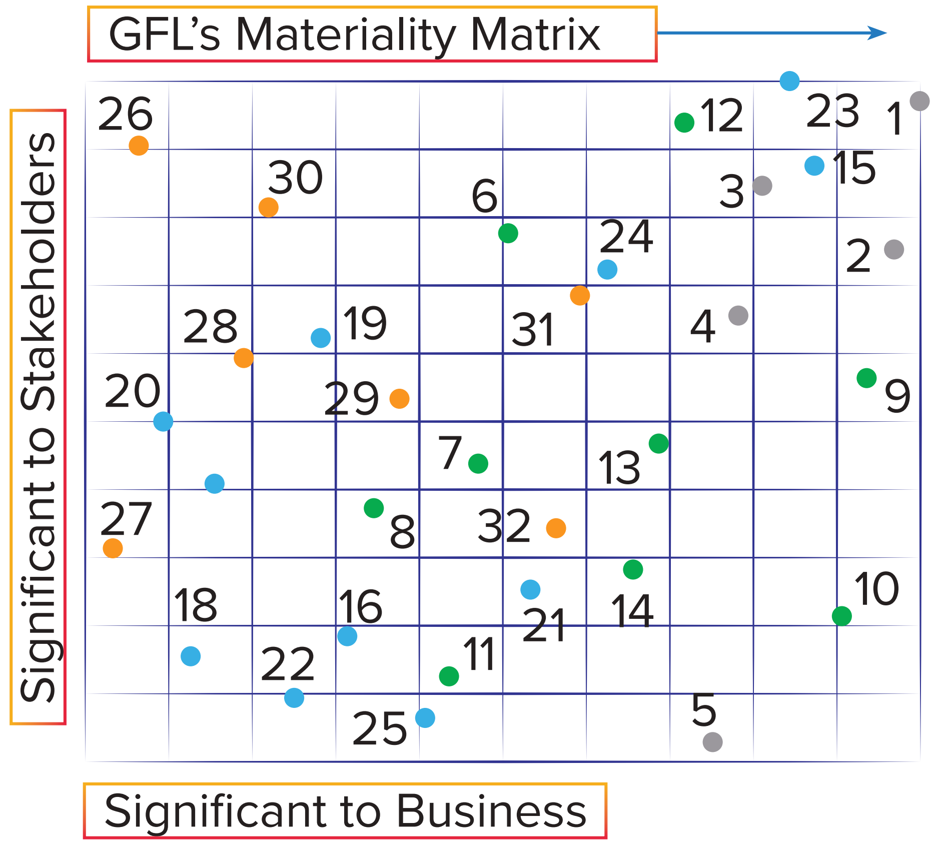
### Our Materiality Assessment Process

- Defining objective and plan of action
- Benchmarking sustainability reporting frameworks, principles and sectoral issues
- Identifying stakeholders and enlisting issues based on internal risks and opportunities
- Developing objective questionnaires and stakeholder engagement through surveys
- Analysis of collected data
- Identification and prioritisation of material issues

**32** Issues assessed

**8** Stakeholder categories surveyed

**85** Responses analysed




## ECONOMIC

1. Growth and continuity
2. Profitability and shareholder value
3. Product development
4. Cost optimisation
5. Geographical presence

## ENVIRONMENTAL

6. Emissions and climate change
7. Water effluents and waste management
8. Chemical spills
9. Materials
10. Energy efficiency
11. Biodiversity
12. Product safety and stewardship
13. Product design for use-phase efficiency
14. Opportunities in clean technology

## SOCIAL

15. Occupational health and safety
16. Employee diversity
17. Fair and transparent people process
18. Talent attraction and retention
19. Human rights
20. Talent development and training
21. Employee well-being and engagement
22. Supplier assessments
23. Customer satisfaction
24. Customer privacy
25. Local community involvement and development

## GOVERNANCE

26. Anti-corruption
27. Anti-competitive behaviour
28. Business risk mitigation
29. Good governance practices
30. Business ethics and transparency
31. Regulatory compliance
32. Cyber security

Stakeholder Engagement

# FOSTERING A RELATION OF TRUST AND ENCOURAGING ENGAGEMENT

**Our enduring presence in the chemical industry for almost a century is a testament to the trust our stakeholders have placed in us over the long term. We place utmost emphasis on cultivating transparent and inclusive channels of communication with our esteemed key stakeholders. We acknowledge the paramount importance of keeping them well-informed and updated while continuously seeking to grasp how we can further enhance value creation for them in the future. Their invaluable feedback and expectations play a pivotal role in shaping our strategic direction and decision-making as we continuously strive to create greater value for them in the future.**

Through our structured and inclusive stakeholder engagement process, we strive to ensure that our stakeholders' diverse perspectives, concerns and expectations are heard, understood and integrated into our decision-making and business practices.

Our engagement process encompasses seven stages that ensure comprehensive communication is delivered to the respective stakeholders. These include:

**STAGE 1**
Plan and Design

**STAGE 2**
Listen and Engage with Stakeholders

**STAGE 3**
Internal Preparations and Assignments

**STAGE 4**
Build Trust through Strategic Review

**STAGE 5**
Build, Commit and Implement

**STAGE 6**
Consult, Synthesis and Strategise

**STAGE 7**
Monitor, Evaluate and Report

## Stakeholders

### Shareholders\Investors

It is crucial to maintain the confidence of our shareholders\investors by generating sustainable financial returns responsibly. Our commitment to responsible practices is vital in preserving trust and securing the long-term success of our growth trajectory.

**EXPECTATIONS**

- Sustainable value creation
- Our Company's operational, commercial and financial performance management
- Corporate governance

**OUR COMPANY'S RESPONSE**

- Consistantly given returns to the investors
- Enhanced disclosures provided through our Company's documents like investor presentations, integrated annual report, audited financial results

**ENGAGEMENT MODE**

- Annual General Meeting (AGM)
- Press conferences
- Updates on our Company's website
- Investor/analyst meetings
- Stock exchanges announcements

**SDGs LINKED**

**MATERIAL TOPICS LINKED**

1. Growth and continuity
2. Profitability and shareholders' value

## Stakeholders

### Customers

It is important to ensure our customers' satisfaction as it is a fundamental responsibility that drives our business growth. To deliver exceptional value-added products, it is imperative that we deeply understand their expectations, thereby fostering customer loyalty.

**EXPECTATIONS**

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

**OUR COMPANY'S RESPONSE**

- Delivering the top-notch quality products
- Timely resolution of customer complaints
- Constantly innovating new products to deliver the best-in-class customer experience

**ENGAGEMENT MODE**

- Website
- Periodic market research
- Customer meets
- Customer visits
- Conferences
- Trade fair

**SDGs LINKED**

**MATERIAL TOPICS LINKED**

3. Cost optimisation
4. Geographical presence
5. Customer satisfaction
24. Customer privacy
12. Product safety and stewardship

## Stakeholders

### Suppliers

The support we receive from our suppliers and vendors is integral to our ability to deliver products and services of exceptional quality, thereby enabling us to create value through our offerings. Recognising the mutual benefit of this relationship, we are committed to providing our suppliers with the necessary support to thrive in the market and contribute to our shared success.

**EXPECTATIONS**

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

**OUR COMPANY'S RESPONSE**

- Established a vendor voice portal for interactive feedback
- Ensured no discrimination against any supplier
- Installed cutting-edge virtual communication tools like Polycom, Cisco Webex, Zoom and Microsoft Teams for seamless communication

**ENGAGEMENT MODE**

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

**SDGs LINKED**

8, 9, 12, 17

**MATERIAL TOPICS LINKED**

22. Supplier assessment
30. Business ethics and transparency
31. Regulatory Compliance
19. Human Rights

## Stakeholders

### Employees

Fostering a robust and harmonious relationship with our employees is of utmost importance to our business. We are dedicated to perpetually enhancing our employee value proposition, cultivating higher levels of engagement and fostering improved productivity across our Company.

**EXPECTATIONS**

- Health, safety and environment
- Capability building, development and enhancement of skills
- Career growth opportunity
- Well-being and mental health
- Work-life balance
- Human rights

**OUR COMPANY'S RESPONSE**

- Adhering to robust talent management practices
- Providing necessary training and learning opportunities
- Providing competitive remuneration, reward and recognitions
- Maintaining the utmost operational health and safety measures
- Adhering to labour and human rights

**ENGAGEMENT MODE**

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

**SDGs LINKED**

3, 4, 5, 8

**MATERIAL TOPICS LINKED**

15. Occupational health and safety
16. Employee diversity
17. Fair and transparent people process
18. Talent attraction and retention
19. Human rights
20. Talent development and training
21. Employee well-being and engagement



## Stakeholders

### Community

The sustainability of our business hinges upon the relationships we establish with the communities and societies in which we operate, as well as the positive impact we strive to make in uplifting society as a whole.

**EXPECTATIONS**

- Livelihood opportunities
- New technologies and smart solutions
- Reduced environmental footprint
- Community development

**OUR COMPANY'S RESPONSE**

- Allocating funds for areas such as education, skill development, social upliftment, fostering health, women empowerment, enviornmental sustainability, impactful community development projects and the promotion of sustainable livelihoods
- ₹ 8.62 Crores CSR activity expenditure

**ENGAGEMENT MODE**

- Interactions during the implementation of CSR projects
- Interviews with local community representatives
- Public hearing
- CSR cell engagement with community
- Community development newsletter

**SDGs LINKED**

5, 12, 13, 16

**MATERIAL TOPICS LINKED**

6. Emissions and climate change
7. Water effluents and waste management
8. Chemical spills
25. Local community involvement and development

## Stakeholders

### Regulatory, Government and Industry Bodies

Establishing and upholding a relationship based on transparency and trust with governments and regulators serves as the bedrock for collaboration. This foundation not only ensures our operating credibility but also facilitates the advancement of mutually beneficial commercial objectives and enables us to contribute to policy formulation actively.

**EXPECTATIONS**

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

**OUR COMPANY'S RESPONSE**

- Active membership in various industry bodies
- Timely tax payments, CSR activities, and support for government initiatives and vision

**ENGAGEMENT MODE**

- 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

**SDGs LINKED**

8, 13, 16, 17

**MATERIAL TOPICS LINKED**

29. Good governance practices
30. Business ethics and transparency
31. Regulatory compliances

Risk Management and Mitigation Strategies

# NAVIGATING UNCERTAINTIES THROUGH OUR PRUDENCE AND PREPAREDNESS

**In our relentless pursuit of purpose and commitment to driving shared value while advancing our transition, we adopt a proactive stance towards risk management. This approach serves as a critical enabler in achieving our business objectives**

Intertwined with our corporate strategy, our risk management practices are integral to sound corporate governance and effective leadership. It underpins our organisational management at every level and is seamlessly integrated into our decision-making processes and daily operations. By embracing effective risk management, we position ourselves to harness the benefits derived from opportunities that arise.

## OUR ENTERPRISE RISK MANAGEMENT (ERM)

Our Enterprise Risk Management (ERM) Framework serves as a guiding principle for our Company, enabling us to identify, comprehend and address significant risks inherent to our business operations. Within our ERM process, we employ a systematic approach to continually enhance our risk management model. This approach encompasses various stages, including risk identification, understanding, execution, monitoring, governance, assurance and reporting. By diligently focussing on these aspects, we effectively respond to the significant risks we encounter in the short, medium and long term. In our commitment to continually improve our ERM Framework, we have strengthened our Risk Policy to ensure alignment with the direction of our business, annual priorities, purpose and values. This alignment reinforces our ability to effectively manage risks and safeguard the long-term success of our Company.

## RISK MANAGEMENT PROCESS

**Identifying the Risks**

All risks applicable to our 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 the risk management framework

**Determining Gross Risk Score (GRS)**

The 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 conducted with respective stakeholders and according to their strategies, mitigation scores are given, which ultimately is reduced from Gross Risk Score (GRS) 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

| Risks | Mitigation Plan |
|---|---|
| Geo-political risks of export revenues<br>***Risk type: External*** | In the short to medium term, India stands to gain from developments in the European and US markets, which can drive increased demand for Indian products. PTFE products have diverse applications and certain products are less price-sensitive. India has significant potential to expand the utilisation of PTFE, similar to the growth witnessed in China in the first decade of this millennium. This domestic market growth acts as a risk mitigator. |
| Non-availability of key raw materials & Utilities, Fluorspar and Water<br>***Risk type: External*** | Our Company is strategically addressing its fluorspar requirements through backward integration. We have secured fluorspar from our mines in Morocco, with additional sourcing options explored in Vietnam, South Africa, and other markets. For water needs, a desalination plant is planned for our Dahej campus.<br>We are seeking approval from GIDC with additional payment to accommodate higher consumption norms. |
| Non-compliance with corporate governance policies & key listing terms<br>***Risk type: External*** | We utilise Vision 360, a regulatory compliance tool, to monitor time and event-based compliances. According to the defined responsibility matrix, system-generated emails are sent to responsible owners and approving heads of departments. A monthly report on non-compliances is circulated to the Board of Directors and Heads of Departments, with a summary report presented to the Board based on compliances tracked in Vision 360. Stock exchanges also send regular system-generated emails and reminders to fulfil compliances. Furthermore, a comprehensive report detailing compliance under Listing Regulations, including due dates and actual compliance dates, is presented to the Board. |
| Succession plan not defined for key positions<br>***Risk type:*** Internal | We have identified key leadership and unit-level positions and established development plans for high-potential managers. Our succession planning strategy for critical roles is regularly reviewed by top management. |
| Potential loss and business disruption due to lack of maintenance of the current plant assets<br>***Risk type:*** Internal | We have implemented a thorough preventive repairs and maintenance plan, including scheduled condition monitoring and inspections for rotary and static equipment. This proactive approach ensures that disruptions to our operations are minimised. Additionally, we regularly classify and verify insured spares to guarantee the uninterrupted functioning of the plant. |
| Products not reaching the potential customers on time<br>***Risk type:*** External | We have established a system to ensure timely delivery of goods to customers and instances of such cases are rare. Moreover, we have a dedicated entity in Germany that specifically caters to the PTFE requirements of our customers. |

| Risks | Mitigation Plan |
|---|---|
| Risk of losing top talent on account of performance management and career planning<br>***Risk type:*** Internal | We have a comprehensive Performance Management System and Development Planning (PMSDP) process that ensures objective evaluations. This includes half-yearly midterm reviews and a career growth structure called the 'Career Ladder'. Manufacturing sites have Unit Talent Review Committees (UTRC) for focussed talent management. All employees receive training on target setting and the performance management process. The process involves a two-level evaluation, ensuring fairness. Our rating system follows a normal distribution for clear performance differentiation and identification of top talent. |
| Information security risk<br>***Risk type:*** Internal | We ensure robust cybersecurity measures by implementing various safeguards. All laptops and desktops are equipped with updated corporate antivirus software. We have web filtering in place and we also have blocked access to P2P sites. USB access is restricted to individuals at the manager level and above. Furthermore, data cards for travel purposes are only granted to Level 3 and above employees with proper approval. These data cards are connected to a central firewall, providing secure access to data. |
| Human rights and social accountability risk<br>***Risk type:*** External | We are a SA8000-certified Company and an active signatory of the UN Global Compact. We have published our Communication of Progress (COP) on the UNGC website. Our internal certified SA8000 auditors conduct regular audits. We prioritise awareness among our employees regarding child labour and social accountability risks. Our business partners are also committed to sustainable procurement. We ensure that contract labourers and proprietors are aware of their social accountability obligations. |

# FUELLING AMBITIONS WITH OUR FINANCIAL CAPITAL

**GFL's financial capital is generated through a combination of robust business operations and strategic financing activities. Our unwavering focus lies in maximising returns from our deployed financial resources to fuel our growth targets across diverse global markets. By diligently creating and distributing value to our esteemed shareholders, we ensure our business's long-term sustainability and prosperity. This commitment to excellence in financial management reflects our adherence to international standards and positions us as a global leader in the industry.**

**44%**
Revenue Growth

**71%**
Growth in Consolidated PAT

**34.07%**
Return on Capital Employed (ROCE)

## MATERIAL ISSUES ADDRESSED

- Growth and Continuity
- Profitability and Shareholder Value
- Cost Optimisation
- Anti-corruption
- Business Ethics and Transparency

### SDGs Impacted

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## INPUT

We strive to maintain an optimum mix of debt and equity capital, enabling 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 0.26 in FY 2021-22 to 0.23 in FY 2022-23. 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 and in strengthening our existing products. These strategic decisions aim to further bolster our revenue, profitability and cash flow.

### Equity Share Capital (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 11 |
| FY 2021-22 | 11 |

### Debt Fund (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 1,478 |
| FY 2021-22 | 1,553 |

## Output

### Revenue from Operations (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 5,685 |
| FY 2021-22 | 3,954 |

**44%**
Growth

### EBITDA (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 2,047 |
| FY 2021-22 | 1,198 |

**71%**
Growth

### PAT (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 1,323 |
| FY 2021-22 | 775 |

**71%**
Growth

### Market Capitalisation (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 33,177 |
| FY 2021-22 | 30,191 |

# Key Ratios (Standalone)

### Current Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 1.52 |
| FY 2021-22 | 1.26 |

### Debt-Equity Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 0.26 |
| FY 2021-22 | 0.36 |

### Debt Service Coverage Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 2.52 |
| FY 2021-22 | 4.14 |

### Return on Equity (in %)

| | |
|---|---|
| FY 2022-23 | 27.82 |
| FY 2021-22 | 20.13 |

### Inventory Turnover Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 5.84 |
| FY 2021-22 | 5.05 |

### Trade Receivables Turnover Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 4.81 |
| FY 2021-22 | 4.71 |

### Trade Payable Turnover Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 6.19 |
| FY 2021-22 | 5.40 |

### Net Capital Turnover Ratio (in times)

| | |
|---|---|
| FY 2022-23 | 3.66 |
| FY 2021-22 | 3.46 |

### Net Profit Ratio (in %)

| | |
|---|---|
| FY 2022-23 | 24.50 |
| FY 2021-22 | 20.84 |

### Return on Capital Employed (in %)

| | |
|---|---|
| FY 2022-23 | 26.72 |
| FY 2021-22 | 18.39 |

# Cash Flow Analysis (Consolidated)

### Cash and Cash Equivalents (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 24 |
| FY 2021-22 | 26 |

### Cash Flow from Operations (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 739 |
| FY 2021-22 | 741 |

### Cash Used for Investment (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 476 |
| FY 2021-22 | 584 |

### Net Cash used for Financial Activities (₹ in Crores)

| | |
|---|---|
| FY 2022-23 | 264 |
| FY 2021-22 | 144 |

### Value Created and Distributed

At GFL, we prioritise optimising our assets and funds, aiming for consistent growth and financial stability. This approach has been instrumental in creating enduring and substantial value for all our stakeholders. We remain committed to achieving our goals of sustainable growth by making adequate and effective investments in critical areas such as research and development, capacity and capability building and delivering satisfactory returns to our valued shareholders. By aligning our strategic investments with our long-term objectives, we strive to maintain our position as a reliable and forward-thinking company in the market.

**₹ 5,857 Crores**
Direct Economic Value Generated

**₹ 1,323 Crores**
Economic Value Retained

**₹ 4,534 Crores**
Economic Value Distributed

**₹ 3,622 Crores**
Operating Cost

**₹ 322 Crores**
Employees Cost

**₹ 117 Crores**
Provider of Capital

**₹ 462 Crores**
Government

**₹ 11 Crores**
Community

# EMPOWERING GROWTH WITH OUR MANUFACTURED CAPITAL

**We stand out as a trusted manufacturer known for our inventive and eco-friendly offerings. By utilising state-of-the-art production units, we meet our customers' changing demands and maintain competitive pricing. We understand that the availability and quality of manufacturing capital greatly influence our productivity, competitiveness and ability to innovate. Therefore, it is important for us to evaluate and manage our manufacturing capital wisely and continuously.**

**4**
Manufacturing Plants

**₹ 4,289 Crores**
Gross Block

**₹ 1,500 Crores**
Capex Plans

## MATERIAL ISSUES ADDRESSED

- Geographical Presence
- Product Design for Use-phase Efficiency
- Materials
- Opportunities in Clean Technology
- Talent Development and Training
- Regulatory Compliances

### SDGs Impacted


## OPERATIONAL PERFORMANCE

- **Fluoropolymers:** The demand fundamentals are most likely to remain robust owing to the growing demand from new and emerging sectors
- **Electrolyte:** Our electrolyte plant is expected to be commercialised by Q2 of FY 2023-24. We are working with major battery manufacturers to provide them with electrolyte to cater their requirements.
- **Salt:** Our salt plant is in the final stages of commissioning and is expected to be commissioned by Q2 of FY 2023-24.

## FORWARD AND BACKWARD INTEGRATION

In our relentless pursuit of industry-leading quality, prompt delivery and cost-effectiveness, we prioritise establishing backward integration capabilities for vital raw materials. We have successfully implemented a comprehensive backwards and forward integrated system by harnessing our Fluorspar, HF, Refrigerants, Monomer and Polymers. This seamless integration ensures that many of our products serve as raw materials for other units, facilitating the highest synergy and integration across multiple production units.

## BATTERY CHEMICALS INTEGRATION

We are excited to announce our ongoing initiative to establish an integrated battery chemicals complex. This complex includes an electrolyte plant and a salt plant, both of which are crucial components for producing lithium-ion batteries. We are making great progress in this endeavour, with the salt and electrolyte plant expected to be commissioned by the second quarter of this financial year.

With the Government's strong push towards EV adoption, the demand for lithium-ion batteries is rising. Our battery chemicals complex will play a pivotal role in meeting this demand and enabling India to compete more in the global EV market.

In addition to the electrolyte plant and salt plant, we have also developed specialised PVDF grades tailored for cathode binder application. PVDF is vital for the lithium-ion batteries and our PVDF grades are well-suited for this application. This comprehensive range of products positions us with a competitive advantage in the battery chemicals market, as we can offer battery manufacturers a complete solution.

Overall, GFL's establishment of an integrated battery chemicals complex is a significant milestone for the Indian EV market. We are well-prepared to meet the increasing demand for high-quality lithium-ion batteries, contributing to India's emergence as a major global player in the EV industry.

## TECH AND INNOVATION

At GFL, we leverage advanced software and technology to empower our skilled engineers to moniter, control and optimise key parameters, process conditions and safety scenarios within our plant. To effectively analyse day-to-day activities, we employ various digitisation monitoring tools. Additionally, we regularly review product mapping, benchmark performance and conduct SWOT analysis to align our offerings with market demands, driving the necessary process optimisation to enhance profitability.

In our commitment to sustainability, we have integrated environment friendly greener alternatives into our polymerisation process, resulting in improved sustainability for our fluoropolymer products. Notably, we have developed Green NFPA (Greener surfactant) specifically for selected grades of PTFE and PVDF. Throughout our operations, we prioritise minimising effluent and waste generation while ensuring environment friendly treatments, aligning with our dedication to responsible practices.

## SETTING UP INDIA'S FIRST PVDF SOLAR FILM PROJECT

We, at GFL, are actively engaged in developing PVDF solar film for the solar photovoltaic (PV) market. PVDF film plays a crucial role in PV modules, serving as a protective layer to prevent the degradation of solar cells. Our PVDF film is meticulously designed to possess exceptional transparency, durability and resistance to chemicals and UV radiation. Currently, our PVDF solar film project isunder construction and expected to be commissioned in FY 2023-24.

## OUR MANUFACTURING FACILITIES

### Ranjitnagar, Gujarat, India

- Specialty Chemicals & Refrigerants
- Commissioned in 1989
- Largest Refrigerant Capacity in India
- ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Certified

### Dahej, Gujarat, India

- Fluoropolymers, Specialty & Bulk Chemicals
- Commissioned in 2007
- Largest Fluoropolymers Plant in India
- Vertically Integrated Plant
- ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Certified

### Jolva, Gujarat, India

- Fluoropolymers, Specialty & New-Age Chemicals
- Under Phased Commissioning

## GREEN TECHNOLOGY

In response to the growing awareness of climate change and the increasing stringency of regulatory requirements, we are significantly investing in developing greener products and technologies. We have also implemented several initiatives to make our manufacturing operations greener, such as efficient energy utilisation, waste optimisation and recycling more materials. These initiatives are helping us to reduce our environmental impact and meet our present and future needs.

Our production operations adhere to consumption guidelines for raw materials and other inputs like water and electricity. We focus on minimising the usage of steam, water and energy throughout manufacturing. We closely monitor and investigate any deviations in specific consumptions, identifying root causes and implementing remedial measures to ensure efficient resource utilisation. We strive to optimise our production processes by prioritising sustainable practices while reducing environmental impact.

## QUALITY CULTURE

Our employees receive comprehensive education on the significance of quality through our Company's quality policy and awareness training on quality management systems like ISO 9001 and IATF 16949. Customer complaints and internal rejection data are shared with the relevant employees, fostering awareness and accountability. Additionally, toolbox briefings and departmental meetings are utilised to effectively communicate the impact of employees' operations on product quality.

# UNLOCKING BRILLIANCE WITH OUR INTELLECTUAL CAPITAL

**Our intellectual capital drives sustained growth and industry leadership in green chemistry. We consistently achieve remarkable outcomes through efficient systems and innovative solutions, adapting to market demands with customised products. We manufacture diverse, sustainable and pioneering products for domestic and international markets by integrating cutting-edge technologies and digital solutions. Our dedication to nurture knowledge sets us apart, reinforcing our resolve for a brighter, sustainable future.**

**2**
R&D Facilities






## MATERIAL ISSUES ADDRESSED

- Product Development
- Cyber Security
- Product Safety and Stewardship
- Supplier Assessments
- Customer Privacy
- Good Governance Practices
- Business Risk Mitigation

### SDGs Impacted

9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 13 Climate Action; 17 Partnerships for the Goals

## Our Intellectual Properties

Over the years, we have forged strong partnerships with esteemed national and international legal firms and intellectual property rights (IPR) experts, firmly establishing a robust framework to safeguard and uphold our invaluable intellectual property. As part of our unwavering commitment to protecting our IP assets, we have taken a proactive approach by establishing an in-house IP department staffed with industry-leading IPR experts. This strategic move bolsters our IP capabilities and enables us to elevate the management of our IP-related activities to new heights of excellence and efficiency.

During the year under review, we filed 26 new patents till date in the fields of fluoropolymers, electric vehicles (EV) and fluorospecialty chemicals, underscoring our dedication to pioneering innovation. Furthermore, we obtained the approval for four patents, a testament to the high calibre of our inventions and technological advancements. To date, we have secured 68 trademarks, further solidifying our position as a frontrunner in intellectual property excellence.

The establishment of our in-house IPR Department has not only fortified our external defences but also nurtured internal capabilities. Through their expertise, we have cultivated a culture of patent filing, exhaustive patent searching and diligent prosecution. Our team has diligently handled trademark filing and prosecution, expertly reviewed non-disclosure agreements (NDAs) and crafted standardised agreements to safeguard our IP rights for diverse purposes. Moreover, our relentless commitment to data privacy has empowered us to reduce dependence on third parties, ensuring strict control and protection of our invaluable intellectual assets. We have taken proactive measures, introducing copyright marks on every document and bolstering our efforts to maintain and protect our intellectual property rights. To further fortify our defences, our IT team has diligently digitised and protected the majority of our documents, implementing robust security measures to preserve the sanctity of our intellectual capital.

**26**
Patents Filed

**4**
Patents Approved

## Research and Development

We have world-class R&D capabilities that are driving our progress. At our Dahej plant, we have a state-of-the-art piloting facility exclusively designed for fluoropolymers. Furthermore, strategic collaborations with renowned research institutions fortify our commitment to innovation. At our Ranjitnagar R&D centre, we have successfully introduced the R142b operation, leveraging modern advanced technology and subsequently achieved its commercialisation. Moreover, we have revolutionised existing operational techniques with state-of-the-art equipment. Our focus lies in developing environment friendly products, particularly in the realm of green chemistry, catering to the burgeoning sustainable market, including revolutionary EV battery molecules.

**Our esteemed R&D partners include prestigious institutions such as:**

- 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 emphasise continuously investing in strengthening our R&D capabilities, enabling us to meet the specialised application needs of our esteemed customers consistently. Additionally, we actively strive for market growth through an array of new product launches, driving us towards future success.

## Product Life Cycle Management

We diligently oversee the growth and performance of each product throughout its life cycle, encompassing the stages from development to decline. We classify our product development cycles into two categories: short-term projects, lasting less than six months and long-term projects spanning one to three years. This classification is based on the complexity of the products involved. Our Advanced Product Quality Planning (APQP) methodology plays a crucial role in minimising development cycle time, while our comprehensive risk management tracking sheet ensures seamless management of the product's life cycle.

## Sustainable Design

With the enforcement of stringent environmental regulations and increasing customer demand for more sustainable products, technologies and processes, we have escalated our investments in developing environment friendly solutions to meet current and future resource requirements. We have enhanced our legacy products by incorporating contemporary techniques and processes. This strategic approach aligns with our commitment to sustainability and enables us to optimise costs. Before initiating any R&D project, we conduct thorough analysis, considering parameters such as Product Hazard Assessment, Regulatory Risk Assessment, and Environmental Footprint Analysis. This diligent evaluation ensures that our projects are designed to meet the highest safety standards, regulatory compliance and environmental impact.

## Digital Transformation

Our commitment to advanced information technology capabilities and groundbreaking digital platforms lies at the heart of our operations and future aspirations. These transformative tools shape our present and hold the key to our future success. They empower us to develop unparalleled and sustainable products while honing our operational efficiency, ultimately fortifying our position in the market. With our robust technological prowess, we ensure strong cyber security and seamless automation of our operations.

Optimising our business processes, we have integrated industry-leading solutions such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and cutting-edge SCADA control operations. With our focus on leveraging the most innovative digital technologies, we are well-positioned to lead the way into a future defined by unparalleled efficiency, groundbreaking solutions and success.

## ERP with SAP

Embarking on our digital transformation journey by implementing SAP's renowned Enterprise Resource Planning (ERP) software in 2007 was the pivotal step that enabled us to a seamless integration across various facets of our operations, including procurement, production planning, quality control, quality assurance, inventory management, financial accounting and control systems, distribution, sales, marketing channels, plant maintenance, warehouse management, export and import, compliance management, and project management. By automating numerous business functions, we have achieved enhanced visibility into our business processes and performance.

## Salesforce Adaptation

In order to provide comprehensive support to our global marketing and sales teams, we have seamlessly integrated the world's leading CRM system, Salesforce, with our SAP platform. This integration enables us to enhance our marketing campaigns and effectively monitor customer experiences, service and support. To further bolster our capabilities, we have equipped our Salesforce technologies with state-of-the-art artificial intelligence and machine learning capabilities, empowering us to leverage the latest advancements in Customer Relationship Management. This strategic adaptation ensures we stay at the forefront of delivering exceptional customer experiences and driving business growth.

## SCADA

We have implemented SCADA to ensure consistent product quality and streamline technological operations across our facilities. Additionally, we have integrated the Yokogawa Data Historian system to analyse production data and enhance plant performance. Moreover, we have introduced ESPEN, a virtual plant process analysis system that works in conjunction with SCADA. This integration allows us to gain objective insights into various processes, enabling us to evaluate new plant capacities and make necessary adjustments for optimal efficiency. Using SCADA and ESPEN, we leverage data-driven decision-making and drive continuous improvement across our operations.

## Quality Assurance and Control

At the core of our operations, we prioritise the adherence to globally benchmarked quality parameters, guaranteeing utmost customer satisfaction and long-term sustainability of our business.

To achieve this, our quality labs boast Dima-based molecule analysis technology, seamlessly integrated with MATLAB software. This cutting-edge setup enables molecular analysis of HPLC, GC, FT, and IR-based solutions. Additionally, our labs are equipped with state-of-the-art Agilent technology, ensuring accurate analysis linked to our Dima and SAP databases.

We continuously enhance our technologies in terms of hardware and software to maintain excellent product quality. Our implementation and certification for an integrated Management System, including ISO 9001, ISO 14001 and ISO 45001, along with compliance with the IATF 16949 automotive standards, solidify our commitment to exceptional product quality and consistency.

Furthermore, our Finished Goods Testing Laboratories have accreditation from NABL, ensuring compliance with stringent requirements. We provide comprehensive information to our customers through well-documented and peer-reviewed product literature, delivering transparent and reliable insights.





## Quality Certifications and Accreditations

- ISO 9001
- IATF 16949 Automotive Standards
- NABL-accredited Labs
- BIS certification for PTFE, MDC and Caustic soda

Our QA & QC function is driving Total Quality Management through following practices :

**Customer centric mindset, with focus on first time right and ontime deliveries**

- Samples are developed, produced and tested ontime and submitted to customer for qualification
- Routine production - Document submission (COA etc) and product deliveries (through dispatch allocation) are made on time.
- Customer complaint resolution through 8D problem solving approach - acknowledgement within 2 hours, problem definition & containment action within 2 days, 8D report (with RCA & CAPA plan) within 2 weeks, Complaint closure & Horizontal deployment within 2 months and CAPA sustenance audit for 2 years

**State-of-the-art test facility with following characteristics**

- Safety inbuilt in Lab construction design and adherence to strict Lab Safety Management protocols
- Customer application center - Customers can visit and see application of our product in the processes of customers
- End-to-end QC Test facility to verify quality of Raw material, Inprocess materials and Finished goods
- NABL accreditation quality excellence and system certifications
- Training of advanced quality Tools and techniques
- Improvement projects through Lean Six Sigma DMAIC methodology
- IMS (ISO 9001, ISO 14001 and ISO 45001) and IATF16949 deployment in spirit in addition to the formal certification.
- Quality circle in shop floor- achievements in national and international level competitions

**Digitalisation in quality**

- LIMS (Laboratory Information Management System) and online QMS portals aiming at Paperless quality system - under implementation phase

**Supply chain engagement**

- Vendor Audits - QA department evaluates critical suppliers through vendor qualification process (online / offline)
- Customer audits - Pharma customers visit GFL site regularly for evaluation of quality system and they are satisfied
- Customer relations - QA department conducts customer education programme to make aware on product handling and hazards associated with it. This is helping us to improve customer relations.

## Communication Platform

To ensure seamless communication with our suppliers, vendors and consumers, we leverage cutting-edge virtual communication tools. Polycom, Cisco Webex, Zoom and Microsoft Teams are among the platforms we use to facilitate audio - visual collaboration across various verticals within our Company.

## Cyber Security

We are deeply committed to upholding the highest levels of cyber security across all our manufacturing facilities. We rely on advanced systems and protocols to safeguard sensitive data and mitigate potential risks. Our SD Wan architecture spans all factories and offices, fortified with 128-bit Secure Socket Layer (SSL) encryption. We utilise Fortinet's Unified Threat Management system for user authentication, while SSL and a web application firewall ensure the utmost security of GFL servers and websites.

Our network security is reinforced by firewalls based on Intrusion Prevention Systems (IPS) and Intrusion Detection Systems (IDS) implemented across our factories and offices. We employ a centralised Security Operation Centre (SOC) and Network Operation Centre (NOC) to provide comprehensive network security monitoring. In the battle against cyber threats, security log analysers and Security Incident Management Systems (SIEM) play pivotal roles in our defence strategy. These robust measures safeguard our network servers and devices, ensuring a secure operating environment for our operations.

## Data Privacy

Safeguarding data privacy is a top priority for us at GFL. We have made significant investments in advanced technologies to protect critical information stored on our servers. Access to this data is strictly limited to authorised users, maintaining a secure environment.

To effectively monitor and regulate activities on end-point devices, we employ a comprehensive suite of security solutions, including EDR (Endpoint Detection and Response) technology, IDS (Intrusion Detection System), IPS (Intrusion Prevention System), Antispam, Antimalware, AV Signature and behaviour-based threat protection solutions. Furthermore, to prevent data leakage, we utilise DLP (Data Leakage Prevention) technology for added security of data stored in central repositories.

Our commitment to data privacy extends to our internet access protocols, which adhere to rigorous ISMS (Information Security Management System) security regulations. This ensures thorough oversight of emails sent and received from work accounts. Additionally, our ISMS policy places restrictions on access to USB and CD drives, as well as Bluetooth and Wi-Fi connections.

The data housed in our central systems and backup servers are subject to comprehensive protection measures. Our SAP servers are equipped with digital signatures, enabling the generation of encrypted digital formats for third-party documents such as invoices. To facilitate secure communication with our customers, we provide digital certificates for sales, marketing, finance and accounts operations, ensuring encrypted contact and enhanced privacy.

# HARNESSING OUR POTENTIAL THROUGH OUR HUMAN CAPITAL

**Our organisational success thrives on the invaluable contributions of our human capital, breathing life and vitality into every aspect. Embracing this profound philosophy, we have cultivated a people-centric culture where collaboration, innovation and personal growth are not mere buzzwords but the pillars upon which our extraordinary community is built. We deeply cherish and hold in high esteem the exceptional talent and dedication that each member of our workforce brings to the table, as their tireless efforts move us closer to realising our organisational goals. Within this inclusive environment, a deep sense of connection, belonging and unity flourishes, empowering every individual to find solace in knowing they are an indispensable part of a greater whole. It is this collective spirit that ignites a vibrant synergy, fuelling our shared accomplishments.**

Recognising the immense reservoir of potential within our team, we provide them with an open playground to unfurl and reach their full potential. We firmly believe that our organisation flourishes in tandem when the brilliance of the employees is allowed to flourish. Our utmost commitment is to cultivate an environment that serves as a launchpad for their professional growth, empowering them to realise their aspirations while actively contributing to our collective ambitions.

We are not merely an organisation but a closely-knit family of like-minded individuals passionate about making a positive impact. In harmony, we create a symphony of collaboration, innovation and personal growth that helps us towards unprecedented heights of excellence and success.

**3,418**
Employees

**82,713**
Total Training Man-hours

**24 Hours**
Average Training Man-hours per Employee



## MATERIAL ISSUES ADDRESSED

- Occupational Health and Safety
- Employee Diversity
- Employment Practices
- Human Rights
- Talent Attraction and Retention
- Employee Well-being and Engagement
- Talent Development and Training

### SDGs Impacted


### Talent Acquisition

We believe in providing equal opportunities for all individuals and being an 'Employer of Choice'. Our talent acquisition strategy attracts dynamic, ethical and highly skilled professionals through partnerships with renowned institutions and top-tier B-schools in India. We empower new talent through meticulous training programmes to drive our Company's sustained growth and achievements. Our recruitment policy upholds fairness, inclusivity and compliance with labour laws, as outlined in our comprehensive employee handbook that promotes equal opportunities and a diverse workforce.

Partnering with
**Prestigious B-Schools**
to discover the brightest young minds in the industry

### Employee Orientation and Well-being

We deeply care about the orientation and well-being of our employees. We understand the importance of attracting and retaining talented individuals who share our values and we are committed to creating an inclusive and supportive environment for them to thrive.

### Upholding Employee Welfare and Human Rights

Upholding our employees' welfare and rights is our top priority. We have developed employee-centric policies and fostered an encouraging global environment that respects human rights as outlined in the UN Declaration of Human Rights and the principles of the UNGC. Through our remuneration policy, social security schemes, welfare measures and career development programmes, we ensure that our employees are well taken care of and their rights are protected.

Adherence to
**UN's declaration of human rights and the principles**
for enhancing the employee welfare policies

### Comprehensive Employee Benefits and Security

We prioritise the comprehensive well-being of our employees by providing a range of benefits and security measures. This includes group medical insurance, group personal accident insurance/social security schemes, and bonuses to recognise their contributions. We extend inclusive policies to labour and contract workers, ensuring they receive bonuses, social security benefits and leaves as per the Factories Act, 1948.

In addition, we prioritise work-life balance and gender equality by offering special leaves, flexible work arrangements, alternate Saturday leave and provisions for additional leave and remote work when needed. Our commitment to supporting work-life balance is further demonstrated by providing childcare leave for female employees as per the Maternity Benefit Act, 1961.

**100% of employees**
are covered under Group Medical Insurance and Group Personal Accident Insurance/ Social Security schemes

### Performance Management and Talent Development at GFL

We foster a confident and growth-oriented culture, strongly emphasising performance management and talent development. Our approach is rooted in non-discrimination, objectivity and fair treatment, ensuring that every employee has the opportunity to excel. We believe in recognising exceptional contributions and providing a supportive environment for professional growth.

## Merit-Based Career Progression

At GFL, career progression is solely based on merit, creating equal opportunities for all employees to advance and grow. Our well-defined process ensures that talent development is prioritised at the unit and corporate levels. Through talent review committees, we carefully monitor employee progress and potential, enabling us to provide the necessary support and guidance.

## Development Tools and High-Potential Programmes

We utilise various development tools and programmes to identify and nurture high-potential individuals. Our comprehensive approach includes using the 9 Box Matrix, 360-degree feedback assessments, assessment development centres and individual development plans. High-potential employees are allowed to participate in a prestigious one-year leadership development programme conducted by a reputable external organisation.

**Over 80%** of **employees serving as General Managers and above**

**have undergone the 360-degree feedback assessment, fostering their professional growth and development**

## Sponsorship and Education Programmes

In our commitment to fostering career progression, GFL sponsors high-performing, high-skilled technicians for higher education programmes. These programmes empower individuals to enhance their skills and knowledge, opening doors to new opportunities and advancement.

During FY 2022-23

**90%** **of our Level 2 employees**

**participated in this programme**

## Four Disciplines of Execution (4DX)

To drive sustained superior performance, we implemented the Four Disciplines of Execution (4DX) programme as our flagship initiative. This programme emphasises high-quality implementation, leader and team engagement, and sustainable results, enabling our employees to achieve their goals and contribute to our Company's success.



## 7 Habits of Highly Effective People

Our second flagship programme focusses on the **'7 Habits of Highly Effective People,'** targeting Level 3 employees. This programme aims to develop essential leadership skills and promote personal effectiveness, empowering our employees to become effective leaders in their respective roles.

In FY 2022-23

**54%** **of Level 3 employees**

**completed the 7 Habits of Highly Effective People Programme**

## Enhanced Learning Initiatives

We believe in the right to education for all employees, including contract labourers. Our enhanced learning initiatives provide access to the Learning Management System (LMS), allowing employees to take control of their learning journey. Through pre and post-assessments and feedback from managers and department heads, we ensure the effectiveness of our training programmes and continuously improve the learning experience.

## IT Initiatives for Continuous Learning

To facilitate continuous learning and development, we have introduced new IT initiatives. These initiatives include:

- On Job Training (OJT) through LMS which enables employees to enhance their skills while performing their regular duties
- Nominations for external training (seminars/webinars/conferences), providing employees with opportunities to expand their knowledge through external programmes
- Online library platform named 'Athena', offering a wide range of books related to health & safety, green chemistry and other relevant topics
- Movie-based learning platform called 'Bioscope,' allowing employees to learn and gain insights through engaging visual content

## Employee Training Details (Across Locations)

**(Total Training Man-hours)**

| | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| Behavioural | 14,011 | 11,850 | 10,740 |
| Technical | 6,686 | 7,607 | 7,020 |
| Occupational Health & Safety | 20,570 | 6,182 | 3,663 |
| Management System Topics | 11,938 | 16,602 | 1,003.7 |
| Social Accountability | 1,236 | 3,584 | 1,395 |
| Prevention of Sexual Harassment (POSH) | 2,504 | 1,921 | 889 |
| Fair Business Practices | 7,146 | 5,748 | 1,491 |
| Cyber Security | 2,452 | 1,950 | 597 |
| Human Rights | 2,554 | 2,118 | 0 |
| Gender Sensitivity | 2,404 | 1,776 | 0 |
| Ethics & Integrity | - | - | - |
| Environment Management | 60 | - | - |
| **Total** | **71,561** | **59,338** | **26,799** |

## Promoting Employee Engagement

GFL prioritises employee engagement, fostering a strong connection between our workforce and our Company. We organise various engagement programmes and events, such as Connecttalkavity, HR Roundtable, HR Connect, CEO Townhall, Skip Meetings, Let's Talk, Employee Newsletter, PHRRO, Prayas, Festival Celebrations, Family Day and Sports tournaments. These initiatives strengthen relationships, boost morale and cultivate a positive work culture. All our employee engagement activities adhere to human rights principles.

## Recognising and Rewarding Performance

We believe in motivating and retaining talent by acknowledging exceptional contributions. Through our digital platform, 'SPOT ON,' we reward employees for outstanding performance. We also honour long-serving employees to recognise their dedication and commitment.

We introduced the 'Star Achiever Award' as part of our annual recognition scheme to celebrate exceptional leadership and sustained business growth. Our senior management identifies and awards Star Performers, comprising 5% of the total population, who have made exemplary contributions.

We encourage employees to share their suggestions and ideas through our employee suggestion platform, 'Prayas,' allowing their voices to contribute to workplace improvements.

## Supporting Diversity

We uphold the principles of equal employment opportunities and non-discrimination. Our HR policies and practices are designed to provide equal opportunities to all employees, irrespective of race, colour, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, disability, pregnancy, affiliation with indigenous people, trade union affiliation, political affiliation, or political or any other opinion. We also recognise emerging prohibited grounds such as marital or family status, personal relationships and health status, including HIV/AIDS.

We ensure equitable access to employment opportunities for all stakeholders, including recruitment, selection, appointment, training, learning and development, promotions, Company activities and terms and conditions of employment. Within our organisation, we treat every employee with dignity and respect. Furthermore, we prioritise hiring employees from local communities surrounding our manufacturing units, demonstrating our commitment to supporting these communities.

## Supporting Women Empowerment

We strongly believe in empowering women and promoting gender equality. Our people strategy focusses on increasing women's representation in leadership positions and ensuring their inclusion across all functional roles. As a signatory of the UN Women and UNGC Women's Empowerment Principles, we are deeply committed to this cause.

We take pride in the growth of our women workforce and provide equal access to relevant training and skill enhancement programmes. We foster a culture of continuous learning and offer equal opportunities for advancement. Moreover, we create a supportive work environment that promotes work-life balance, flexible work arrangements and the overall well-being of women employees. We strive to cultivate a workplace culture where every woman feels valued, respected and empowered to reach her fullest potential.

We remain committed to UN WEPs and invite you to learn more about our progress in our Women Empowerment & Diversity Progress Report 2021-22, available on our Company's website at the link: https://www.gfl.co.in/assets/images/Women-Empowerment-Diversity-Progress-Report-2021-22.pdf

### Operational Health & Safety

Health and Safety Performance Targets for the Next 5 Years

- Zero fatal injuries
- LTIFR (Lost Time Incident Frequency Rate) less than 20% (YoY)
- TRIFR (Total Recordable Incident Frequency Rate) less than 20% (YoY)

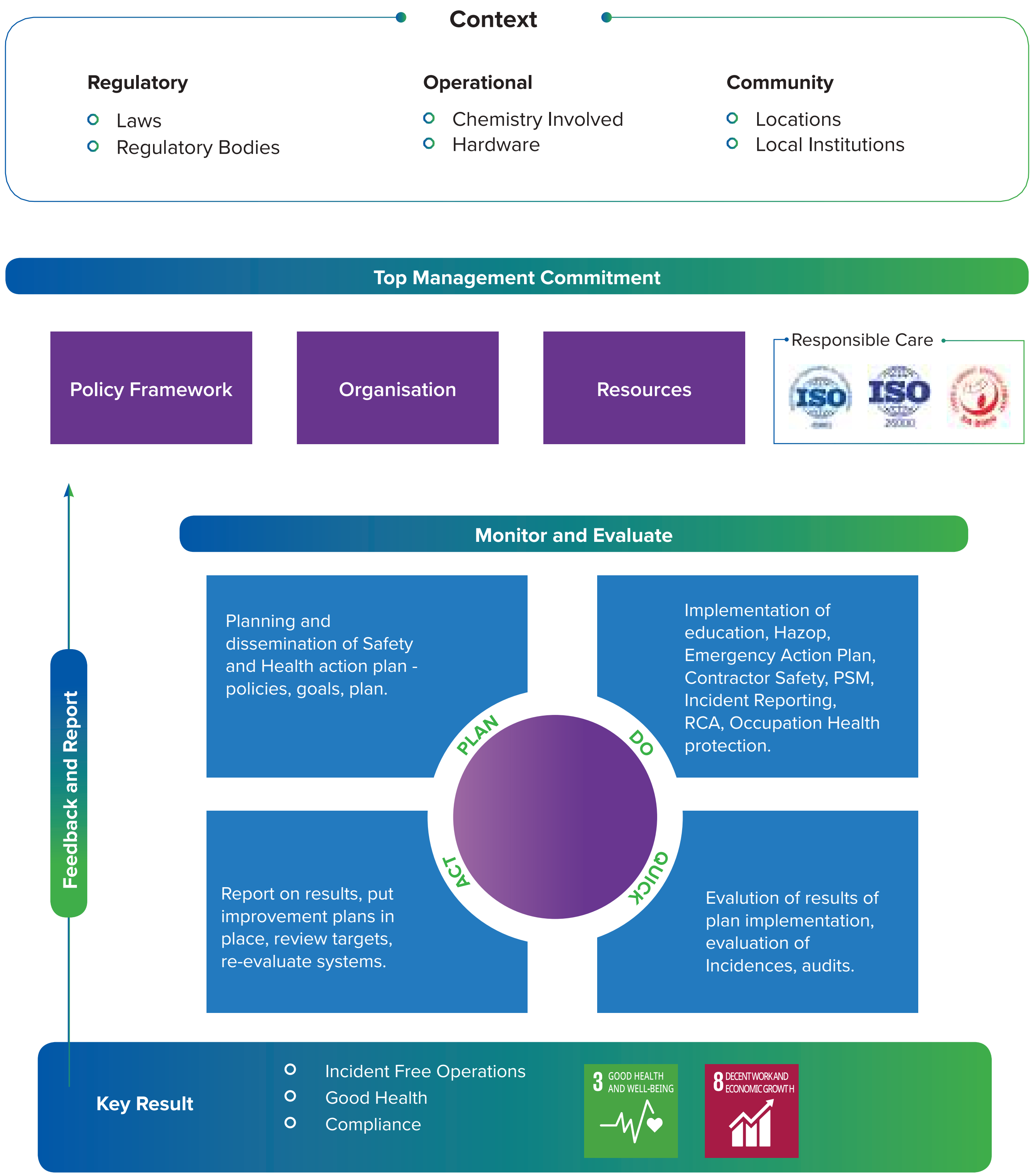
## Commitment to Health, Safety and Sustainability

At GFL, we place the utmost importance on our operations' health, safety and sustainability. We firmly believe that 'Safety is a Value - Not Just a Priority' that guides all our endeavours. As a certified company under OHSAS 18001:2007, ISO 9001:2015, ISO 14001:2015, and ISO 45001, we are committed to upholding the highest standards and regulatory norms to provide a safe and healthy working environment for our employees, contractors, customers and the public.

## Fostering a Robust OH&S Framework and Governance Structure

Ensuring the health, safety and welfare of our workmen, contractual partners and stakeholders is at the heart of our business operations. Through our responsible care management system, we actively implement measures across all our facilities to prioritise the safety of our employees and workmen. By continuously striving for excellence in health, safety, security and environmental performance, we uphold our commitment to responsible care, which is integral to our sustainability initiative. Our governance framework ensures efficient communication and synchronisation between senior management and our operational staff on the shop floor.

## OH&S Framework and Governance Structure



## Collaboration with Dupont Sustainable Solutions (DSS)

We have forged a long-term partnership with Dupont Sustainable Solutions (DSS) to bolster our journey towards safety excellence. The top leadership actively drives Safety, Health and Environment (SHE) through ongoing review, resource allocation and effective process safety management. Under the banner of 'Suraksha Setu,' all our safety initiatives are streamlined and integrated.

## 'I Am A Safety Leader' Campaign

We firmly believe that safety begins with individuals at every level of our Company. To instil a culture of safety, particularly at the grassroots level, we have launched the 'I Am A Safety Leader' campaign. This campaign aims to promote safety behaviour at work, at home and during travel, empowering each individual to prioritise safety.

## Comprehensive OH&S Training and Safety Committees

Our OH&S training programme follows the 4E Framework and is implemented through the 5 essential steps. Regular training sessions are conducted to enhance awareness and knowledge among our employees. We have established unit-level APEX committees chaired by the UH (Occupier) and various safety committees that provide updates on key performance indicators and drive improvements at the unit level. To ensure preparedness, we conduct mock drills and tabletop exercises during both working and non-working hours, with comprehensive mock drills being held every quarter.

### 5 Essential Steps for Safety

**Reporting Hazards**
- Empower employees
- Encourage employees
- Non-Retaliation
- Transparency and honesty

**Involve Workers in Decision-Making**
- Safety tours
- Suggestions
- SOPS
- Training

**Leading from the Top**
- Safety at the design stage - safety before cost
- Visible felt leadership-level-wise
- Linking to individual performance
- Functional synergy

**Training**
- Regular and repeated
- Relevant
- MoC sure effectiveness
- Involve workmen

**Communication**
- Regular communications
- Safety visibility
- Making & Personal
- Intermittent and periodic

### 4E Framework for Safety

| EDUCATION | EMPOWER | ENGAGE | ENCOURAGE |
|---|---|---|---|
| Awareness<br>Training | SWASTA<br>Decision making | Safety circles<br>Participation - UC/UA/CSR | Recognition<br>Reward |
| **Suggested actions:**<br>Teaser video<br>Awareness training<br>Plant specific safety training<br>Knowledge test-September | **Suggested actions:**<br>SOP review team<br>SWA implementation<br>STA implementation<br>Reporting system<br>Non-retaliation | **Suggested actions:**<br>Plant safety circle<br>Quarterly safety contests<br>Team Safety walk<br>Safety observation scheme | **Suggested actions:**<br>Plant-wise individual recognition<br>Quarterly best HSE for plant |

## Employee Wellness and Celebrations

Promoting employee wellness and fostering a culture of safety are key priorities at GFL. We provide regular OH&S training to raise awareness and encourage proactive safety practices. Our unit-level celebrations, such as Safety Day/Week, Environment Day, Ozone Day and International Family Day, serve as platforms to engage employees and contractors in safety-related initiatives. These celebrations enable us to create a positive environment that encourages active participation and instils a sense of responsibility towards health and safety.

## WASH Awareness Campaign and Workplace Wellness Survey

Employee well-being is of paramount importance to us. To emphasise our commitment to a clean and healthy workplace, we celebrated World Water Day by signing the WASH pledge. In alignment with Sustainable Development Goal 6 (SDG 6) and to address the global sanitation crisis, we conducted a WASH Awareness Campaign on World Toilet Day. Through this campaign, we aimed to raise awareness among employees and contractors about the importance of WASH practices, their benefits for the workplace, and their linkage to SDGs. Pamphlet distributions and informative sessions further reinforced the message.

Adherence to

**UN SDG 6: Clean Water and Sanitisation**

through our WASH Awareness Campaign

## Health Promotion Initiatives for Workmen and Contractors

We prioritise the well-being of our workmen as valued stakeholders in our business. They undergo thorough induction training and certification by our dedicated OH&S department to ensure their safety. We provide them with safe and sanitary work facilities, necessary protective equipment and comprehensive training. Our workmen actively participate in our unit Safety Committee, where their views are valued, and we address their concerns. We conduct regular medical check-ups, dental and health camps, and blood donation drives. First-aid training programmes and comprehensive training further support their well-being. Through these initiatives, we foster a supportive and proactive work environment that prioritises the health and safety of our workmen and contractors.

## Hazard Identification and Risk Assessment

In our commitment to ensuring a safe and secure work environment, we employ rigorous and proactive measures for hazard identification and risk assessment. Job Safety Analysis (JSA) and Hazard Identification and Risk Assessment (HIRA) are integral to our routine practices, enabling us to identify potential hazards and mitigate associated risks. We strictly adhere to a Permit To Work (PTW) system, incorporating pre-JSA procedures in collaboration with relevant authorities. For incident investigation and root cause analysis, we employ the comprehensive Why-Why technique integrated into our digital platform, 'Suraksha Setu'. Furthermore, we conduct Hazard and Operability Studies (HAZOP) for all operational activities, ensuring a robust system of Management of Change (MoC) and pre-start-up safety review (PSSR). Additionally, our preparedness extends to implementing an emergency plan to effectively handle potential disasters and risks.

## Commitment to Upholding Labour and Human Rights

At our Company, we take a sincere, responsible, and committed approach to upholding human rights. Guided by the United Nations Guiding Principles on Business and Human Rights, we have established four core pillars to guide our efforts:

Embedding Respect for Human Rights: We prioritise integrating human rights considerations into our policies, practices and decision-making processes throughout our organisation.

Ongoing Human Rights Due Diligence: We conduct continuous assessments and due diligence to identify, prevent and mitigate potential human rights risks and impacts associated with our operations, products and services.

Engaging Stakeholders and Fostering Collaborative Action: We actively engage with our stakeholders, including employees, suppliers, communities, and advocacy groups, to foster dialogue, collaboration and collective action in addressing human rights challenges.

Efficient Grievance Mechanisms and Access to Remedies: We provide accessible and effective channels for individuals and communities to raise concerns, provide feedback and seek remedies for perceived human rights violations.

Through the implementation of this approach, we have strengthened our policies, improved our due diligence procedures and taken targeted action to address 11 key human rights issues across our value chain. We remain committed to transparency and invite you to learn more about our progress in our Social Accountability & Human Rights Report, available on our Company's website at the following link:

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

## Labour-Management Relations

We value collaborative and constructive relationships with our employees across our companies and manufacturing facilities. These relationships are built on fairness, openness, and mutual respect, as outlined in our HR policy HR/43 - Guideline on Employee Relation. This policy upholds the principles of ILO conventions: 87, 98 and 135.

To promote a harmonious work environment, we have empowered committees at various locations, ensuring equal participation from workmen representatives. These committees cover different aspects of their work life, including Work Committee, Social Performance Team (SPT), Canteen Committee, Sports Committee, Transport Committee, Cultural Committee, Magazine Committee, Safety Committee and Quality Circle. Through initiatives like the Social Accountability Workshop, we communicate and uphold the rights of all workers, including contract labour.

These committees hold meetings for open discussions between management representatives, employees, contract labour and Sub-Contractors. We emphasise the exercise of Freedom of Association and the right to peaceful meetings, which are highlighted during the Social Accountability Workshop. We recognise the right of association and collective bargaining for contract labourers and actively participate in bargaining meetings. However, none of our employees are covered under collective bargaining agreements.

In compliance with the Industrial Dispute Act, 1947, we handle significant changes to employment terms responsibly and transparently. We acknowledge that the actions of our suppliers and contractors can affect freedom of association and collective bargaining. To address this, we have established a Sustainable Procurement Governance structure that requires suppliers/vendors to declare their commitment to protecting these rights for their workers.

Throughout FY 2022-23

**Zero**

incidents were reported where the exercise of the right to free association and collective bargaining was found to be significantly at risk

## Grievance & Suggestion Mechanism

We value our employees' and stakeholders' feedback, suggestions, and concerns. To ensure transparency and accessibility, we have implemented various platforms such as our digital ethics line, feedback surveys, employee associations and our online platform HR Buddy. Additionally, we provide suggestion boxes at our sites for anonymous submissions. Also, if any stakeholder comes across a violation, they are encouraged to report it via our Ethics Line at ethicsline@gfl.co.in. During FY 2022-23, we received no complaints regarding policy violations in employment and any concerns raised, were promptly resolved. We encourage open communication and proactive engagement to foster a supportive and inclusive work environment.

**Zero**

complaints of policy violation in FY 2022-23

### Recognition of Our Human Resource Management Practices

- Received the CII National Award for Excellence in Energy Management - 2022 by the Confederation of Indian Industry (CII) for our Dahej unit
- Awarded with '21st Edition of ASIA PACIFIC HRM CONGRESS' by Times Ascent for Innovative HR Practices
- Bestowed with the 'Silver Category' award for a project on 'Excellence in process optimisation and customer delivery' at the 33rd annual convention on quality/allied concepts organised by Quality Circle Forum of India (QCFI) at Vadodara
- Awarded with the Confederation of Indian Industry (CII) National Water Excellence Award - 2021 in the 'Within the Fence' category
- Certified in compliance with Anti-competitive & Anti-trust principles based on Competition Act, 2002 ISO 26000, UNGC Principles (Anti-competitive & Anti-trust principles)
- Completed ISO 26000 reassurance successfully with our scope expanded to include our new site – Dahej B

**Quality Circle Teams - Titans and Imaginative** participated in 36th NCQC'2022 organised at Aurangabad on 27th and 28th December, 2022. Both the teams proudly presented GFL Dahej - A & Dahej - B site at the National level and Team Titans (CPP) won **the 'EXCELLENT'** Award & Team Imaginative (Instrument - A&H) won the **'DISTINGUISH'** Award

**Employee Teams of DAHEJ won GOLD Category AWARD & SILVER Category Award in state level Annual Convention on Quality Concepts under the aegis of QCFI**

**Ms. Jyoti Chauhan awarded the 'Exceptional Women of Excellence' and 'Exceptional Leader of Excellence' by 'Women Economic Forum' (WEF) and WICCI Women's Indian Chamber of Commerce and Industry (WICCI)**

**Mr. Mahesh Patel, Senior Executive – Utility awarded as 'Best Boiler Operator' (2022-23) in the 14th National Conference on Boiler & Stream Systems (StreamTech 2023) organised by Saket Projects Limited at Ahmedabad on 15th July, 2023**

**Mr. Kallol Chakraborty, Head - Group Corporate Human Resources of INOXGFL, won the TOP 50 CHRO in HR Success Talk Awards**

**Mr. Kapil Malhotra was a keynote speaker at the 26th ICIS and Tecnon OrbiChem World Chlor-Alkali Conference held at Singapore. The conference was well-attended by industry professionals from all over the world**

# NURTURING SHARED PURPOSE AND PROSPERITY THROUGH OUR SOCIAL AND RELATIONSHIP CAPITAL

**Our commitment to social and relationship capital extends beyond transactional interactions, emphasising mutual respect, open communication and shared goals. Through continuous engagement and meaningful collaborations, we strive to positively impact society while forging enduring relationships that contribute to our collective growth and sustainability.**

**₹ 8.62 Crores**
CSR Activity Expenditure

**78.13%**
Beneficiaries from Vulnerable and Marginalised Groups

**53,859**
CSR Activity Beneficiaries

## Material Issues Addressed

- Human Rights
- Local Community Involvement and Development

## SDGs Impacted


## Effective Communication with Internal Stakeholders

- **Effective and regular communication:** This means communicating with internal stakeholders in a clear, concise, and timely way. It also means communicating regularly so stakeholders are continually updated on the latest developments.
- **Internal stakeholders:** The internal stakeholders, in this case, are the investor community, suppliers, and vendors. These people have a vested interest in our Company's success, and it is important to keep them informed of the Company's progress.
- **Forging a long-term relationship:** Our Company can build strong relationships with internal stakeholders by communicating effectively with them. These relationships can be invaluable in the long term, as they can help our Company to secure funding, acquire supplies, and deliver products and services.

## Fostering Stakeholder Transparency

We engage with various stakeholders throughout our operations, including customers, suppliers, vendors and the community. This allows us to understand their needs and develop strategies to maximise value creation. We strive to communicate effectively with stakeholders through various channels to identify their needs and expectations. To promote transparency throughout the organisation, we hold meetings to discuss social and environmental issues and address stakeholder concerns and grievances. This also allows us to effectively serve a variety of stakeholder groups and maintain open lines of communication.

## Initiating Effective Communication

At GFL, we prioritise both product innovation and effective customer engagement. Through various channels, including virtual platforms and participation in business expos, we strengthen our reach, gather market insights and foster strong relationships with existing and potential customers. We take pride in consistently outstanding customer ratings, reflecting the excellent quality of our products and services. Additionally, we value customer feedback, which can be conveniently shared through our corporate website.

## Social Media Connect

We are expanding our presence across multiple social media platforms, providing comprehensive information about our products and key highlights on our corporate website, five product-brand websites and two regional websites. Notably, our following across Social Media platforms has grown in the past year, indicating extensive reach and engagement with customers and industry professionals.

## Consistent and Full Disclosure

At GFL, we prioritise our products' fair and professional presentation across communication channels. We ensure accurate promotion of product performance, features and benefits backed by test results and applicable standards. Our external communication materials undergo plagiarism tests, guaranteeing atleast 95% original content with licensed images and strict content confidentiality. Our corporate identity manual guides the consistent visual identity across all touchpoints with stakeholders, providing design directions for our locations and collaterals.

## Our Commitment: Ten-point Agenda

GFL's sales and marketing initiatives, aligned with responsible practices, are guided by a ten-point agenda that underscores our commitment to integrating our Company's fundamental principles of Responsible Sales and Marketing (RSM).

We are committed to portraying product performance and service delivery truthfully to all customers.

- We will only make claims that have been approved and appropriately substantiated.
- We will represent the Company truthfully, fairly and accurately at all events, trade fairs and conferences.

We protect customer data and customer's Right to Privacy.

- We will collect, use and store customer data in an ethical manner.
- We will not sell or share Customer's data with third parties without the customer's consent.
- We only publish, advertise and post content that propagates authenticity and fair methods of competition.
- We will make true and honest comparisons between our Company and competitors.
- We will not engage in false or misleading advertising.

We inform and educate customers on the safe handling and storage of products.

- We will provide clear and concise instructions on how to use our products safely.
- We will warn customers of any potential hazards associated with our products.
- We refrain from discussing price, profit and margin with the competitors.
- We will not engage in price collusion or other anti-competitive practices.
- We are committed to engaging in fair supply and distribution.
- We will not discriminate against any customer or supplier.
- We will ensure that our products are distributed fairly and equitably.

## Forging Long-term Relationships with Suppliers and Business Partners

Our strong and long-standing relationships with suppliers and partners ensure smooth operations. We support local vendors and contribute to national economic development. Suppliers are categorised based on risk and value and we engage regularly to address concerns. Our vendor voice portal allows for interactive feedback. Anti-corruption measures are included in our Supplier's Code of Conduct and high-risk suppliers are audited annually. Business ethics and anti-fraud policies are in place to prevent corruption.

## Sustainable Supply Chain

Our Sustainable Procurement Policy and Code of Conduct extend to all product and service purchases, establishing guidelines for our interactions with suppliers, vendors and third parties. We conduct regular audits of vendors to maintain product quality, focussing on high-risk category vendors. Vendor evaluation, including sustainability assessments, is carried out using the DQS NXT platform and SAP. Local procurement forms the foundation of our supplier initiative and we have a dedicated policy to ensure its implementation. We prioritise local communities by giving them preferences in goods and services procurement as well as employment opportunities. We actively engage with local communities through various means, such as direct and indirect employment, supplying goods & services and ancillary services.

## Conforming To Regulations

Adhering to legal requirements is deeply ingrained in our core values. We maintain strong relationships with the Government, regulatory bodies and industry associations to uphold ethical and responsible operations while contributing to overall economic growth. Active membership in various industry bodies allows us to stay updated on changing regulations and ensure compliance. We actively contribute to the country's socio-economic development through timely tax payments, CSR activities and support for government initiatives and vision.

**₹ 920 Crores**

Contribution to Exchequer in FY 2022-23



**Our community interventions focus on areas such as education, skill development, and the promotion of sustainable livelihoods.**

## Sustainable Livelihood

Providing sustainable livelihoods involves creating opportunities that balance economic growth with social and environmental considerations, ensuring long-term well-being for individuals and communities.

- **Ranjitnagar Skill Development Centre**
  We, at GFL, provide skill development training to the women residing at Ranjitnagar and nearby rural areas. We facilitate them with certificates as well post-completion of the programme. This initiative not only equips women with valuable skills but also provides them with employment opportunities within the centre itself, promoting sustainable livelihoods.
- **Ranjitnagar Handicraft Centre**
  **The Handicraft Centre** provides training to the women in handicrafts and linking them to the Government scheme called Hastakala Setu. After training, women receive an Artisan Card as recognition and become eligible for government work orders.

**₹ 5,000–₹ 10,000**

Per Month Earnings of the Beneficiaries of Our Company's Sustainable Livelihood Projects


## Mobile Healthcare Unit

The Mobile HealthCare Unit is a joint implementation of GFL and HelpAge India for providing healthcare services for non-communicable diseases and minor health problems. The initiative was started in 2019 for the people of the nearby villages viz., Ranjitnagar, Nathkuva, Jitpura, and Kankodakui.

**26%**

Treatment Reduction Achieved by the Villagers for Mobile Healthcare Unit

## Sustainable Agriculture Programme

We are introducing a Sustainable Agriculture Programme focussing on regenerative practices and resource conservation, fostering environmentally friendly farming methods while promoting food security and long-term economic viability.

We arrange

- **A monthly visit by an agricultural expert** who provides guidance to farmers on improving farming practices for higher crop yields. The expert conducts workshops on crop management, crop quality protection, and vermicompost preparation for enhancing soil fertility. Additionally, the expert assists farmers in exploring income opportunities through the sale of vermicompost and homemade remedies for crop protection against pests and diseases.
- **Organic farming capacity building** through our CSR team's experts by providing training and guidance to farmers on vermicompost preparation and transitioning to organic farming practices. By replacing chemical solutions, this initiative aims to ensure sustainable agriculture for the farming community, preserving the soil's long-term health in villages.

53 farmers achieved

**600+ KG/bigha**

Production Post Our Intervention with Our Sustainable Agriculture Programme

## Animal Husbandry

**Mobile Veterinary Services:** A veterinary doctor visits cattle-owning households through a mobile van, offering free health checkups and treatment for the animals. Beneficiaries also receive guidance on animal husbandry practices to enhance milk yield and maintain cattle health in the long run.

**Fodder and Disease Management Programme:** GFL staff, along with experts, provide valuable guidance to beneficiaries on optimal fodder and nutrient requirements for cattle, resulting in improved milk yield and higher fat content. Additionally, information on preventive care for various cattle diseases is shared to ensure minimal income loss due to cattle illnesses.

**Emergency Veterinary Support:** In case of an emergency, beneficiaries can contact the Chairman or Secretary of the village Milk Producers' Co-operative for veterinary services. GFL purchases treatment coupons, provides payment for the veterinary doctor's visit, and ensures the cost is covered for the beneficiaries.

## Sustainable Water Project

A check dam was built in an uncultivated area of Nathkuva village's farmland to address the water scarcity issues faced by farmers during the summer months. With a circumference of 4.37 sq km, it serves the purpose of recharging groundwater. As a result of this construction, the groundwater level has witnessed a significant increase of at least 10 to 15 feet compared to its previous state.

**180**

Farmers Benefitted

## Tree Plantation

We have undertaken a tree plantation programme to enhance soil fertility, prevent soil erosion, retain rainwater in the land and improve air quality. The Ranjitnagar Gram Panchayat allocated over 4 acres of land for this initiative. Additionally, the village Panchayat also facilitated the provision of a bore well to cater to the project's water requirements.

**6,000**

Trees Planted So Far

# RESTORING THE BALANCE WITH OUR NATURAL CAPITAL

**Natural capital comprises the Earth's precious resources that get utilised in the day-to-day operations. At GFL, we prioritise environmental conservation by adhering to sustainable practices. Through advanced technologies, efficient waste management, resource allocation and energy-saving initiatives, we create value while obeying to green chemistry principles.**

**21.86%**
Reduction in water intensity (KL/₹ in Lakhs)

**96.22%**
Generated waste recovered

## MATERIAL ISSUES ADDRESSED

- Emissions and Climate Change
- Water Effluents and Waste Management
- Chemical Spills
- Materials
- Energy Efficiency
- Opportunities in Clean Technology
- Regulatory Compliances

### SDGs Impacted


### Reducing Our Environmental Footprint

We are committed to taking action on climate change. We believe a sustainable future is possible and are working hard to reduce our carbon footprint. We have switched to greener alternatives, implemented efficient waste management practices and judiciously utilised resources. We are also ISO 14001 certified, which means that our operations and offices meet the highest environmental standards.

We are collaborating with the United Nations Global Compact (UNGC) and the Carbon Disclosure Project (CDP) to promote sustainability and prevent climate change.

GFL has a SARS committee that meets monthly to discuss and drive social accountability, regulatory compliance, sustainability and environmental initiatives. The Committee also has an environment sub-committee at the plant level that offers valuable suggestions and guidance to management.

### Enabling Circular Economy

We are committed to a circular economy and minimising waste. We reuse or sell engineering and packaging materials and use by-products as raw materials for other processes. We also perform life cycle assessments (LCAs) to evaluate how we can recycle materials at different stages.

### Emission Control

We consistently monitor and minimise emissions, prioritising renewable sources for clean air in local communities. Our facilities employ bag filters, electrostatic precipitators (ESPs), and rigorous air quality assessment. Adhering to national standards, emissions are regularly monitored by a certified lab. Closed-loop sampling, continuous monitoring and leak detection systems aid in further reducing emissions.

| Parameter | Unit | FY 2022-23 | FY2021-22 |
|---|---|---|---|
| Total Scope 1 emissions | Metric tonnes of $CO_2$ equivalent | 5,46,562 | 5,81,423 |
| Total Scope 2 emissions | Metric tonnes of $CO_2$ equivalent | 4,96,240 | 3,85,600 |

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| SOx | MT/Year | 113.55 | 78.36 |
| NOx | MT/Year | 112.29 | 77.79 |
| Particulate matter (PM) | MT/Year | 129.76 | 84.36 |

### Highlights FY 2022-23

- We are planning to achieve the 'Net Zero' emission through our environmental endeavours. We have so far installed 54 MW wind turbines through our group company Inox Wind Energy Ltd. We are taking renewable energy set-off through wind projects and other initiatives which contributed 29% of the energy requirement for FY 2022-23.

## Energy Consumption Optimisation

As part of our sustainability goals, we are working towards optimising our energy consumption through implementing efficiency measures across the operations and investing in renewable energy projects.

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Electricity Consumption (GJ) | 26,53,692 | 21,49,218 |
| Coal Consumption (GJ) | 52,56,216 | 50,86,113 |
| Natural Gas Consumption (GJ) | 8,34,338 | 17,41,260 |
| HSD Consumption (GJ) | 16,092 | 1,851 |
| Renewable Energy (GJ) | 2,00,282 | 2,52,850 |

### Highlights FY 2022-23

- We have been covered under Performance, Achieve and Trade (PAT) Scheme in 'Chlor Alkali Sector' of the Government of India. We received 437 and 336 E-certificates in PAT Cycle -1 and 2, respectively. Currently PAT-cycle 3 is on, which is expected to be completed by FY 2023-24.

**39,778 $tCO_2$**

Reduction in Green House Gas emission

## Effective Waste Management

The increasing quantity of waste generated significantly threatens our ecosystem and communities. Recognising the importance of a sustainable ecosystem, we prioritise minimising waste generation through reuse and recycling, reducing waste disposal in landfills and making efforts to process or dispose of waste in an eco-friendly manner. Waste management is classified into hazardous and non-hazardous waste categories. Within our operations, we generate liquid, semi-solid and solid hazardous waste responsibly disposed of by sending it to agencies approved by the State Pollution Control Board (SPCB) for recycling. By finding alternative uses for our by-products, such as sending fly ash generated at our power plants to brick manufacturing units as a raw material, we contribute to the circular economy and reduce waste.

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 349 | 357 |
| E-waste (B) | 61 | 37 |
| Battery waste (C) | 0 | 6 |
| Other Hazardous waste. Please specify, if any (D) | 61,976 | 16,579 |
| Other Non-hazardous waste generated (E) | 21,623 | 57,574 |
| **Total (A+B+C+D+E)** | **84,009** | **74,553** |
| **For each category of waste generated, total waste recovered** | | |
| Category of waste | | |
| (i) Recycled | 3,869 | 2,905 |
| (ii) Re-used | 74,900 | 61,453 |
| (iii) Other recovery operations | 2,075 | 1,610 |



| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 53,29,627 | 44,95,872 |
| (ii) Third party water | 17,124 | 55,131 |
| (iii) Seawater/Desalinated water | 0 | 0 |
| (iv) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv) | 53,46,751 | 45,51,003 |
| Total volume of water consumption (in kilolitres) | 63,15,431 | 54,81,931 |
| Water intensity per rupee of turnover (Water consumed/turnover) (KL/turnover in Lakhs) | 11.23 | 14.37 |

## Fluoride Removal Treatment Plant for Rainwater

In our pursuit of sustainability, we have implemented a fluoride removal treatment plant for rainwater collected from our storm lines. This addresses the challenges faced during the monsoons when rainwater with high fluoride content posed difficulties for treatment in our Zero Liquid Discharge (ZLD) facility, resulting in increased system load and inadequate recycled water.

### Intervention

To tackle this issue, we have established a comprehensive treatment process. Rainwater is directed through a coarse screen channel and collected in the Guard Pond. It is then pumped to the reaction tank where pH adjustment takes place, followed by the settler for fluoride and suspended solids precipitation. The water flows into the neutralisation tank, where pH is adjusted further. Lime and acid dosing occur in the reaction and neutralisation tanks, respectively. Treated water is collected in the intermediate tank and pumped into the pressure sand filter to remove residual suspended solids. Finally, the water passes through the fluoride removal column in series.

### Outcome and Benefits

Implementing the fluoride removal treatment plant has resulted in significant outcomes and benefits. The entire stormwater is now recycled and used to water our plants in the extended green belt. Moreover, the discharged stormwater is free from fluoride, minimising potential environmental harm. This initiative demonstrates our commitment to sustainability and responsible water management.

### Highlights FY 2022-23

- We implemented Zero Liquid Discharge (ZLD) at our Ranjitnagar unit. The Unit has been equipped with MEE and RO system as part of the tertiary treatment and the entire water is being recycled and used for plantation activity within the premises.

## Biodiversity Conservation

We are committed to using natural resources wisely and protecting the environment. Our manufacturing facilities are located in industrial zones, away from protected areas. Our activities and products do not harm biodiversity or have negative environmental impacts. We are taking the following steps to protect and conserve natural resources:

- Implementing energy efficiency measures to reduce energy consumption and conserve resources
- Utilising recycled materials and implementing water-saving technologies to minimise our environmental impact
- Planting trees and supporting sustainable agriculture practices to safeguard natural resources and promote biodiversity
- Constructing check dams across streams to regulate water flow, promote groundwater recharge, and prevent flooding
- Preserving the cleanliness and purity of lakes, ponds and wells, which are vital water sources for humans and animals
- Promoting environmental education to raise awareness and empower individuals with the knowledge to protect and preserve the environment
- Engaging in land development, water management and conservation programme, including well-recharging initiatives, to ensure sustainable use of resources

# ROBUST GOVERNANCE PRACTICES

**At GFL, the significance of sound corporate governance cannot be overstated. It serves as the fundamental pillar of our business and underpins our strategic direction, enabling us to thrive in the future. Our governance structure is an integral component of our business operations. The Board's primary focus is to ensure a well-balanced and seamlessly integrated approach to strategy, sustainability, risk management and performance evaluation across all aspects of our organisation.**

As a value-driven organisation, we remain firm in our commitment to upholding the highest standards of business integrity and ethical conduct in all our endeavours. The Board diligently ensures that GFL is governed effectively, adhering to best practices of corporate governance. We are dedicated to complying with relevant industry regulations, codes and standards and implementing robust internal control systems. The Board takes pride in having fulfilled all its duties and obligations during FY 2022-23, reinforcing its commitment to exemplary governance practices.

## GOVERNANCE PHILOSOPHY

Our Company places significant emphasis on corporate governance, which guides our business strategies and ensures accountability, ethical behaviour, and equitable treatment for all stakeholders, including regulators, employees, customers, vendors, investors, and society as a whole.

To uphold corporate governance principles, the Company has implemented a comprehensive Code of Conduct that encompasses all employees, including the Managing Director and Whole-Time Directors. In addition, we have adopted several policies and guidelines in compliance with applicable laws, further strengthening our commitment to sound corporate governance. These include:

- Code of Conduct Policy
- Whistleblower Policy
- Guideline on Prevention of Corruption and Bribery
- Guideline on Prevention of Fraud
- Guideline on Conflict of Interest
- Regular Review and Updates
- Commitment to Ethical Business Practices



## KEY POLICIES AND PRACTICES

GFL has implemented various key policies and practices as outlined in its Integrated Annual Report to ensure strong corporate governance, accountability and transparency. These include:

### Code of Conduct Policy

A comprehensive Code of Conduct policy has been adopted to outline the expected behaviour and ethical standards for all employees and stakeholders associated with the Company.

### Whistleblower Policy

A Whistleblower Policy has been implemented to encourage employees and other individuals to report any unethical or fraudulent activities within the Company, ensuring a safe and confidential reporting mechanism.

### Guideline on Prevention of Corruption and Bribery

A specific guideline has been established to prevent corruption and bribery, applicable to both employees and third parties associated with the Company.

### Guideline on Prevention of Fraud

A guideline focussing on the prevention of fraud has been developed to safeguard the Company's interests and assets, to help detect and deter fraudulent activities within the Company.

### Guideline on Conflict of Interest

To address potential conflicts of interest, a guideline has been established to provide clear guidance to employees on identifying, disclosing and managing conflicts of interest to ensure fair and unbiased decision-making.

### Regular Review and Updates

We maintain a continuous process of reviewing and updating of our policies and guidelines as and when necessary. This ensures that the business practices remain fair and aligned with the principles of Good Corporate Governance. External third-party services are engaged to support this process.

### Commitment to Ethical Business Practices

GFL strongly believes in ethical business practices. This commitment is further exemplified by the Company's achievement of the ISO 37001 Certificate from Intertek, a reputable third-party organisation based in the United Kingdom. This certification validates the Company's adherence to anti-bribery management systems.

## GOALS OF COMPANY'S GOVERNANCE FUNCTION

We firmly believe in providing a platform for all our stakeholders and employees to express their grievances and concerns without fear or hesitation. It is our conviction that issues such as fraud, theft, violations of the Code of Conduct, human rights, discrimination and harassment (including sexual and mental harassment) must be addressed promptly and effectively by the Company.

In line with this vision, the Company has established an 'Ethics Line', a confidential channel that enables individuals to report any incidents or possible violations that contravene the principles of ethics, integrity and transparency, whether in relation to regulations or any other Company's Policy. This platform serves as a means for seeking redressal and resolution of grievances while upholding the highest standards of confidentiality and fairness.

The stakeholders can report their grievances as under:

- Employees to register their concerns by logging on to the website (SGC and ethicsline link) or by sending an email to ethicsline@gfl.co.in
- Stakeholders can report by emailing at ethicsline@gfl.co.in

**Stakeholders Covered**

- Employees
- Vendors
- Management
- Customers
- Other Business Partners

## GFL'S FAIR BUSINESS PRACTICE FRAMEWORK

### Detailed Procedures for Ethical Conduct

We have established comprehensive procedures that meticulously outline our commitment to anti-corruption practices. These procedures encompass various forms of corruption, including bribes, gifts, entertainment & expenses, donations & sponsorships, political contributions, facilitation payments and conflicts of interest.

### Responsibility for Ethical Implementation

Our Functional Heads hold the key responsibility for devising, implementing, monitoring and continuously improving our robust anti-corruption programme. They operate under the close oversight of top management to ensure the highest standards of ethical conduct.

### Communication with Stakeholders

We proactively communicate our commitment to anti-corruption practices to our valued business partners. Moreover, we seek their adherence to stringent anti-corruption standards. Internally, we provide comprehensive communication and training to our employees, ensuring they fully comprehend our policies, procedures and the Leadership's dedication to maintaining a zero-tolerance approach towards corruption.

### Monitoring and Continuous Improvement

We diligently conduct regular reviews of our anti-corruption programme, including internal audits. These systematic evaluations enable us to identify improvement areas and enhance our measures' effectiveness. Resulting reports are presented to top management and the Board takes swift and decisive actions to implement necessary enhancements to our system.

### Consequence Management for Ethical Violations

We maintain a strong stance on ethical conduct and appropriate measures are swiftly undertaken towards any violations of our anti-corruption programme. We ensure that those responsible for misconduct face appropriate consequences, emphasising our commitment to maintaining a culture of integrity and accountability.

## ANTI-BRIBERY

Anti-bribery Management is a vital aspect of our governance structure. This ensures legal compliance, protects reputation, mitigates risks provides a competitive advantage, boosts employee morale, demonstrates ethical leadership and promotes sustainable business practices. Implementing robust anti-bribery measures has built trust, fostered long-term success and contributed to a more ethical and responsible business environment. As a recognition of our anti-bribery practices, we have been certified under ISO 37001:2016 in respect of the Anti-Bribery Management System.

## ANTI-CORRUPTION

At GFL, we hold a firm commitment to combat corruption and bribery. To enforce our zero-tolerance stance, we have implemented a robust Guideline on the Prevention of Corruption and Bribery, which applies to all individuals associated with our organisation. This includes employees at every level and grade and consultants and contractors working with us and our subsidiary companies — GFL America, GFL Germany, GFL Singapore, GFL Dubai and GFL Morocco.

We prioritise the dissemination of this guideline to all employees, ensuring that awareness is instilled from the moment they join our Company. We emphasise the importance of adhering to the principles outlined in our anti-corruption and bribery guidelines. Furthermore, we provide comprehensive training to our employees, enabling them to understand the nuances of ethical conduct and stay updated on best practices. This training is conducted as and when required to ensure continuous education and reinforcement of our anti-corruption policies.

**We have been certified under ISO 37001:2016 in respect of the Anti-Corruption and Anti-Bribery Management System.**


## FAIR, ETHICAL AND TRANSPARENT

We are proud to announce that we are certified in compliance with Anti-competitive & Anti-trust principles based on the Competition Act, 2002 (CCI Ministry of Corporate Affairs – GOI), ISO 26000, UNGC Principles (Anti-competitive & Anti-trust principles).

This certification serves as a testament to our commitment to conducting our business operations in a manner that is fair, ethical, transparent, and fully compliant with the law. At GFL, we firmly believe in collaborative action towards environmental sustainability, health and safety, as well as ethical business practices. Being a 'Responsible Organisation' requires focussed efforts across various aspects of our business, including sales and marketing.

For us, Responsible Sales & Marketing (RSM) encompasses how our customers, competitors and employees perceive us as a company when it comes to fair business practices. With this conviction in mind, we have defined a roadmap that identifies areas for improvement and paves the way for the future of RSM at GFL. We are committed to continuously enhancing our practices to ensure that our sales and marketing efforts align with the highest standards of responsibility and integrity.


## TRAINING AND CREATING AWARENESS

At GFL, we prioritise providing employees and stakeholders with comprehensive information regarding the various codes and policies that govern our operations. Detailed information on these guidelines can be accessed on our corporate website, ensuring transparency and accessibility.

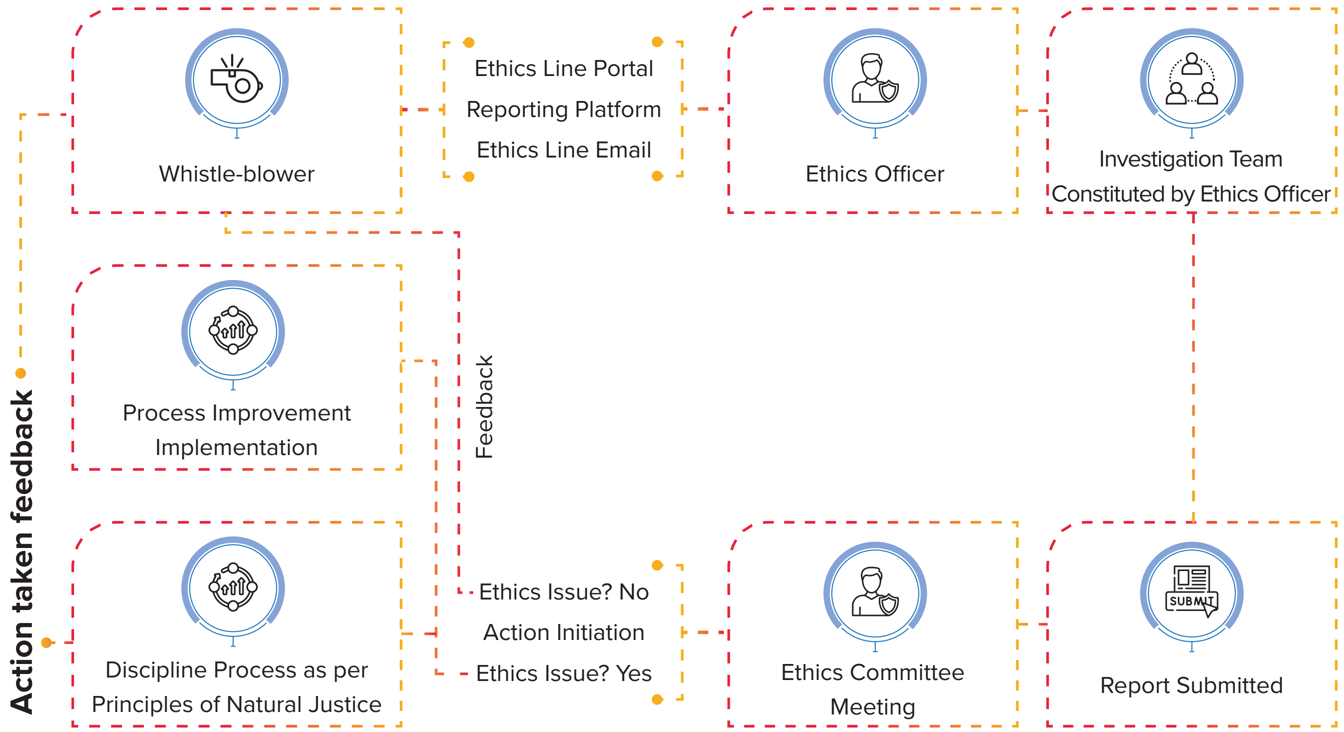
To ensure a shared understanding and commitment to our rules and regulations, we require governance body members, employees, business partners and stakeholders to sign a declaration indicating their acknowledgement and comprehension of the guidelines followed at GFL. These guidelines are also incorporated into our Employee Handbook, which is readily available at all Company locations.

We actively encourage our employees to play an active role in identifying and reporting instances of corruption, bribery and fraud. As part of our 'Spot on – Value Champion' spontaneous recognition process, we empower our employees to raise concerns and report any misconduct they may come across. We foster an environment where employees feel comfortable speaking out and equip them with the knowledge and resources to adhere to these policies, ask questions and always make ethical choices.



We firmly prohibit any form of retaliation against individuals who raise business conduct concerns in good faith, even if it is determined during internal investigations that the concerns have no merit. We stand by our commitment to protecting those who raise genuine concerns, ensuring that their voices are heard and respected. Furthermore, we emphasise that all employees have the right to refuse any instruction or direction given by a superior if it violates our Fair Business Practice Policies. This empowers employees to prioritise ethical conduct and contribute to maintaining a culture of integrity within our organisation.

## GOVERNANCE MECHANISM TO ADDRESS CONCERNS ABOUT ETHICS, PROTECTION TO WHISTLE BLOWERS AND 'RIGHT TO REFUSE'




## BOARD OF DIRECTORS

The Board of Directors holds the responsibility for overseeing the Company's performance and considering the potential impacts, both positive and negative, of our activities and outputs on the economy, society and the environment within which we operate. Comprising ten Directors, our Board brings together a dynamic and diverse range of experience and expertise. Each Director possesses the necessary skills, knowledge and competencies across various areas such as business strategy, financial management and taxation, corporate governance, legal and compliance, enabling the Board to identify opportunities and effectively manage risks. The Board conducts regular reviews of strategies, policies and budgets associated with different risks as deemed necessary.

## DIVERSITY

When appointing new Directors, we aim to ensure the inclusion of diverse experiences, expertise and perspectives. The Board review process considers factors such as tenure and succession planning, retirement and resignation, skills and competencies, outcomes of Board evaluations and regulatory requirements. We take great pride in our diverse Board of Directors, encompassing a broad range of age, race, gender, ethnicity, culture, educational background, skills, experience and knowledge.

# BOARD OF DIRECTORS

## Mr. Devendra Kumar Jain

Chairman – Non-Executive Director

C

An alumnus of St. Stephens, Delhi, Mr. Devendra Kumar Jain, possesses over 63 years of rich experience in business management and international trade. He was bestowed a Dignity of an Honorary Member of the Civil Division in the Order of the British Empire by Her Majesty, the Queen of England, in recognition of his efforts to increase bilateral trade with Commonwealth Countries. He has been a member of the Indian National Committee of the International Chamber of Commerce, an Associate Member of the World Economic Forum, Geneva, Switzerland and a member of the Indian delegation to the Davos Symposium.

## Mr. Vivek Jain

Managing Director

M C C M M

An alumnus of the Indian Institute of Management, Ahmedabad, and St. Stephen's College, Delhi, Mr Vivek Jain has over 40 years of rich business experience in setting up and managing several businesses.

A firm believer in change management, Mr Jain has steered GFL to emerge as one of the global leaders in Fluoropolymers. Driven by research and strategic thinking on a global scale, Mr Vivek Jain has catapulted the business from a single product, and single manufacturing unit to a diversified and integrated business conglomerate producing several world-class products on a global scale.

## Mr. Sanath Kumar Muppirala

Whole-time Director

Mr. Sanath Kumar Muppirala holds a bachelors degree in chemical engineering from S. V. University and also holds a masters degree in chemical engineering from the Institute of Chemical Technology, Mumbai. He has over 36 years of experience in petrochemical plants of major global chemical companies – in manufacturing, projects, strategic planning & commissioning. He is the Head of our Dahej plant and responsible for the overall manufacturing operations, including driving manufacturing excellence, process optimisation, on-time delivery and process safety.

## Mr. Jay Shah

Whole-Time Director

Mr. Jay Shah is a chemical engineer who is graduated from T.K.I.E.T from Kolhapur and did his M. Tech in chemical engineering from the University Department of Chemical Technology, Mumbai. He has over 24 years of experience in heading and commissioning for various chemical, speciality & fine chemicals plants. His previous assignment was with Paushak Limited; prior to it, he was associated with Deepak Phenolics Limited and Reliance Industries Limited.

## Mr. Niraj Agnihotri

Whole-Time Director

Mr. Niraj Agnihotri did his bachelor's in chemical engineering from HBTI, Kanpur. He brings with him over 32 years of experience in the chemical and pharma sector and has domain expertise in manufacturing, plant commissioning & operation, new product validations, project management and strategic planning. He is presently the Head of Operations and project in the Dahej – B location.

## Mr. Shailendra Swarup

Independent Director

C M M M M

Mr. Shailendra Swarup is a law graduate and a senior advocate, practising in the High Court and Supreme Court of India, in New Delhi. He has around 45 years of experience in handling wide-ranging legal matters and serves 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 the consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr. A. S. Ganguly.

- Audit Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Committee of Board of Directors for Operations
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Ⓒ Chairman
- Ⓜ Member

## Mr. Shanti Prashad Jain

Independent Director

C C C M M M

Mr. Shanti Prashad Jain is a leading Practicing Chartered Accountant since 1963, specialising in the domain of taxation at various reputed companies and banks.

## Mr. Om Prakash Lohia

Independent Director

M

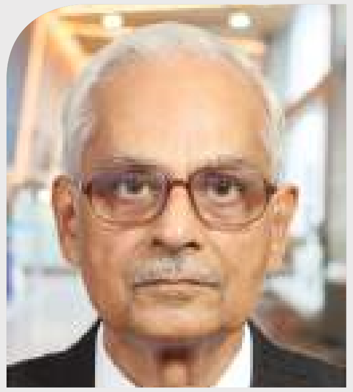
Mr. Om Prakash Lohia is the Chairman and Managing Director of Indo Rama Synthetics (India) Limited. A commerce graduate from Kolkata University, Mr. Lohia joined the family textile business, getting exposure in all business management disciplines. He was awarded Ugyog Ratna by the Madhya Pradesh Government in 2005.

## Ms. Vanita Bhargava

Independent Director

M

Ms. Vanita Bhargava is a commerce and Law Graduate from Delhi University and a partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms. Vanita Bhargava has 18 years of experience as a practising 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 taxation, technology, media and telecom, shareholders' dispute, domestic and international arbitration.



## Mr. Chandra Prakash Jain

Independent Director

Mr. Chandra Prakash Jain is a Fellow Chartered Accountant, Law Graduate and holds advance diploma in management. He was a former Chairman and Managing Director of NTPC Limited. He was Chairman of the SCOPE - Standing Conference of Public Enterprises - the apex organisation of Central Public Sector Enterprises (CPSEs) in INDIA during 2003-05. He was also the Chairman of the 'Global Studies Committee' of World Energy Council London and the Member of its Officers Council for 6-year term till September 2010. He was a past member of the Standing Technical Advisory Committee of the Reserve Bank of India and the 'Ad hoc Group of Experts on Empowerment of CPSEs' constituted by the Government of India. He headed Confederation of Indian Industries (CII's), National Committee on Energy. Acclaimed widely for his vision across the spectrum of industry and business, he was awarded Ernst & Young's 'Entrepreneur of the Year - Manager Award 2005' and SCOPE's Award for the year 2003-04 for 'Excellence and Outstanding Contribution to the Public Sector Management-Individual Category'.

# AWARDS AND ACCOLADES


Times Ascent Presents 'ASIA PACIFIC HRM CONGRESS' which hosted the 'Top Organisations with Innovative HR Practices' felicitation ceremony. GFL has been identified as one of the 'Top Organisations with Innovative HR Practices'


Dahej Unit was awarded 'CII National Award' for Excellence in Energy Management, 2022 by Confederation of Indian Industry (CII).



# STATUTORY REPORTS

# Management Discussion and Analysis Report

## Global Economic Overview

The global economy has shown remarkable resilience and reported moderate growth in 2022, despite facing unprecedented challenges. While macroeconomic hurdles, such as inflation, trade conflicts and geopolitical tensions initially slowed growth momentum, the world's steady economic rebound has created an optimistic future. Governments worldwide have enhanced resilience by implementing well-crafted monetary policies, leading to a faster resurgence of economic activities. As a result, we can expect a prosperous and promising economic outlook in the upcoming years.

The International Monetary Fund's (IMF) World Economic Outlook, released in April 2023, reveals that the global economy exhibited a growth rate of 3.4% in 2022, with a projected growth rate of 2.8% in 2023 and 3.0% in 2024. While inflationary pressures initially hindered the swift resurgence of economic activities after the Covid-19 pandemic in 2022, the adoption of incremental interest rates has successfully contained inflation since the beginning of 2023.

In 2022, advanced economies experienced inflationary pressures that resulted in a deceleration of economic growth, which persisted into 2023. Furthermore, emerging markets are expected to experience a stronger rise in economic growth compared to advanced economies, with an anticipated growth rate of 3.9% in 2023 and 4.2% in 2024 on an average. In contrast, the projected growth rate for advanced economies is forecasted to be lower at 1.3% in 2023 and 1.4% in 2024.

Regarding inflation, the pressure is expected to decrease from 8.7% in 2022 to 7% in 2023 and 4.3% in 2024. The anticipated decline in inflationary pressure is attributed to the declining international fuel and non-fuel commodity prices due to weaker global demand and the tightening of monetary policy. However, the demand boosts across the nations are stoking inflationary pressure in the economy and fuelling a steady rebound.

## Outlook

The global economy has shown resilience, driven by strong labour markets, significant household consumption and business investment. Additionally, the recent surge in consumer demand has provided further support for the economy. However, core inflation, which excludes the more volatile energy and food prices is expected to remain subdued under current conditions.

Looking ahead, the economic outlook for 2023 is moderate, with a projected growth rate of 2.8%. In response to inflationary pressures, contractionary monetary policies are being implemented, while fiscal policies are being developed to address cost-of-living pressures in line with these monetary policies. These measures are expected to drive economic stability and support sustained growth.



## Global Economic Growth Projections

(Region-Wise % Change)

### Global Growth

| | |
|---|---|
| 2024 | 3.0 |
| 2023 | 2.8 |
| 2022 | 3.4 |

### United States

| | |
|---|---|
| 2024 | 1.1 |
| 2023 | 1.6 |
| 2022 | 2.1 |

### Euro Area

| | |
|---|---|
| 2024 | 1.4 |
| 2023 | 0.8 |
| 2022 | 3.5 |

### Middle East & Central Asia

| | |
|---|---|
| 2024 | 5.3 |
| 2023 | 2.9 |
| 2022 | 5.3 |

### Emerging & Developing Asia

| | |
|---|---|
| 2024 | 5.1 |
| 2023 | 5.3 |
| 2022 | 4.4 |

### Latin America & The Caribbean

| | |
|---|---|
| 2024 | 2.2 |
| 2023 | 1.6 |
| 2022 | 4.0 |

### Sub-Saharan Africa

| | |
|---|---|
| 2024 | 4.2 |
| 2023 | 3.6 |
| 2022 | 3.9 |

*(Source: https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)*

## Indian Economic Overview

The financial year 2022-23 coincided with the celebration of India's 75th year of Independence as well as its rise to becoming the world's fifth-largest economy in terms of the current rate of dollars. The economy grew by 7% as projected, reaching a nominal GDP of USD 3.5 Trillion. Despite high oil prices causing a trade deficit, India's current account deficit and financing concerns have eased. This improvement is attributed to the Reserve Bank of India's proficient management of foreign exchange reserves and India's prudent external borrowing policies. The nation's progressive journey has been bolstered by the significant rebound of economic activities, especially in private sector consumption and increased Government focus on infrastructure development.

Despite maintaining a steady growth momentum, India has experienced inflationary pressure gradually since the beginning of 2022. In response to the crisis, the Reserve Bank of India began to recalibrate its monetary policies and raised the repo rate in five consecutive steps to 6.50%. As a result, the Indian economy has already started to witness a relief from inflationary pressure, registering moderate inflation from the third quarter of FY 2022-23 onwards.

In all, India's economic recovery has been made robust and sustainable through carefully and consciously pursued policies. With sound fundamentals, the country embarks on its 25 years journey towards its centenary as a modern, independent nation, flourishing and shinning during its *Amrit Kaal.*

## Outlook

The Economic Survey of India has projected the GDP growth of the Indian economy to expand at 6.5% in FY 2023-24. This comes on the back of greater financial inclusion and digital technology-based economic reforms, which resulted in increased efficiency gains and opportunities. India's growth prospects appear to be more promising than they were before the Covid-19 pandemic. In all, the economy is well-positioned to achieve its potential over the medium term.

### Indian Economic Growth

**(% Change)**

| | |
|---|---|
| FY 2018-19 | 6.8 |
| FY 2019-20 | 3.7 |
| FY 2020-21 | (6.6) |
| FY 2021-22 | 8.7 |
| FY 2022-23 | 7.0 |

*(Source: MoSPI, NSO)*

## Industry Overview

### Fluoropolymers Industry

Fluoropolymers are type of polymers with multiple carbon-fluorine bonds, where the fluorine is directly attached to the backbone of carbon polymer. These polymers possess a range of desirable properties, such as high resistance to acids, solvents and bases, excellent insulation and resistance to high voltages. In addition, their attributes include flexibility at extremely low and high temperatures, fire retardancy, chemical resistance to specialty fuels and low weight among others.

Fluoropolymers are available in several forms, including granules, films, pastes, dispersions and melt-processable forms. These different forms can withstand heat, water and salt, making them suitable for use in harsh environments. They are commonly used in sectors that require high thermal stability, cryogenic capabilities, chemical and flame resistance, high volume and surface resistivity, low coefficient of friction, surface energy and dielectric constant.

The sectors that use fluoropolymers, include semiconductors, automotive, aircraft, space, lithium cell batteries, 5G data transmission systems, green hydrogen electrolysers, fuel cells, semiconductors, energy storage systems, IT, health, pharmaceuticals, electricals and electronics among others.

### Growth Trends

The fluoropolymer industry is certain to experience significant growth, driven by increasing demand from various end-user industries such as automotive, chemical, medical and construction. In addition, emerging industries, including electric vehicles, 5G networks, the Internet of Things and solar energy shall also propel the surge in demand for fluoropolymers.

According to a report by Astute Analytica, the fluoropolymer market is expected to achieve a Compound Annual Growth Rate (CAGR) of 4.3% between 2021-2027, with an estimated market value of USD 10.2 Billion in 2027. This growth is attributed to several factors, including the increasing demand for high performance materials, the growing need for durable and reliable components in various industries and the rising use of fluoropolymers in emerging technologies.

The Asia-Pacific region is expected to be the fastest-growing market for fluoropolymers, owing to the growing demand from end-user industries in countries like China, India and Japan.

### Global Fluoropolymer Industry Market Size (2020-27)

**(USD million)**

| | |
|---|---|
| 2027 | 10,196.50 |
| 2026 | 9,750.60 |
| 2025 | 9,329.70 |
| 2024 | 8,932.10 |
| 2023 | 8,563.50 |
| 2022 | 8,219.30 |
| 2021 | 7,899.10 |
| 2020 | 7,588 |

*(Source: Astute Analytical Research)*

## Factors Driving the Demand

The excellent heat resistance of fluoropolymers is one of the key factors driving their increased use in downstream industries, where they can help to protect equipment from damage. Fluoropolymers are also highly versatile and have a wide range of applications in machine parts, consumer goods, medical equipment, packaging and storage materials, among others.

Fluoropolymers are known for their high strength-to-weight ratio, making them an ideal choice for lightweight applications. This property gives developers greater design flexibility, allowing them to create products that are not only lightweight but also highly reliable and durable. By utilising fluoropolymers, manufacturers can produce sustainable products with longer service lives, reduced maintenance requirements and lower environmental impact.

Fluoropolymers are in use since 1940s because they are non-toxic, not soluble in water, not mobile, not bioaccumulative and do not degrade to any substances of concern. Because of these attributes, OECD has classified fluoropolymers as polymers of low concern.

## Major Fluoropolymers

### Polytetrafluoroethylene (PTFE) Industry

Polytetrafluoroethylene (PTFE) is a synthetic resin that is produced by polymerising tetrafluoroethylene (TFE). PTFE possesses several advantageous properties, such as toughness, non-flammability and the ability to produce a waxy surface finish. The growth of the PTFE industry is driven by several factors. PTFE's effectiveness as an insulator in high voltage and high-temperature applications is a proven factor, making it particularly beneficial for electric vehicles. The growth of the PTFE industry is expected to continue, supported by these catalysing factors.

### Application Areas Catered by GFL

- Oil & Gas
- Electricals
- Pharma & CPI
- Electronics & Semi-conductors
- Food
- Cookware
- Automotive
- Construction & Mechanical Parts
- Aerospace & Defence

## Polyvinylidene Fluoride (PVDF) Industry

PVDF is a type of thermoplastic fluoropolymer, which possesses high inertness and stability. It is formed from the polymerisation of vinylidene difluoride (VDF). PVDF resins are used for easy processing in moulding, extrusion and compounding as thermostatic polymers. Furthermore, it is used as a powder to make solutions and additives. It has high chemical resistance to chlorine, bromine, iodine and other acids at high temperatures. The increasing use of PVDF resins in the aerospace and military industries to protect equipment from stress, moisture, chemicals and vibration is one of the primary market drivers. Along with this, PVDF displays pyroelectric and piezoelectric properties during poling, enabling its usage in battery and sensor applications. The rising demand for PVDF resins in lithium-ion batteries is attributed to its profound bonding, insulating capacity and high voltage stability. This, coupled with the increased production of e-vehicles, is the key factor driving the surge in the PVDF resins market. The global PVDF resin volume is projected to reach 3,48,982.45 tons by 2030.

*(Source: www.mordorintelligence.com)*

### Application Areas Catered by GFL

- EV Batteries
- Solar Panels
- Chemical Processing
- Water Treatment
- Electronics
- Membranes
- Architecture
- Oil & Gas
- Pharma



## Fluorine Kautschuk Material (FKM)

Fluorine Kautschuk Material (FKM), is experiencing steady growth due to the rising demand for materials that can withstand harsh environments and extremely high as well as low temperatures. They offer exceptional performance in these extreme temperature environments, along with superior sealing ability and excellent mechanical characteristics, making them the preferred choice for such critical applications. Robust growth of end-use industries such as aerospace, automotive, consumer electronics and oil & gas is a key factor providing impetus to the global fluoroelastomer industry.

The Company has also embarked upon a project to make high tech FFKM - a sophisticated fluoroelastomer, finding increasing use in space industry and semiconductors.

### Application Areas Catered by GFL

- Automotive
- Semiconductors
- Chemicals
- Aviation
- Refineries
- Food & Pharma

## Perfluoroaloxy Alkanes (PFA)

PFAs, copolymers of tetrafluoroethylene and perfluoroethers, possess properties similar to PTFE, but with enhanced anti-stick properties and higher chemical resistance, albeit with reduced scratch resistance. Unlike PTFE, the presence of alkoxy substituents enables PFA to undergo melt-processing. With improved translucency, flow and creep resistance and thermal stability comparable to or exceeding PTFE, PFAs find extensive usage in hostile environments with chemical, thermal and mechanical stress requirements. They are commonly employed in piping and fittings for aggressive chemicals, as well as in corrosion-resistant linings for vessels within the chemical-processing industry. With the high capex plans for semiconductors across the globe, the demand for PFA will increase manyfold in the coming years.

### Application Areas Catered by GFL

- Semiconductors
- Corrosion Resistant Fluid Transfer
- Aerospace
- Wire & Cables
- Chemical Processing
- Telecom

# Key Downstream Industries

## Electric Vehicles Industry

Electric vehicles (EVs) have experienced disruptive growth in the market over the past decade and especially in recent years. The adoption of clean mobility technology is becoming increasingly important in the global transition towards sustainable energy. According to market research, the global market for EVs, which reached 9.5 Million units in 2022, is projected to expand to 80.7 Million units by 2030, representing a CAGR of 30.7% over the analysis period of 2022-2030.

Furthermore, the market for EV batteries is experiencing significant growth propelled by factors including increasing demand for electric vehicles, advancements in battery technology, supportive Government policies and regulations, and the introduction of new plug-in EV models. The global electric vehicle battery market is projected to reach USD 134.6 Billion by 2027, exhibiting a remarkable CAGR of 19.9% during the period from 2022 to 2027.

### New Age Vertical - Electric Vehicle Batteries

As part of its growth strategy, the Company is currently setting up an integrated EV battery chemicals complex, including main electrolyte salt, additives and electrolyte. It has also successfully developed suitable PVDF grades for cathode binder application. This initiative will require substantial capital expenditure in the upcoming years, but is expected to drive significant growth in revenues and profits for the Company.

### GFL's Products Catering EV segment

- PVDF Electrode Binders
- Additives
- Battery Chemicals
- Electrolyte Formulations
- LiPF6
- Cathode Active materials



## Solar Panels Industry

The Global Solar PV (photovoltaic) panels market has experienced substantial growth in recent years, with a market size and revenue share estimated to be around USD 151.18 Billion in 2021. This growth is expected to continue, with the market projected to reach around USD 292.32 Billion by 2030, at a CAGR of 8.6% between 2022 and 2030. The robust demand for solar cells has been driven by several factors, including increased environmental pollution and Government incentives and tax rebates for solar panel installation. The market has seen a surge in rooftop installations and an increase in applications in the architectural sector. Furthermore, the levelised cost of electricity for new solar capacity is over 50% cheaper than that of a new coal-fired power station, making solar energy an attractive alternative for power generation.

### New Age Vertical - Solar Panels

Solar panels, which serve as the central component of solar power plants, utilise a back sheet that is based on PVDF film. The Company is currently in the process of establishing India's first PVDF solar film project, which is expected to be commissioned in the upcoming financial year. With its own integrated PVDF manufacturing facilities, this plant will be well-positioned to meet the demands of both the domestic and international markets.

### GFL's Products Catering Solar Panel Segment

- PVDF Film

## Hydrogen Fuel Cells and Electrolysers Industry

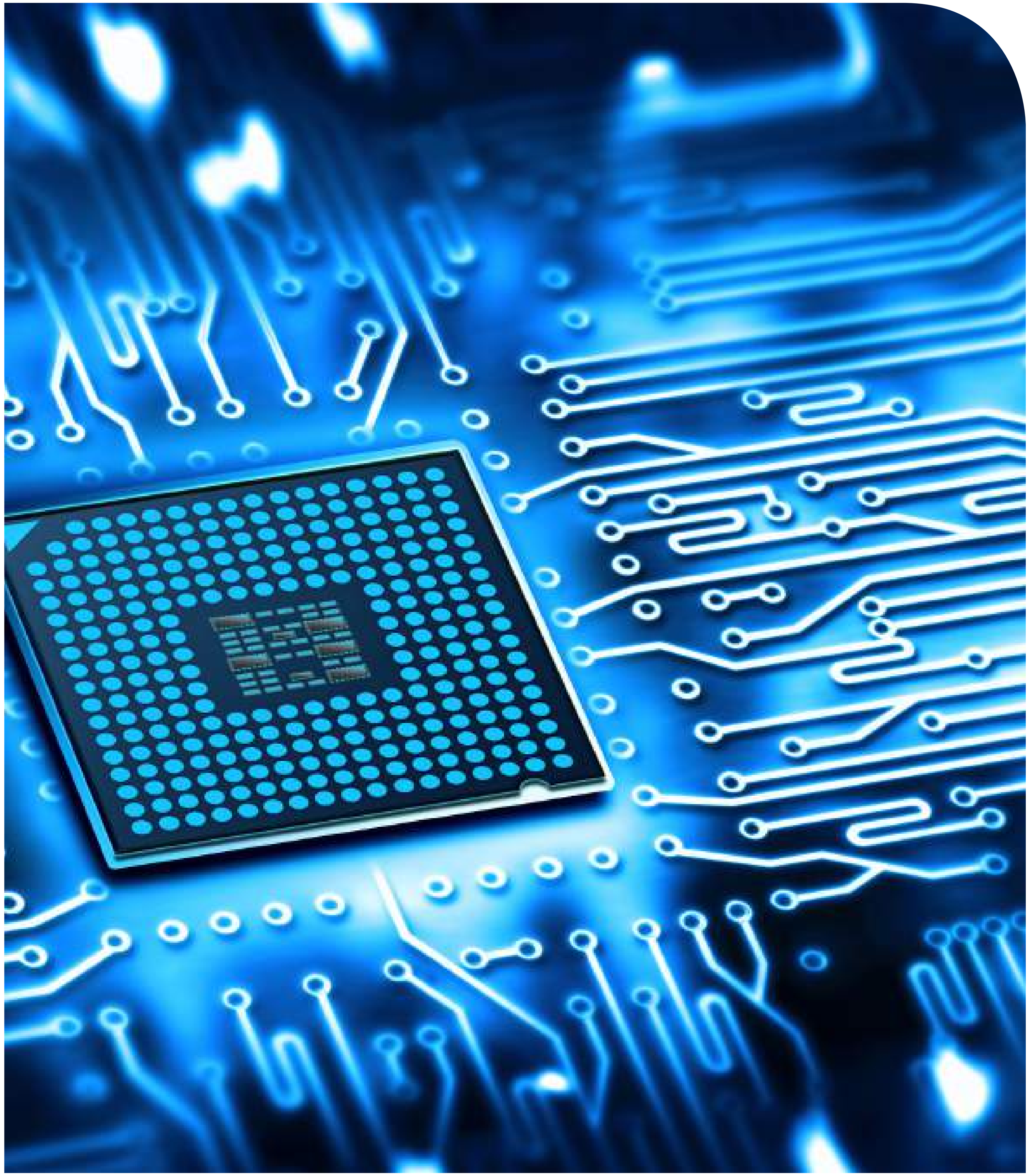
Green hydrogen holds immense potential in decarbonising various sectors, including industry, transportation, energy and heating, resulting in significant reductions in emissions. In Europe alone, there are approximately 200 hydrogen fuel cell projects in progress, with investments spanning multiple industries, from transportation to heavy industry (Source: Hydrogen Council, Europe). In India, major business entities have already announced substantial investments in the hydrogen sector. Electrolysers play a crucial role in converting renewable energy from sources like wind and solar power into green hydrogen and the functionality of electrolysers relies on the use of fluoropolymers. Furthermore, proton exchange membranes based on fluoropolymers are pivotal components in fuel cells and electrolysers.

### New Age Vertical - Hydrogen Fuel Cells/ Electrolysers

The Company is leveraging its extensive expertise and predominantly fluoropolymer-based portfolio; and is strongly positioned to meet the demand for fluoropolymers in hydrogen electrolysers, fuel cells and charging stations. Additionally, the Company has undertaken a project to autonomously develop and manufacture proton exchange membrane (PEM) for these applications. This strategic initiative is anticipated to provide continuous and sustainable business growth for the Company in the foreseeable future.

### GFL's Products Catering Hydrogen Fuel Cells/Electrolysers Segment

- Fluoropolymers (FKM, PTFE, FEP)
- Membranes
- Charging Accessories



## Company Overview

Gujarat Fluorochemicals Limited (referred to as 'GFL' or 'the Company' or 'We') is a trusted producer of fluoropolymers, fluorochemicals, and bulk chemicals. The Company is a part of the INOXGFL Group, which operates across diversified business segments, including Fluoropolymers, Specialty Chemicals, Wind Energy and Renewables.

Our strength lies in Fluorine Chemistry expertise, vertical integration from natural minerals to fluoropolymers and robust R&D, allowing us to consistently deliver high-quality products that meet global regulatory standards.

The Company has established a prominent presence in the global fluoropolymers market, ranking among the top few players. We have expanded our exports worldwide, serving Europe, North and South America, and Asia. Our state-of-the-art facilities and strong R&D capabilities enable us to uphold the highest quality standards and comply with regulatory requirements, effectively meeting the needs of our global customers.

Sustainability is deeply ingrained in GFL's business practices across the entire value chain. As a signatory to the United Nations Global Compact (UNGC) and a member of the Indian Chemical Council (ICC), GFL prioritises health, safety and environmental concerns, ensuring the well-being and security of our workforce. Our comprehensive sustainability efforts make us reliable long-term partners for customers worldwide.

- Commissioned additional capacities for FKM, PVDF and PFA, under stabilisation and sales
- Ramped up production with the new specialty chemical plant
- Setting up an initial commercial capacity for LiPF6 to seed the market - which is expected to come up in 2023-24
- Established an integrated battery chemicals complex in Jolva, Gujarat
- Building India's first PVDF solar film project – ideally suited to cater to both domestic and international markets – with its own integrated PVDF manufacturing facilities
- GFL has successfully developed the changeover from Fluorinated Polymerisation Aids (FPAs) used in PTFE to Nonfluorinated Polymerisation Aids (NFPAs) which ensures a sustainable manufacturing of emulsion polymerisation. GFL is currently changing FPAs to NFPAs in other fluoropolymers as well such as PFA

## Product Portfolio

We have created a portfolio based on fluorine chemistry and our three-decade-long market presence forms the basis of our rich industry insight. This, coupled with our potential and capacity built over the years, have positioned us as the leader in the segment. We develop our products with supreme quality standards and cater to the worldwide markets. Moreover, we are currently foraying into the new-age businesses like EV batteries, solar power and hydrogen power cell industries with our advanced product line-up. We have three verticals in our business line-up:

- Fluoropolymers
- Fluorochemicals
- Bulk Chemicals
- New Age Industries (such as battery chemicals, solar energy, green hydrogen, and energy storage systems, among others)

*(For details, please refer Manufactured Capital in initial section of this report)*

## Manufacturing Facilities

Our robust manufacturing facilities are located in the state of Gujarat, across Ranjitnagar, Dahej and Jolva. The Ranjitnagar facility caters to specialty chemical and refrigerant production, while the Dahej and Jolva facilities cater to the fluoropolymers, specialty chemicals, bulk chemicals and new-age chemical productions. All our facilities are vertically integrated, which provides us with the potential to be one of the most reliable producers in the vertical of fluoropolymers in the market. Our facility in Morocco is involved in the exploration of fluorspar mines, as well as the mining and beneficiation of the extracted ore. Simultaneously, it also enables us to augment the value addition for our clients globally.

### Our Four Manufacturing Facilities

- Ranjitnagar, India
- Jolva, India
- Dahej, India
- Casablanca, Morocco

*(For details, please refer Manufactured Capital in initial section of this report)*

To meet the growth in GFL products, the Company is also moving towards adding one to two additional sites in India.

## Opportunities

In the long term, the global emphasis on green and sustainable methods of progress, as prioritised by governments worldwide, will drive the demand for our products.

- The estimated global battery demand for EVs, energy storage and consumer electronics by 2030 is about 5,000 GWH. In alignment with the Government's efforts to establish India as a prominent global manufacturer of EV vehicles, several companies are planning to establish EV battery manufacturing plants in the country in the coming years
- According to KPMG, automotive semiconductor revenue is projected to exceed USD 200 Billion annually by the mid-2030s and surpass USD 250 Billion by 2040
- The Indian Government has undertaken an ambitious plan to build solar modules worth 100 gigawatts (GW) annually. This will significantly aid India's target of installing 450 GW of electricity capacity from non-fossil sources by 2030. Thus, increasing the demand for fluoropolymers
- Green hydrogen and its derivatives have a crucial role to play in decarbonising sectors where emissions are difficult to abate and alternative solutions are either unavailable or challenging to implement. This includes heavy industry, shipping, aviation and heavy-duty transport
- Under the National Green Hydrogen Mission, India is set to develop a green hydrogen production capacity of at least 5 MMT (Million Metric Tonne) per annum, with an associated renewable energy capacity addition of about 125 GW. Thus, boosting growth in the fluoropolymer market in India

## Threats

The costs of production, capex requirements and technology requirements, are high for the fluorochemicals industry. With newer emerging applications, there is a constant need to push research and development to keep on developing newer grades of fluoropolymers required by the markets as well as to have these validated by the customers via lengthy time consuming testing protocols. Therefore, these factors act as a barrier to the growth of the industry. Since, our Company gets a high amount of revenue from the export market, foreign exchange fluctuations, raw material price risks and rising freight costs could potentially impact the industry in the near-term.

## Key Financial Highlights and Ratios

### Table of the Key Financial Ratios

| Name of the Ratio | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 | % Variance | Reason for Variance of More Than 25% |
|---|---|---|---|---|
| Current Ratio (In Times) | 1.52 | 1.26 | 19.98% | Not applicable |
| Debt-Equity Ratio (In Times) | 0.26 | 0.36 | (27.55%) | On account of increase in earnings |
| Debt Service Coverage Ratio (In Times) | 2.52 | 4.14 | (39.20%) | On account of pre-payment of long-term borrowings |
| Return on Equity (ROE) (in %) | 27.82% | 20.13% | 38.23% | On account of increase in earnings |
| Inventory Turnover Ratio (In Times) | 5.84 | 5.05 | 15.53% | Not applicable |
| Trade Receivables Turnover Ratio (In Times) | 4.81 | 4.71 | 2.25% | Not applicable |
| Trade Payable Turnover Ratio (In Times) | 6.19 | 5.40 | 14.67% | Not applicable |
| Net Capital Turnover Ratio (In Times) | 3.66 | 3.46 | 5.56% | Not applicable |
| Net Profit Ratio (In %) | 24.50% | 20.84% | 17.58% | Not applicable |
| Return on Capital Employed (Roce) (In %) | 26.72% | 18.39% | 45.30% | On account of increase in earnings |
| Return on Investment (Roi) (In %) | 3.92% | 7.52% | (47.95%) | On account of higher return in previous years on sale of investments |

## Human Resources

At GFL, we prioritise the well-being of our employees by providing them with the utmost care and support, reflecting the strength and stability of our establishment. Our Company persistently takes initiatives to enhance the HR processes, related to recruitment, performance management, learning and development, manpower planning and employee care. We have been cultivating a work culture based on performance, role clarity, cooperation and mutual respect. By promoting this culture, we have invested heavily to add value to each of our people's lives. This assists us to bring the essence of oneness, where each employee feels valued for her/his skills and proficiencies. We have been successful in developing a diligent team over the years. Our Company has created a nurturing environment, encompassing proper training to fulfil the learning needs, along with robust talent management and a performance recognition mechanism. We thrive to enable our team to fulfil their personal goals, so that they can bring their best to the plate for achieving the organisational goals. We have a team of 3,418 employees as on 31st March, 2023.

*(For details, please refer Human Capital in initial section of this report)*

## Risk Management and Internal Audits

At GFL, we have the best hands in place for the risk management mechanism to ensure the effective identification and mitigation of potential risks to the business. We have an Enterprise Risk Management (ERM) system in place to ensure effective cross-functional teams and mitigate risks in a structured manner. The senior-level members of the team (the Board of Directors) have further complemented this by assessing the long-term and macro risks.

For effective audit compliance management, at GFL, we have an in-house Internal Audit Department including professionals from finance, data analytics and chemical disciplines. The Internal Audit Department constantly collaborates with reputable audit companies with expertise in internal audits and assurance areas. Together, they bring excellence to the function, continuously identifying areas of operations, requiring strengthening and introducing the finest processes & practices to manage a growing business.

*(For details, please refer Human Capital in initial section of this report)*

## Cautionary Statement

This document contains statements about expected future events and the 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 a 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 its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Report of Gujarat Fluorochemicals Limited's Integrated Annual Report, 2022-23.

**Gujarat Fluorochemicals Limited**
(CIN: L24304GJ2018PLC105479)

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

# Notice of Fifth Annual General Meeting

Dear Member(s),

**NOTICE** is hereby given that the **5th (Fifth) Annual General Meeting** of Members of Gujarat Fluorochemicals Limited ('Company') will be held on **Friday, 29th September, 2023,** at **11:30 A.M.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following businesses:

## 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, 2023, 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, 2023 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, 2023

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

**"RESOLVED THAT** First Interim Dividend for Financial Year 2022-23, declared by the Board on 18th October, 2022 and paid by the Company be noted and a Final Dividend @ ₹ 2.00 per Equity Share having face value 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, 2023** 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, 2023** 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. Jay Mohanlal Shah (DIN: 09761969) 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. Jay Mohanlal Shah (DIN: 09761969),** be and is hereby re-appointed, as Whole-time Director of the Company for a period of one year commencing from **1st November, 2023 to 31st October, 2024** on a remuneration of ₹ 140 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 authorised 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. Shailendra Swarup (DIN: 00167799) as an Independent Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the

Notice (Contd.)

Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Nomination and Remuneration Policy of the Company, **Mr. Shailendra Swarup (DIN: 00167799)** Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of Act and Regulation 16(1)(b), 25(8) of the Listing Regulations, and who in the opinion of the Board fulfills the conditions as specified in the Act read with the rules made thereunder and the Listing Regulations, is independent of the management and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from **6th December, 2023 up to 5th December, 2028,** and whose office shall not be liable to retire by rotation."

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

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

**Item No.6 Re-appointment of Mr. Shanti Prashad Jain (DIN: 00023379) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and Nomination and Remuneration Policy of the Company, **Mr. Shanti Prashad Jain (DIN: 00023379)** Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b), 25(8) of the Listing Regulations, and who in the opinion of the Board fulfills the conditions as specified in the Act read with the rules made thereunder and Listing Regulations, is independent of the management and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from **6th December, 2023 up to 5th December, 2028,** and whose office shall not be liable to retire by rotation."

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

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

**Item No.7 Re-appointment of Mr. Chandra Prakash Jain (DIN: 00011964) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and Nomination and Remuneration Policy of the Company, **Mr. Chandra Prakash Jain (DIN: 00011964)** Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b), 25(8) of the Listing Regulations, and who in the opinion of the Board fulfills the conditions as specified in the Act read with the rules made thereunder and Listing Regulations, is independent of the management and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from **6th December, 2023 up to 5th December, 2028,** and whose office shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of the Listing Regulations and other applicable provisions, if any, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the continuation of Directorship of Mr. Chandra Prakash Jain (DIN: 00011964) whose age is above 75 years, as an Independent Director of the Company be and is hereby approved."

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

**Item No.8 Re-appointment of Mr. Om Prakash Lohia (DIN: 00206807) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and the Nomination and Remuneration Policy of the Company, **Mr. Om Prakash Lohia (DIN: 00206807)** Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b), 25(8) of the Listing Regulations, and who in the opinion of the Board fulfills the conditions as specified in the Act read with the rules made thereunder and Listing Regulations, is independent of the management and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from **6th December, 2023 up to 5th December, 2028,** and whose office shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(1A) of the Listing Regulations and other applicable provisions, if any, as amended from time to time and applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded for continuation of Directorship of Mr. Om Prakash Lohia (DIN: 00206807) as an Independent Director of the Company upon attaining the age of 75 years."

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

**Item No.9 Re-appointment of Ms. Vanita Bhargava (DIN: 07156852) as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and Nomination and Remuneration Policy of the Company, **Ms. Vanita Bhargava (DIN: 07156852)** Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b), 25(8) of the Listing Regulations, and who in the opinion of the Board fulfills the conditions as specified in the Act read with the rules made thereunder and Listing Regulations, is independent of the management and eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from **6th December, 2023 up to 5th December, 2028,** and whose office shall not be liable to retire by rotation."

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

**Item No.10 Approval of payment of remuneration to Mr. Devendra Kumar Jain (DIN: 00029782) Non-Executive Director of the Company, for a period of 5 (five) Financial Years**

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

Notice (Contd.)

**"RESOLVED THAT** pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (' the Act') and the Rules made thereunder and Nomination and Remuneration Policy of the Company, approval of the Shareholders be and is hereby accorded for payment of Remuneration by way of Commission upto 1% of Net Profits of the Company computed in the manner laid down in Section 198 of the Act (excluding sitting fees) to **Mr. Devendra Kumar Jain, (DIN: 00029782)** Non-executive Director of the Company, for a period of 5 (five) Financial Years commencing from Financial year 2023-24."

**"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.11 Approval of payment of remuneration to Mr. Devendra Kumar Jain, (DIN: 00029782) Non-Executive Director of the Company for the Financial Year 2022-23 which is in excess of fifty percent of the total remuneration to all Non-Executive Directors of the Company for the Financial Year 2022-23**

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

**"RESOLVED THAT** pursuant to the Regulation 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and any other applicable provisions of the Listing Regulations, approval of the Shareholders be and is hereby accorded for payment of Remuneration by way of Commission (excluding sitting fees) of ₹ 1891.30 Lakhs (Rupees Eighteen Crores Ninety One Lakhs Thirty Thousand Only) to **Mr. Devendra Kumar Jain (DIN: 00029782)** Non-executive Director of the Company, for the Financial Year 2022-23 which is in excess of fifty percent of total remuneration paid to all Non-Executive Directors for the Financial Year 2022-23."

**"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.12 Alteration of the Articles of Association of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 5 and 14 of the Companies Act, 2013 ('the Act') read with Companies (Incorporation) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded for:

(a) the insertion of New Clause read as Article 64.1, after the existing Article 64 of the Articles of Association of the Company, as follows:

**Article – 64.1**

*"Notwithstanding anything contained in this Articles, the Board shall have the power, on receipt of the nomination from the debenture trustee to appoint a Nominee Director on the Board of the Company pursuant to Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993, as amended from time to time, in the following circumstances:*

*i. 2 (two) consecutive defaults in payment of interest to the debenture holders; or*

*ii. default in creation of security; or*

*iii. default in redemption of the debentures.*

*Such Nominee Director may not be liable to retire by rotation nor be required to hold any qualification shares. The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director/s so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company."*

(b) Omission of entire Article 76 of the Articles of Association of the Company, which is as follows:

**Article – 76**

"*(i) The Board shall provide for the safe custody of the seal.*

*(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence."*

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

**Item No.13 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 ('the Act') 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 ₹ 4,15,000/- (Rupees Four Lakhs Fifteen Thousand 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. M12055) of the Company for conducting the audit of the cost records of the Company for the Financial Year ended on 31st March, 2023, 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 authorised 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: 5th August, 2023
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/- each, on 14th November, 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, 2023, 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, 2023**. Dividend will be paid within 30 days from the date of AGM.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts relating to the Special businesses to be transacted at this AGM, is annexed hereto.

4. Pursuant to the General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as the "Circulars"), companies are allowed to hold the Annual General Meeting ("AGM") through Video Conferencing / Other Audio Visual Means ('VC/OAVM'), without the physical presence of the members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company will be held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

5. Since this AGM is being held through VC/OAVM, pursuant to the Circulars, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

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who are allowed to attend the AGM without restriction on account of first come first served basis.

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

8. 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 and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April , 2020, 13th April , 2020 and 5th 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

9. In compliance with the aforesaid Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by Securities and Exchange Board of India ("SEBI"), Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website at www.gfl.co.in, website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com.

10. Body Corporates who intend to authorise representatives to participate and vote on their behalf in the meeting to be held through VC/OAVM are requested to send, in advance, a duly certified copy of the relevant board resolution/ letter of authority/power of attorney to the Scrutiniser by e-mail to samdanics@gmail.com and to the Company at bvdesai@gfl.co.in /bhavesh.jingar@gfl.co.in through its registered e-mail Address.

11. The Securities and Exchange Board of India ("SEBI") has mandated furnishing of PAN, KYC details (i.e. Postal Address with PIN Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities in prescribed forms. Effective from 1st January 2022, any service requests or complaints received from the member, are being processed by RTA on receipt of aforesaid details/documents. On or after 1st October 2023, in case any of the above cited documents/ details are not available in the Folio(s), in terms of SEBI circulars, RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at https://www.gfl.co.in/shareholder_kYC_procedure_for_issue_of_duplicate_shares_and_transmission.php and website of RTA at https://web.linkintime.co.in/KYC-downloads.html.

12. Members may please note that SEBI vide its Circular No. **SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022** has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Further SEBI vide its circular No. **SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated 18th May, 2022** has simplified the procedure and standardised the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of the Company and RTA.

    Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

13. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs for

completing the nomination formalities.

14. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send a request from their registered E-mail Id mentioning their name, DP ID and Client ID / Folio No., PAN and Mobile No. to the Company at bhavesh.jingar@gfl.co.in.

**15. The instructions for Members for Remote e-Voting and joining the AGM are as under :**

The remote e-Voting period begins on **Tuesday, 26th September, 2023 at 09:00 A.M.** and ends on **Thursday, 28th September, 2023 at 05:00 P.M.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **22nd September, 2023,** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **22nd September, 2023.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated 9th 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.

Login method for Individual shareholders holding securities in demat mode is given below:

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| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with **NSDL** | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If you are 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<br>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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with **CDSL** | 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 users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password.<br>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, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail 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) login through their **Depository Participants (DPs)** | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**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. NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| 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 022 - 4886 7000 and 022 - 2499 7000 |
| 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 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

**How to Log-in to NSDL e-Voting website?**

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with **NSDL** | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| b) For Members who hold shares in demat account with **CDSL** | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in **Physical Form** | EVEN Number followed by Folio Number registered with the companyCompany For example, if Folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**

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6. If you are unable to retrieve or have not received the 'Initial Password' or have forgotten your password:

    a) Click on **"Forgot User Details/Password?" (**If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly Authorised Signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to samdanics@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in.

**Process for those Shareholders whose E-mail IDs are not registered with the depositories for procuring User ID and Password and registration of E-mail IDs for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholders/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th 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 required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

**The instructions for Members for E-Voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

**Instructions for Members for attending the AGM through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at bvdesai@gfl.co.in. 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.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. 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.
8. As the Members may be aware that w.e.f. 1st April, 2020, Dividend Distribution Tax under Section 115-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 final 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 5th 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 ("IT Act"), from the final Dividend, if approved by the Members at the AGM, as Dividend income is taxable in the hands of the Members, w.e.f. 1st April, 2020.

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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 e-mail to the Company at vadodara@linkintime.co.in on or before 21st September, 2023:

**A. In case of a Resident Shareholder:**

| TDS rate | Category of shareholder and required documentation |
|---|---|
| 10 % | Resident shareholder whose valid Permanent Account Number ('PAN') is available on records of the Company. |
| 20 % | Resident shareholder whose valid PAN is not available on records of the Company. |
| 20 % | 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:**<br>- If the total dividend to be received from the Company during Financial Year 2022-23 does not exceed ₹ 5,000/- or<br>- If duly verified Form 15G or 15H (as may be applicable) as per the format attached is furnished 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:**<br>- **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.<br>- **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.<br>- **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.<br>- **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.<br>- **Government**<br>- **The Reserve Bank of India** |

**B. In case of a Non-resident Shareholder:**

| TDS rate | Category of shareholder and required documentation |
|---|---|
| 20 % (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: |

| TDS rate | Category of shareholder and required documentation |
|---|---|
| | - 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 as per attached format.<br>- Self-attested copy of Tax Residency Certificate (TRC) applicable for the period April, 2022 to March, 2023 obtained from the tax authorities of the country of which the shareholder is resident.<br>- Self-declaration in Form 10F as per the format attached.<br>- Self-declaration as per the 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.<br>- FPI shareholders shall, in addition to above documents, also provide SEBI Registration Certificate as FII / FPI<br>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 attached format (in terms of Section 199 of Income Tax Act,1961 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, 2023,** 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

The Board of Directors of the Company at its Meeting held on 5th August, 2023, based on the recommendation of the Nomination and Remuneration Committee (NRC), had approved the re-appointment of Mr. Jay Mohanlal Shah (DIN: 09761969) as a Whole-Time Director of the Company for a further period of one year i.e. from 1st November, 2023 to 31st October, 2024 subject to the approval of the Members at the ensuing Annual General Meeting.

Mr. Jay Mohanlal Shah is a Chemical Engineer and has 24 years of experience in heading and Commissioning for various Chemicals, Speciality & Fine Chemicals Plants. 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, is the opinion that the services of Mr. Jay Mohanlal Shah (DIN: 09761969) as a Whole-Time Director of the Company for further period of one year with effect from 1st November, 2023 to 31st October, 2024 should be available to the Company subject to the approval of the Members at ensuing Annual General Meeting of the Company.

Notice (Contd.)

In compliance of Sections 196, 197, 203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Mr. Jay Mohanlal Shah as Whole-time Director of the Company for a period of one year with effect from 1st November, 2023 is being placed before the Members for their approval.

Brief profile of Mr. Jay Mohanlal Shah, 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. Jay Mohanlal Shah, are annexed as Annexure-I to this Notice.

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

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

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

**Item No. 5 to 9**

Mr. Shailendra Swarup (DIN: 00167799), Mr. Shanti Prashad Jain (DIN: 00023379), Mr. Chandra Prakash Jain (DIN: 00011964), Mr. Om Prakash Lohia (DIN: 00206807) and Ms. Vanita Bhargava (DIN: 07156852) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014. They hold office as Independent Directors of the Company up to 5th December, 2023.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of Performance Evaluation of Independent Directors, has recommended re-appointment of Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the Performance Evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors of the Company.

Section 149 of the Act and Regulation 16(1)(b) & 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided therein.

The Company has also received declarations from Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and the Listing Regulations.

In the opinion of the Board, Mr. Shailendra Swarup, Mr. Shanti Prashad Jain, Mr. Chandra Prakash Jain, Mr. Om Prakash Lohia and Ms. Vanita Bhargava fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations, and they all are independent of the management.

Brief profile, nature of experience in specific functional areas and other information as required to be provided under the Secretarial Standard – 2 and Regulation 36 (3) of the Listing Regulations in respect of re-appointments of Independent Directors, are annexed as Annexure-I to this Notice.

Copy of the draft letter of re-appointment of Independent Directors setting out the terms and conditions of re-appointment are available for inspection without any fee by the members at the Registered Office of the Company.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Further, as per Regulation 25(2A) of the Listing Regulations, re-appointment of an Independent Director shall be subject to approval of Shareholders by way of a special resolution.

Save and except the above-mentioned Directors who are being re-appointed and their relatives, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Directors recommend the Resolution as stated at Item Nos. 5 to 9 of the Notice for approval of the Members by way of Special Resolutions.

**Item No. 10 and 11**

In terms of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors shall not exceed one percent of the net profits of the Company, if there is a Managing or Whole-time Director or Manager, the approval of the Members by way of Special Resolution shall be required.

Further as per 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.

It is proposed to pay remuneration by way of Commission for the period of 5 (five) Financial Years commencing from Financial Year 2023-24 to Mr. Devendra Kumar Jain, Chairman & Non-Executive Director of the Company.

Mr. Devendra Kumar Jain, Non-Executive Director, is eligible for receiving commission of ₹ 1891.30 Lakhs (Rupees Eighteen Crores Ninety One Lakhs Thirty Thousand Only) @ 1% on Net Profit of the Company for the Financial Year 2022-23. Accordingly, the commission of ₹ 1891.30 Lakhs (Rupees Eighteen Crores Ninety One Lakhs Thirty Thousand Only) is to be paid to him for the Financial Year 2022-23.

Details of Sitting Fees/Commission, paid/payable to Non-Executive Directors for Financial Year 2022-23 is given below:

Amount (₹ in Lakhs)

| Name of the Directors | Sitting Fees for attending Board/ Committee Meetings | Commission* | Total |
|---|---|---|---|
| Mr. Devendra Kumar Jain | 2.00 | 1891.30 | 1893.30 |
| Mr. Shanti Prashad Jain | 7.00 | 0.00 | 7.00 |
| Mr. Shailendra Swarup | 7.00 | 0.00 | 7.00 |
| Ms. Vanita Bhargava | 2.00 | 0.00 | 2.00 |
| Mr. Om Prakash Lohia | 0.00 | 0.00 | 0.00 |
| Mr. Chandra Prakash Jain | 2.00 | 0.00 | 2.00 |
| **Total** | **20.00** | **1891.30** | **1911.30** |

*Since the total remuneration payable to Mr. Devendra Kumar Jain for the Financial Year 2022-23 exceeds the limit of 50% of the total annual remuneration payable to all Non-Executive Directors of the Company for the Financial Year 2022-23, the approval of Members is sought by way of a Special Resolution for payment of commission to Mr. Devendra Kumar Jain for the Financial Year 2022-23.

Mr. Devendra Kumar Jain, Mr. Vivek Kumar Jain and his relatives shall be deemed concerned or interested in resolution set out at Item No. 10 and 11 of the Notice to the extent of the commission 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. 10 and 11 of the Notice.

The Board recommends the Special Resolution set out at Item No. 10 and 11 of the Notice for approval of the Members by way of Special Resolution.

**Item No. 12**

The Securities and Exchange Board of India (SEBI) vide its notification bearing number **SEBI/LAD-NRO/GN/2023/119 dated 2nd February, 2023** amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('the Regulations') wherein it is mandated for a Company with listed debt securities to include in its Articles of Association ('AOA') an enabling clause for the Board of Directors to appoint a person nominated by the Debenture Trustee(s) in case of defaults with respect to payment of interest/creation of security/redemption of debentures.

Notice (Contd.)

Accordingly, it is proposed to insert a new Article in the AOA of the Company, for appointment of a Nominee Director on its Board as follows:

**Article 64.1**

*"Notwithstanding anything contained in this Articles, the Board shall have the power, on receipt of the nomination by the debenture trustee to appoint a Nominee Director on the Board of the Company pursuant to Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, in the following circumstances:*

*i. 2 (two) consecutive defaults in payment of interest to the debenture holders; or*

*ii. default in creation of security; or*

*iii. default in redemption of the debentures.*

*Such Nominee Director may not be liable to retire by rotation nor be required to hold any qualification shares. The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director/s so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company."*

Further, from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, Company may not be required to have the seal by virtue of registration under the Act. Therefore, for the purpose of administrative and operational convenience and to align with the regulatory amendment, it is proposed to amend the Articles of Association of the Company by omitting the provision relating to the Seal of the Company, which is reproduced hereunder.

**Article 76**

"(i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence."

A copy of the amended Articles of Association shall be placed on the website of the Company at www.gfl.co.in.

The Board of Directors recommends the Special Resolution as set out at Item No. 12 of the Notice for the approval of the Members.

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. 12 of the Notice.

**Item No. 13**

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. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2023.

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. 13 of the Notice.

The Directors recommend the Resolution as stated at Item No. 13 of the Notice for approval of the Members by way of an Ordinary Resolution.

## Annexure – I

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

| Name of Director | Mr. Devendra Kumar Jain | Mr. Jay Mohanlal Shah | Mr. Shailendra Swarup | Mr. Shanti Prashad Jain | Mr. Chandra Prakash Jain | Mr. Om Prakash Lohia | Ms. Vanita Bhargava |
|---|---|---|---|---|---|---|---|
| Brief Profile | Mr. Devendra Kumar Jain has over 63 years of rich experience in business management and international trade. | Mr. Jay Shah has more than 24 years of experience in heading and Commissioning for various Chemicals, Speciality & Fine Chemicals Plants. | Mr. Shailendra Swarup is a Senior Advocate practising at the High Court and Supreme Court of India. | Mr. Shanti Prashad Jain is a leading Chartered Accountant practicing in taxation matters. | Mr. Chandra Prakash Jain is Chartered Accountant and Diploma in Advance Management | Mr. Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited and having experience in all disciplines of Business Management. | Ms. Vanita Bhargava is a practicing advocate at Supreme Court, High Court & other Quasi-Judicial Body and partner in the Dispute Resolution Group of Khaitan & Co, New Delhi |
| Age | 94 Years | 49 Years | 79 Years | 83 Years | 77 Years | 74 Years | 49 Years |
| Date of first appointment on the Board | 6th December, 2018 | 1st November, 2022 | 6th December, 2018 | 6th December, 2018 | 6th December, 2018 | 6th December, 2018 | 6th December, 2018 |
| Directors Identification Number | 00029782 | 09761969 | 00167799 | 00023379 | 00011964 | 00206807 | 07156852 |
| Qualification | Graduate in History (Hons.) | M. Tech in Chemical Engineering and Bachelor of Chemical Engineering. | Bachelor of Law | Fellow Chartered Accountant | Fellow Chartered Accountant | Bachelor of Commerce | Bachelor of Law and Bachelor of Commerce |
| Terms and conditions of appointment or re-appointment | Director liable to retire by rotation | To be re-appointed as Whole-time Director for term of One (1) year | To be re-appointed as Independent Director for second term of Five (5) years | To be re-appointed as Independent Director for second term of Five (5) years | To be re-appointed as Independent Director for second term of Five (5) years | To be re-appointed as Independent Director for second term of Five (5) years | To be re-appointed as Independent Director for second term of Five (5) years |
| Experience / Expertise in Specific Functional Area | Mr. Devendra Kumar Jain has over 63 years of rich experience in Business Management and International Trade. | Mr. Jay Mohanlal Shah has over 24 years of experience in heading and Commissioning for various Chemicals, Speciality & Fine Chemicals Plants. | Mr. Shailendra Swarup has around 45 years of experience in handling various Legal matters. | Mr. Shanti Prashad Jain is a leading Chartered Accountant and Practicing since 1963. He has specialised in Taxation matters of various reputed companies and banks. | 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 was also a Member of Advisory Board of Axis Infrastructure Fund. | 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. | Ms. Vanita Bhargava has 18 years' of experience as Practicing Advocate at Supreme Court, High Court, & other Quasi-Judicial Body. |

Notice (Contd.)

## ANNEXURE – I (Contd.)

| Name of Director | Mr. Devendra Kumar Jain | Mr. Jay Mohanlal Shah | Mr. Shailendra Swarup | Mr. Shanti Prashad Jain | Mr. Chandra Prakash Jain | Mr. Om Prakash Lohia | Ms. Vanita Bhargava |
|---|---|---|---|---|---|---|---|
| Directorship held in other Companies | 1. Inox Leasing and Finance Limited<br>2. Devansh Gases Private Limited<br>3. Rajni Farms Private Limited<br>4. GFL Limited<br>5. Inox Wind Energy Limited | Nil | 1. J K Papers Limited<br>2. Bengal & Assam Company Limited<br>3. India Thermit Corporation Limited<br>4. Subros Limited<br>5. Jagran Prakashan Limited<br>6. Sterling Tools Limited<br>7. Kangaroo Properties Private Limited<br>8. Vis Legis Consult Private Limited<br>9. Dev Valley Devon Private Limited | 1. Inox Wind Limited<br>2. Inox Green Energy Services Limited<br>3. S P Securities Limited<br>4. GFL Limited<br>5. Inox Wind Energy Limited<br>6. Inox Infrastructure Limited<br>7. Ashok Vihar Club | 1. AVU Enterprise Private Limited | 1. Indo Rama Synthetics (India) Limited<br>2. Indo Rama Retail Holdings Private Limited<br>3. Lohia Industries Private Limited | 1. Inox Wind Energy Limited<br>2. GFL Limited<br>3. Pilani Investment and Industries Corporation Limited |
| Membership / Chairmanship of Committees of other Companies | **GFL Limited**<br>• Audit Committee, Member<br>• CSR Committee, Member<br>• Committee of Directors for Operations, Chairman<br>• Risk Committee, Chairman<br>**Inox Leasing and Finance Limited**<br>• CSR Committee, Chairman<br>• Share Transfer & Stakeholder Relationship Committee, Chairman<br>• Audit Committee, Chairman | Nil | **The India Thermit Corporation Limited**<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member<br>**Subros Limited**<br>• Nomination and Remuneration Committee, Member<br>• Risk Management Committee, Member<br>**Bengal & Assam Company Limited**<br>• Risk Management Committee, Member<br>• Audit Committee, Member<br>**J.K. Paper Limited**<br>• CSR Committee, Member<br>**Jagran Prakashan Limited**<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member<br>**Sterling Tools Limited**<br>• Stakeholders Relationship Committee, Chairman<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member | **GFL Limited**<br>• Audit Committee, Chairman<br>• Nomination and Remuneration Committee, Chairman<br>• CSR Committee, Chairman<br>• Stakeholders Relationship Committee, Member<br>• Risk Management Committee, Member<br>**Inox Wind Limited**<br>• Audit Committee, Chairman<br>• Nomination and Remuneration Committee, Member<br>• CSR Committee, Member<br>• Stakeholders Relationship Committee, Chairman<br>**Inox Green Energy Services Limited**<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member<br>**Inox Wind Energy Limited**<br>• Audit Committee, Chairman<br>• Nomination and Remuneration Committee, Member | Nil | **Indo Rama Synthetics (India) Limited**<br>• Stakeholders Relationship Committee, Member<br>• CSR Committee, Member<br>• Risk Management Committee, Chairman | **Inox Wind Energy Limited**<br>• Audit Committee, Member<br>• Stakeholders Relationship Committee, Member<br>• Nomination and Remuneration Committee, Chairperson<br>• Corporate Social Responsibility Committee, Member<br>**GFL Limited**<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member<br>**Pilani Investment and Industries Corporation Limited**<br>• Audit Committee, Member<br>• Nomination and Remuneration Committee, Member<br>• Stakeholders Relationship Committee, Member |

## ANNEXURE – I (Contd.)

| Name of Director | Mr. Devendra Kumar Jain | Mr. Jay Mohanlal Shah | Mr. Shailendra Swarup | Mr. Shanti Prashad Jain | Mr. Chandra Prakash Jain | Mr. Om Prakash Lohia | Ms. Vanita Bhargava |
|---|---|---|---|---|---|---|---|
| Past Directorships in Listed Companies during last three years | None | None | GFL Limited – up to 10th May, 2021 | None | None | GFL Limited – up to 11th May, 2021 | None |
| The Number of Meetings of the Board Attended during the 2022-23 | 4 | 1 | 4 | 4 | 4 | 4 | 2 |
| Details of remuneration sought to be paid (₹ In Lakhs) | 1891.30 p.a.* | 118 p.a. | Nil | Nil | Nil | Nil | Nil |
| Remuneration last drawn including sitting fees (₹ In Lakhs) | 1058.10 p.a. | 110 p.a. | Nil | Nil | Nil | Nil | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Relative of Mr. Vivek Jain, Managing Director of the Company. | None | None | None | None | None | None |
| Shareholding in the Company including Shareholding as Beneficial Owner. | 20,100 shares | Nil | 10,000 shares | 2,000 shares | Nil | Nil | Nil |

*Payment of remuneration of ₹ 1891.30 Lakhs is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

*For details of the skill and expertise required for the role of Independent Directors and manner in which the proposed person meets such requirements, please refer to the Corporate Governance Report which is part of the Annual Report.*

# Board's Report

To,

The Members of
**Gujarat Fluorochemicals Limited**

The Board of Directors is delighted to present the Fifth Board's 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, 2023.

## 1. FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended 31st March, 2023, are summarised as under:

(₹ in Lakhs)

| Sr. No. | Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|---|
| | | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| 1. | Revenue from Operations | 5,68,466 | 3,95,359 | 5,62,198 | 3,81,309 |
| 2. | Other Income | 17,230 | 16,055 | 18,107 | 16,284 |
| **3.** | **Total Revenue (1+2)** | **5,85,696** | **4,11,414** | **5,80,305** | **3,97,593** |
| **4.** | **Total Expenses** | **4,07,222** | **3,06,895** | **3,98,424** | **2,94,582** |
| 5. | Share of Loss of joint venture | (*) | (*) | - | - |
| **6.** | **Profit before exceptional items and tax (3 – 4 + 5)** | **1,78,474** | **1,04,519** | **1,81,881** | **1,03,011** |
| 7. | Exceptional Items | - | - | - | - |
| **8.** | **Profit before tax (6 + 7)** | **1,78,474** | **104,519** | **1,81,881** | **1,03,011** |
| 9. | Tax Expenses (Current Tax and Deferred Tax) | 46,163 | 27,037 | 46,327 | 25,700 |
| 10. | Tax pertaining to earlier years | 6 | (105) | (6) | (103) |
| **11.** | **Profit/(Loss) for the period (8 -9 - 10)** | **1,32,305** | **77,587** | **1,35,560** | **77,414** |
| 12. | Other comprehensive income | 1,500 | (255) | (138) | 41 |
| **13.** | **Total Comprehensive Income (11+12)** | **1,33,805** | **77,332** | **1,35,422** | **77,455** |
| | Attributable to Owners of the Company | 1,34,419 | 78,428 | - | - |
| | Non-controlling Interest | (614) | (1096) | - | - |

(*) Amount is less than ₹ 1 Lakh

### Consolidated Financial Statements

As per Regulations 33 and 52 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 2022-23 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 and Indian 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 2022-23 shall be laid before the Annual General Meeting for approval of the Members of the Company.

## 2. STATE OF COMPANY'S AFFAIRS

**Consolidated:**

On a consolidated basis, the revenue for FY 2023 was ₹ 5,68,466 Lakhs, higher by 44% over the previous year's revenue of ₹ 3,95,359 Lakhs. The profit after tax (PAT) attributable to shareholders and non-controlling interests for FY 2023 and FY 2022 was ₹ 1,32,305 Lakhs and ₹ 77,587 Lakhs, respectively.

Board's Report (Contd.)

**Standalone:**

On a standalone basis, the revenue for FY 2023 was ₹ 5,62,198 Lakhs, higher by 47% over the previous year's revenue of ₹ 3,81,309 Lakhs in FY 2022. The PAT attributable to shareholders in FY 2023 was ₹ 1,35,560 Lakhs registering a growth of 75% over the PAT of ₹ 77,414 Lakhs in FY 2022. For more details on the Consolidated and Standalone performance, please refer to Management Discussion & Analysis.

## 3. DIVIDEND

During the year, the Company has paid interim dividend for the Financial Year 2022-23 at ₹ 2.00 per equity share of ₹ 1/- each (200%) amounting in total ₹ 2,197 Lakhs to the shareholders of the Company.

The Board is pleased to recommend a final dividend at ₹ 2.00 per equity share of ₹ 1/- each (200%) for the year ended 31st March, 2023 subject to the approval of shareholders at the ensuing Annual General Meeting.

During the Financial Year 2022-23, the Company has declared total dividend ₹ 4.00 per share i.e. 400 %.

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

## 4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to reserve of the Company for the Financial Year 2022-23.

## 5. ISSUE AND LISTING OF NON-CONVERTIBLE DEBENTURES

During the year under review, the Company has issued 5,000 senior, secured, listed, rated, taxable, redeemable, non-convertible debentures each having a face value of ₹ 1,00,000 (Indian Rupees One Lakh) at par for the aggregate amount of ₹ 50,00,00,000 (Indian Rupees Fifty Crores) by way of private placement. The following are the details of Non-Convertible Debentures:

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | Date of issue and allotment of the Securities | 21st March, 2023 |
| 2. | Number of Securities | 5,000 (Five Thousand) senior, secured, listed, rated, taxable, redeemable, non-convertible debentures |
| 3. | ISIN | INE09N307018 |
| 4. | Whether the issue of the securities was by way of preferential allotment, private placement or public issue | Private Placement |
| 5. | Brief details of the debt restructuring pursuant to which the securities are issued | Not Applicable |
| 6. | Issue price | ₹ 1,00,000 |
| 7. | Coupon Rate | 8.52% p.a. |
| 8. | Maturity Date/Date of Redemption | ₹ 17 Crore - 21st March, 2024<br>₹ 17 Crore - 21st March, 2025<br>₹ 16 Crore - 20th March, 2026 |
| 9. | Amount Raised | ₹ 50.00 Crores |
| 10. | Listed with Stock Exchanges and date of Listing | Listed with BSE Limited only w.e.f. 23rd March, 2023 |

## 6. FIRE INCIDENT

On 16th December, 2021, there was a fire at the Company's MPP Unit-2 plant at 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 damaged facilities and also for loss of profits due to business interruption. The Company, on the basis of valid insurance contracts, had lodged claims with the insurance company. The survey and loss assessment by the insurance company is currently ongoing.

During the previous year ended 31st March, 2022, the Company had derecognized the net book value of the damaged assets (including property, plant and equipment and inventories) of ₹ 4,256.98 Lakhs and expenses/loss pertaining to this incident (including estimated compulsory deductible by Insurance Company) amounting to ₹ 720.67 Lakhs had been expensed out. The Company had also recognised ₹ 2,788.73 Lakhs towards loss of profits due to business interruption. During the year, out of the total insurance claim lodged of ₹ 7,021.30 Lakhs (net of compulsory and other deductibles), the Company has received interim payment of ₹ 1,897.67 Lakhs from the insurance company and the balance amount of ₹ 5,123.63 Lakhs is included in "Other current financial assets" in the balance sheet. Differences, if any, will be recognized upon the final settlement of such claim.

## 7. RE-CLASSIFICATION OF PROMOTER GROUP MEMBERS

During the Financial year 2022-23, on 1st February, 2023, the Board of Directors of the Company had received requests from Mr. Pavan Kumar Jain, Mrs. Nayantara Jain, Mr. Siddharth Jain, Mr. Kapoor Chand Jain, Ms. Hem Kumari, M/s. Inox Chemicals LLP and M/s. Siddhomal Trading LLP belonging to Members of Promoter Group of the Company for reclassifying themselves from the "Promoter Group" category to the "Public" shareholders category, in accordance with the Listing Regulations as amended.

The Board of Directors of the Company at their meeting held on 7th February, 2023 considered and approved the re-classification of the said Promoter Group Members from Promoter Group Category to Public Category of the Company, subject to necessary approvals from the Members, Securities and Exchange Board of India (SEBI), Stock Exchanges, as may be required.

Members of the Company at their held through postal ballot on 11th March, 2023, had approved the said re-classification. Pursuant to the same, an application in terms of Regulation 31A of the Listing Regulations was made to the stock exchanges for their approval.

The Company had received the approval from National Stock Exchange of India Limited (NSE) and BSE Limited, on 8th May, 2023 for re-classification of the said Members of Promoter Group as Public Shareholders.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Directors**

**Appointments / Re-appointments:**

The following Directors are proposed for appointments / re-appointments at the Fifth 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. Jay Mohanlal Shah (DIN: 09761969), as Whole-time Director of the Company and approve payment of remuneration to him, with effect from 1st November, 2023.
- Mr. Shanti Prashad Jain (DIN: 00023379), Mr. Shailendra Swarup (DIN: 00167799), Mr. Chandra Prakash Jain (DIN: 00011964), Mr. Om Prakash Lohia (DIN: 00206807) and Ms. Vanita Bhargava (DIN: 07156852) are Independent Directors of the Company and their First term as Independent Directors will expire on 5th December, 2023.

  On the recommendation of Nomination and Remuneration Committee, Board of Directors and subject to the approval of the Shareholders at ensuing Annual General Meeting, the above named Directors are proposed to be re-appointed as Independent Directors for their Second Term i.e., from 6th December, 2023 to 5th December, 2028 and their office shall not be liable to retire by rotation.

Necessary Resolution in respect of Directors seeking appointment/re-appointment and their brief resume pursuant to Regulation 36(3) of the SEBI Listing Regulations are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

During the Financial Year 2022-23, the following directors were re-appointed post receipt of Shareholder's approval:

- 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, 2023.
- Re-appointment of Mr. Niraj Kishore Agnihotri (DIN: 09204198), as Whole-time Director of the Company and approve payment of remuneration to him, with effect from 1st July, 2023.

**Resignation of Director**

During the year under review, Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) has tendered his resignation from the post of Whole-time Director of the Company, with effect from 31st October, 2022, for his better future prospects.

**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**

Following are 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

## 9. BOARD RELATED INFORMATION

**Meetings of the Board**

Four (4) Board Meetings were held during the financial year ended 31st March, 2023. 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 SEBI Listing Regulations.

**Composition of Audit Committee**

The Audit Committee comprised four (4) Members out of which three (3) are Independent Directors and one (1) is an Executive Director. During the year under review, four (4) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report. During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

**Performance Evaluation**

In accordance with the manner of evaluation specified by the Nomination and Remuneration Committee, the 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 2022-23. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 7th February, 2023 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.

**Familiarisation Programme for Independent Directors**

The Company has conducted familiarisation 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://gfl.co.in/upload/pages/6183df9a8ef1007071432a730d1689bb.pdf

**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, 2023, 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's 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 SEBI Listing Regulations. A separate section on Corporate Governance along with a certificate from practicing Company Secretary 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 and Sustainability Report**

A Business Responsibility and Sustainability 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**.

## 10. 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 any Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

## 11. 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 52(i) of the Standalone Financial Statements of the Company.

## 12. SUBSIDIARIES AND JOINT VENTURE

The Company has 7 (Seven) subsidiaries as on 31st March, 2023. 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.

During the Financial Year 2022-23, the Holding Company through its wholly owned subsidiary Gujarat Fluorochemicals Singapore Pte. Limited, acquired 26% of shareholding in GFL GM Fluorspar SA, Morocco for ₹ 368 Lakhs and as a result, GFL GM Fluorspar SA is now wholly owned subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited.

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 ensuing 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

Board's Report (Contd.)

The Report on the performance and financial position of each of the Subsidiaries 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**.

## 13. 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.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The Policy is available on the Company's website at https://www.gfl.co.in/upload/pages/6b1b59ceda092ea23f013e89e01eb86d.pdf

## 14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Act read with Regulation 22(1) of the SEBI 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

## 15. 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 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 SEBI 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 were in ordinary course of business and there were no related party transactions which could be considered material. Hence, there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and disclosure in Form no. AOC-2 is not required to be annexed to this report. Further, the details of the transactions with Related Parties are provided in the accompanying Financial Statements.

## 16. DEPOSITS

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

## 17. AUDITORS

### A. Independent Auditors

The 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 6th 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

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and 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 on recommendation of Audit Committee.

In view of the above, the Company has made and maintained such cost accounts and records and has appointed M/s Kailash Sankhlecha & Associates to audit the cost audit records maintained by the Company for Financial Year 2022-23 on a remuneration of ₹ 4,15,000/- 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. 13 of the Notice convening the Annual General Meeting.

**C. Internal Auditors**

The Board of Directors have 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 2023-24.

### 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 and Remuneration of Managerial Personnel) Rules, 2014, 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 2022-23, 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**

During the year under review, the Statutory Auditors, Cost Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees, either to the Audit Committee or Board under Section 143(12) of the Act details of which need to be mentioned in this Report.

## 18. SECRETARIAL STANDARDS

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems were adequate and operating effectively.

## 19. 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%20-%20Form%20MGT-7%20-%202022-23%20-%20Website.pdf

## 20. 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**.

## 21. 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.

## 22. 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 Units. 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.

## 23. INSURANCE

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

## 24. RISK MANAGEMENT

The Risk Management Policy of the Company, which is approved by the Risk Management Committee of the Board ('RMC') and the Board of Directors, provides the framework of Enterprise Risk Management ('ERM') by describing mechanisms 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.

## 25. 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 2022-23:

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

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.

## 26. 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.

## 27. INSOLVENCY AND BANKRUPTCY CODE

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

## 28. ONETIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION

There was no instance of onetime settlement with any Bank or Financial Institution.

## 29. 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

Date: 5th August, 2023
Place: New Delhi

# 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, 2023.

## 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 Listing Regulations. Details of composition and category of Directors, are as under;

| 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 | 1 | 10 |
| Mr. Vivek Kumar Jain | Executive Directors | Promoter – Managing Director | 1 | 40 |
| Mr. Sanath Kumar Muppirala<br>Mr. Niraj Agnihotri<br>Mr. Sanjay Borwankar^<br>Mr. Jay Shah* | | Whole-time Directors | 3 | |
| Mr. Shanti Prashad Jain<br>Mr. Shailendra Swarup<br>Mr. Om Prakash Lohia<br>Mr. Chandra Prakash Jain | Non – Executive Directors | Independent Directors | 4 | 40 |
| Ms. Vanita Bhargava | Non – Executive Woman Director | | 1 | 10 |
| | | **Total** | **10** | **100** |

^Mr. Sanjay Borwankar ceased to be Director effective from 31st October, 2022.

* Mr. Jay Shah appointed as Whole-time Director of the Company w.e.f. 1st November, 2022.

Corporate Governance Report (Contd.)

**(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 2022-23, the Board met 4(Four) times on 13th May, 2022, 27th July, 2022, 18th October, 2022 and 7th February, 2023.

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 2022-23.

The Company uses the facility of video conferencing, as permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 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 Meeting, Disclosure of Relationship between Directors inter-se and Number of Shares held by Non-Executive Directors as at 31st March, 2023:

| 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 Director |
|---|---|---|---|---|---|
| Mr. Devendra Kumar Jain | Promoter Group Member, Non-Independent Director and Non-Executive Director | 4 out of 4 | Yes | Father of Mr. Vivek Jain | 20,100 |
| Mr. Vivek Jain | Promoter Group Member and Managing Director | 4 out of 4 | Yes | Son of Mr. Devendra Kumar Jain | Not Applicable |
| Mr. Shailendra Swarup | Independent and Non-Executive Director | 4 out of 4 | Yes | No inter-se relationship between Directors | 10,000 |
| Mr. Om Prakash Lohia | Independent and Non-Executive Director | 4 out of 4 | Yes | No inter-se relationship between Directors | 0 |
| Mr. Shanti Prashad Jain | Independent and Non-Executive Director | 4 out of 4 | Yes | No inter-se relationship between Directors | 2,000 |
| Ms. Vanita Bhargava | Independent and Non-Executive Director | 2 out of 4 | No | No inter-se relationship between Directors | 0 |
| Mr. Chandra Prakash Jain | Independent and Non-Executive Director | 3 out of 4 | No | No inter-se relationship between Directors | 0 |
| Mr. Sanath Kumar Muppirala | Executive Director and Whole-time Director | 2 out of 4 | Yes | No inter-se relationship between Directors | Not Applicable |
| Mr. Sanjay Borwankar^ | Executive Director and Whole-time Director | 1 out of 3^ | Yes | No inter-se relationship between Directors | Not Applicable |
| Mr. Jay Shah * | Executive Director and Whole-time Director | 1 out of 1 * | NA | No inter-se relationship between Directors | Not Applicable |
| Mr. Niraj Agnihotri | Executive Director and Whole-time Director | 2 out of 4 | Yes | No inter-se relationship between Directors | Not Applicable |

^Mr. Sanjay Borwankar ceased to be Director effective from 31st October, 2022.

* Mr. Jay Shah appointed as Whole-time Director of the Company w.e.f. 1st November, 2022.

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 as on 31st March, 2023:**

| 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 Public Limited Companies | |
| Mr. Devendra Kumar Jain | 5 | 1 | 1 | GFL Limited (Managing Director)<br>Inox Wind Energy Limited (Non-Executive Director) |
| Mr. Shailendra Swarup | 9 | 4 | 1 | JK Paper Limited (Independent Director)<br>Subros Limitied (Independent Director)<br>Bengal and Assam Company Limited (Independent Director)<br>Jagran Prakash Limited (Independent Director)<br>Sterling Tools Limited (Independent Director) |
| Mr. Vivek Jain | 6 | 3 | 1 | Inox Wind Energy Limited (Non-Executive Director) |
| Mr. Shanti Prashad Jain | 6 | 7 | 4 | Inox Wind Limited (Independent Director)<br>Inox Wind Energy Limited (Independent Director)<br>GFL Limited (Independent Director)<br>Inox Green Energy Services Limited (Independent Director) |
| Ms. Vanita Bhargava | 3 | 5 | 0 | Pilani Investment and Industries Corporation Limited (Independent Director)<br>GFL Limited (Independent Director)<br>Inox Wind Energy Limited (Independent Director) |
| Mr. Om Prakash Lohia | 3 | 1 | 0 | Indo Rama Synthetics (India) Limited (Managing Director) |
| Mr. Chandra Prakash Jain | 1 | 0 | 0 | - |
| Mr. Sanath Kumar Muppirala | 0 | 0 | 0 | - |
| Mr. Jay Mohanlal Shah(#) | 0 | 0 | 0 | - |
| Mr. Niraj Agnihotri | 0 | 0 | 0 | - |

(#) Appointed as Whole-time Director of the Company w.e.f. 1st November, 2022.

(*) Committee means Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations and does not include membership and Chairmanship of Gujarat Fluorochemicals Limited.

(**) Other Directorship excludes directorship of foreign companies and companies registered under Section 8 of Companies Act, 2013.

Corporate Governance Report (Contd.)

During the Financial Year 2022-23,

1) None of the Directors held directorship 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 Public Limited Companies as per Regulation 26(1) of Listing Regulations.

**(d) Web link of Familiarisation programmes imparted to Independent Directors**

Kindly refer to the Company's website https://gfl.co.in/Familiarization_Programme_for_Independent_Directors.php for details of the familiarization programme as held 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 7th February, 2023 with the following agenda:

- To review performance of Non-Independent Directors and the Board as a whole and Chairperson of the Company
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- To familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

**(f) 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 fulfil the conditions of independence specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the Management.

**(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 summarises 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. Niraj Agnihotri | √ | √ | | | √ |

| 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. Jay Mohanlal Shah | √ | √ | | | √ |
| 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 utilised 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 issue or rights issue or preferential issue or qualified institutions placement 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;

Corporate Governance Report (Contd.)

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 utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores 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 shareholders.
23. Review the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    c. Internal audit reports relating to internal control weaknesses;
    d. The appointment, removal and terms of remuneration of the chief internal auditor
    e. 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 utilised 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, Meetings of Audit Committee 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 2022-23, the Audit Committee met 4(Four) times on 13th May, 2022, 27th July, 2022, 18th October, 2022 and 7th February, 2023. Hence, the Audit Committee Meetings held during the Financial Year 2022-23 are in compliance with the Listing Regulations.

The details of composition of Audit Committee and the Meetings attended by the Directors during Financial Year 2022-23 are given below:

| Name | 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 | 2 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 of Schedule II of the Listing Regulations, which are mainly as follows:

a. Identify 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 it 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, 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 2022-23, the Nomination and Remuneration Committee met 3 (three) times on 27th July, 2022, 18th October, 2022 and 7th February, 2023.

The details of Composition of Nomination and Remuneration Committee and the Meeting attended by the Directors during the Financial Year 2022-23 are given below:

| Name of Director | Position | Number of Meetings Attended during Year |
|---|---|---|
| Mr. Shanti Prashad Jain, Non-Executive & Independent Director | Chairman | 3 out of 3 |
| Mr. Om Prakash Lohia, Non-Executive & Independent Director | Member | 3 out of 3 |
| Mr. Shailendra Swarup Non-Executive & Independent Director | Member | 3 out of 3 |

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

Corporate Governance Report (Contd.)

**(c) Performance Evaluation Criteria for Independent Directors**

The performance evaluation criteria for Independent Directors are determined by the NRC Committee. An indicative list of factors on which evaluation was carried out includes Competency and Experience of Directors, Participation in the Board, Governance and Compliances, Conflict of Interest, Corporate Culture and values, Stakeholder value and Responsibility, Integrity and confidentiality of information.

Performance Evaluation forms containing the above 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.

Further, based on the Feedback received by the Company, the NRC Committee at its Meeting held on 7th February, 2023 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 Regulation 20 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

During the Financial Year 2022-23, the Stakeholder's Relationship Committee met 2 (Two) times on 27th May, 2022 and 16th December, 2022.

**(a) Composition and attendance during the year**

| Name of Directors | Position | Number of Meetings Attended during Year |
|---|---|---|
| Mr. Shailendra Swarup<br>Non-Executive & Independent Director | Chairman | 2 out of 2 |
| Mr. Shanti Prashad Jain,<br>Non-Executive & Independent Director | Member | 2 out of 2 |
| Mr. Vivek Jain,<br>Executive Director & Managing Director | Member | 2 out of 2 |

| | | |
|---|---|---|
| **(b)** | Name of Non-Executive Director heading the Committee | Mr. Shailendra Swarup |
| **(c)** | Name and designation of Compliance Officer | Mr. Bhavin Desai,<br>Company Secretary and Compliance officer |
| **(d)** | Number of Shareholders complaints received during the Financial Year 2022-23 | 15 |
| **(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 has attended the last Annual General Meeting.

## 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 Regulation 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, Chairperson, Meetings and Attendance

The Composition of Risk Management Committee is in line with Regulation 21 of the Listing Regulations. During the Financial Year 2022-23, the Risk Management Committee met 2 (two) times on 27th July, 2022 and 16th January, 2023.

The details of Composition of Risk Management Committee and the Meeting attended by the Directors during the Financial Year 2022-23 are given below:

| Name of Directors | Position | Number of Meetings Attended during Year |
|---|---|---|
| Mr. Vivek Jain,<br>Executive Director & Managing Director | Chairman | 2 out of 2 |
| Mr. Shanti Prashad Jain,<br>Non-Executive & Independent Director | Member | 0 out of 2 |
| Mr. Shailendra Swarup,<br>Non-Executive & Independent Director | 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 authorised 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.

Corporate Governance Report (Contd.)

Details of the remuneration paid/payable to the Managing Director and the Executive Directors of the Company for the Financial Year 2022-23 is as follows:

(₹ in Lakhs)

| Particulars | Name and Designation of Directors | | | | |
|---|---|---|---|---|---|
| | Mr. Vivek Jain, Managing Director (Re-appointed with effect from 01st January, 2023) | Mr. Sanath Kumar Muppirala, Whole-time Director (Re-appointed with effect from 28th April, 2022) | Mr. Sanjay Borwankar, Whole-time Director (Resigned with effect from 31st October, 2022) | Mr. Niraj Agnihotri, Whole-time Director (Re-appointed with effect from 1st July, 2022) | Mr. Jay Mohanlal Shah, Whole-time Director (Appointed with effect from 1st November, 2022) |
| Salary & Allowances | 159.00 | 123.00 | 66.35 | 145.37 | 34.15 |
| Perquisites | 78.77 | - | - | - | - |
| Contribution to PF | 19.08 | 6.37 | 2.74 | 6.48 | 1.60 |
| Commission | 4,019.00* | - | - | - | - |
| **Total** | **4275.85** | **129.37** | **69.09** | **151.85** | **35.75** |
| Services Contract | 1st January, 2023 to 31st December, 2027 | 28th April, 2023 to 27th April, 2024 | Resigned with the effect from 31st October, 2022 | 1st July, 2023 to 30th June, 2024 | 1st November, 2022 to 31st October, 2023 |
| Notice Period | 3 Months | 3 Months | 3 Months | 3 Months | 3 Months |

* to be paid after the financial statements of the Company adopted by the Shareholders at ensuing Annual General Meeting.

During the Financial Year 2022-23, 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 2022-23. 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 2022-23 is as follows:

(₹ in Lakhs)

| Name of the Directors | Sitting Fees for attending Board/ Committee Meetings | Professional Fees | Commission* | Total |
|---|---|---|---|---|
| Mr. Devendra Kumar Jain | 2.00 | - | 1891.30 | 1893.30 |
| Mr. Shanti Prashad Jain | 7.00 | - | - | 7.00 |
| Mr. Shailendra Swarup | 7.00 | - | - | 7.00 |
| Ms. Vanita Bhargava | 2.00 | - | - | 2.00 |
| Mr. Om Prakash Lohia | - | - | - | - |
| Mr. Chandra Prakash Jain | 2.00 | - | - | 2.00 |
| **Total** | **20.00** | **-** | **1891.30** | **1911.30** |

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

During the Financial Year 2022-23, 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 2022-23 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.

## 8. 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 |
|---|---|---|
| 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<br>- Continuation of Directorship of Mr. Shanti Prashad Jain (DIN: 00023379) as Non-Executive and Independent Director of the Company<br>- Continuation of Directorship of Mr. Shailendra Swarup (DIN: 00167799) as Non-Executive and Independent Director of the Company<br>- Continuation of Directorship of Mr. Chandra Prakash Jain (DIN: 00011964) as Non-Executive and Independent Director of the Company<br>- 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 |
| 2021-22 | 29th September, 2022 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 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 |

During the Financial Year ended 31st March, 2023, 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.

Corporate Governance Report (Contd.)

## 9. MEANS OF COMMUNICATION

The Quarterly Results of the Company during the Financial Year ended 31st March, 2023 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 organises investor calls to discuss its financial results every quarter where investors' queries are answered by the executive management of the Company.

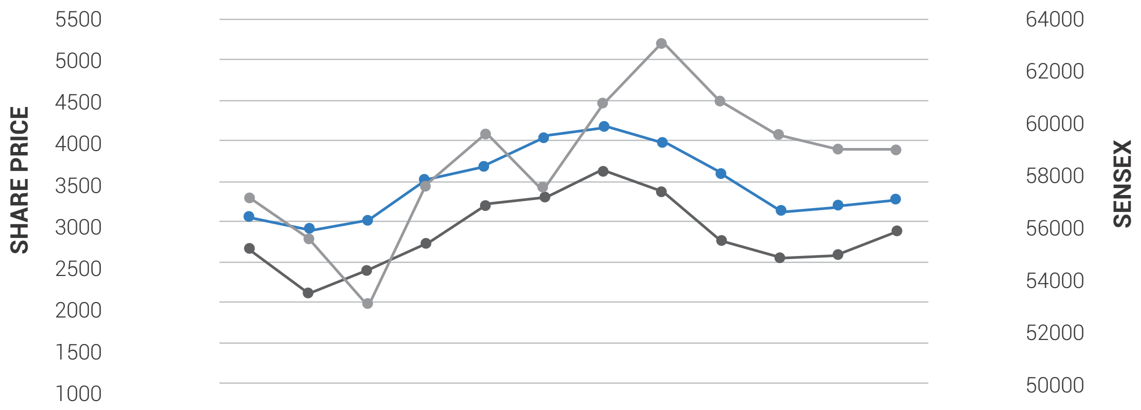
## 10. GENERAL SHAREHOLDER INFORMATION

| | | |
|---|---|---|
| **10.1** | **Annual General Meeting** | |
| | Date | 29th September, 2023 |
| | 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, Gujarat. |
| **10.2** | **Financial Year** | April, 2022 to March, 2023 |
| **10.3** | **Dividend Payment Date** | The final dividend, if approved, shall be paid/credited within the stipulated time |
| **10.4** | **Listing of Equity Shares on Stock Exchanges** | **National Stock Exchange of India Limited (NSE)**<br>Exchange Plaza, Bandra – Kurla Complex, Bandra (E),<br>Mumbai - 400 051, Maharashtra.<br>**BSE Limited (BSE)**<br>Phiroze Jeejeebhoy Towers, Dalal Street,<br>Mumbai 400 001 |
| | Listing Fees | The Company has paid the annual listing fees for the Financial Year 2023-24 to the NSE and BSE on which the securities are listed within the stipulated time. |
| **10.5** | **Stock Code** | |
| | BSE Limited | 542812 |
| | National Stock Exchange of India Limited (symbol) | FLUOROCHEM |
| | Demat ISIN Number in NSDL and CDSL | INE09N301011 |
| **10.6** | **Market Price Data: High, Low during each month in the Financial Year 2022-23 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 50 |
|---|---|---|---|---|---|---|
| **April, 2022** | 3,050 | 2,655 | 57,060 | 3,050 | 2,690 | 17,103 |
| **May, 2022** | 2,897 | 2,105 | 55,566 | 2,897 | 2,112 | 16,585 |
| **June, 2022** | 3,010 | 2,380 | 53,018 | 3,013 | 2,380 | 15,780 |
| **July, 2022** | 3,496 | 2,699 | 57,570 | 3,498 | 2,696 | 17,158 |
| **August, 2022** | 3,684 | 3,166 | 59,537 | 3,685 | 3,152 | 17,759 |
| **September, 2022** | 4,025 | 3,287 | 57,426 | 4,024 | 3,286 | 17,094 |
| **October, 2022** | 4,172 | 3,611 | 60,746 | 4,173 | 3,610 | 18,012 |
| **November, 2022** | 3,969 | 3,373 | 63,099 | 3,945 | 3,370 | 18,758 |
| **December, 2022** | 3,600 | 2,747 | 60,840 | 3,594 | 2,740 | 18,105 |
| **January, 2023** | 3,130 | 2,534 | 59,549 | 3,139 | 2,534 | 17,662 |
| **February, 2023** | 3,185 | 2,582 | 58,962 | 3,185 | 2,580 | 17,304 |
| **March, 2023** | 3,272 | 2,879 | 58,991 | 3,275 | 2,880 | 17,360 |

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

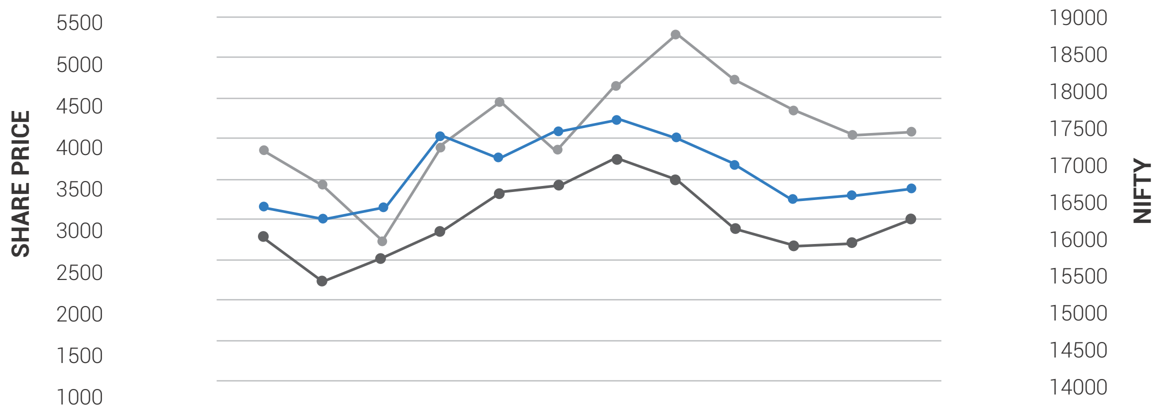
**Share Price at BSE for the year 2022-23**




| | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-22 | Feb-22 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BSE HIGH PRICE (Rs.) | 3050 | 2897 | 3010 | 3496 | 3050 | 4025 | 4173 | 3969 | 3600 | 3131 | 3186 | 3272 |
| BSE LOW PRICE (Rs.) | 2655 | 2105 | 2381 | 2700 | 3166 | 3287 | 3611 | 3374 | 2747 | 2534 | 2582 | 2880 |
| SENSEX | 57061 | 55566 | 53019 | 57570 | 59537 | 57427 | 60747 | 63100 | 60841 | 59550 | 58962 | 58992 |

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

**Share Price at NSEfor the year 2022-23**




| | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-22 | Feb-22 | Mar-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NSE HIGH PRICE (Rs.) | 3050 | 2897 | 3013 | 3946 | 3685 | 4024 | 4174 | 3946 | 3594 | 3139 | 3185 | 3275 |
| NSE LOW PRICE (Rs.) | 2690 | 2112 | 2380 | 2697 | 3152 | 3286 | 3610 | 3370 | 2740 | 2534 | 2581 | 2880 |
| NIFTY | 17103 | 16585 | 15780 | 17158 | 17759 | 17094 | 18012 | 18758 | 18105 | 17662 | 17304 | 15360 |

Corporate Governance Report (Contd.)

| | | |
|---|---|---|
| **10.7** | **Suspension from Trading** | The Equity Shares of the Company were not suspended from Trading during the Financial Year 2022-23 |
| **10.8** | **Registrar and Transfer Agents** | **Link Intime India Private Limited**<br>B -102 & 103, Shangrila Complex, First Floor,<br>Opp. HDFC Bank, Near Radhakrishna Char Rasta,<br>Akota, Vadodara - 390 020, Gujarat.<br>Phone : +91 265 2356573, 6136011 Fax : 2356791.<br>E-mail : vadodara@linkintime.co.in |
| **10.9** | **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 dematerialised form with the depositories. |
| **10.10** | **Distribution of Shareholding as on 31st March, 2023:** | |

| No. of shares ranging From – To | Number of shareholders | % to total shareholders | Number of shares | % to total |
|---|---|---|---|---|
| 1 to 500 | 59,309 | 93.34 | 22,59,382 | 2.06 |
| 501 to 1000 | 2,278 | 3.59 | 19,68,660 | 1.79 |
| 1001 to 2000 | 766 | 1.21 | 12,07,644 | 1.10 |
| 2001 to 3000 | 303 | 0.48 | 7,86,770 | 0.72 |
| 3001 to 4000 | 141 | 0.22 | 5,06,405 | 0.46 |
| 4001 to 5000 | 129 | 0.20 | 6,02,815 | 0.55 |
| 5001 to 10000 | 277 | 0.44 | 20,35,454 | 1.85 |
| 10001 and above | 336 | 0.53 | 10,04,82,870 | 91.47 |
| **Total** | **63,539** | **100.00** | **10,98,50,000** | **100.00** |

**10.11 Dematerialisation of shares and liquidity as on 31st March, 2023:**

| Particulars | No. of Shares | % to Total Share Capital |
|---|---|---|
| No. of Shares Dematerialised | | |
| NSDL | 10,20,61,504 | 92.91 |
| CDSL | 69,84,396 | 6.36 |
| No. of Shares in Physical Form | 8,04,100 | 0.73 |
| **Total** | **10,98,50,000** | **100.00** |

| | | |
|---|---|---|
| **10.12** | **Outstanding GDRs/ADRs/Warrants/ Convertible instruments** | The Company has not issued GDRs/ADRs/Warrants or any convertible instruments. |
| **10.13** | **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, 2023. 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.<br>(b) The Company has approved "Risk Assessment and Minimisation Procedure" pursuant to which the Company enters into Forward Contracts on foreign currencies depending on its assessment of the market situation, to counter the risk of foreign exchange fluctuations. |

| | | |
|---|---|---|
| **10.14** | **Plant Locations** | **Ranjitnagar Plant**<br>Survey No. 16/3, 26 and 27, Ranjitnagar,<br>Taluka Ghoghamba, District Panchmahal - 389 380, State Gujarat<br>**Dahej Plant**<br>A) Plot No. 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch - 392 130, State Gujarat.<br>B) Plot No. D-2/CH/173/222, GIDC Industrial Estate, Village Galenda, Taluka Vagra, District Bharuch - 392130, State Gujarat. |
| **10.15** | **Address for Investor Correspondence** | **Link Intime India Private Limited**<br>B - 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Gujarat.<br>Phone : +91 265 2356573, 6136011 Fax : 2356791.<br>E-mail : vadodara@linkintime.co.in |
| **10.16** | **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 mobilisation of funds, whether in India or abroad** | During the year under review, CRISIL Limited has reaffirmed its rating on the long term bank facilities and Non-Convertible Debentures (NCDs) of the Company as CRISIL AA/Positive. |

## 11. 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 Exchanges 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct. Adequate safeguards have been provided in the Policy to prevent victimisation 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 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 10.13 above.

**(g)** Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the Financial Year 2022-23, 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 2022-23, 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 ₹ 96 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, 2023 is given in the Board's Report.

**(l)** The Company has not given any Loans and advances in nature of loans to firms/Companies in which directors are interested except provided in the Standalone Financial Statements of the Company. For details, please refer to note no. 9, 10, 37, 45, 47 and 52(i) of the Standalone Financial Statements of the Company.

**(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:

- Non-Executive Chairperson may be entitled to maintain the chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties :- The Chairperson of the Company is Non-Executive Director and he is not availing any expenses to perform his duties except sitting fees and commission which is subject to the approval of the Shareholders.
- 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, 2023, there is no modified opinion 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.

## 12. 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.

## 13. 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. 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

## 14. 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**.

## 15. COMPLIANCE CERTIFICATE FROM THE PRACTISING COMPANY SECRETARY

Compliance Certificate from the Practising Company Secretary of the Company regarding compliance of conditions of Corporate Governance is annexed with the Board's Report.

## 16. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

In terms of Regulation 39 of the Listing Regulations, Members of the Company are requested to note that as on 31st March, 2023, there are no unclaimed shares and hence, Company is not having any demat suspense account / unclaimed suspense account.

However, SEBI, vide its letter No. SEBI/HO/MIRSD/POD-1/OW/P/2022/64923 dated 30th December, 2022, had issued Guidelines with respect to procedural aspects of 'Suspense Escrow Demat Account' to be opened by listed entities pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, latest by 31st January, 2023.

The Company has opened the "Gujarat Fluorochemicals Limited Suspense Escrow Demat Account".

By Order of the Board of Directors

**Devendra Kumar Jain**
Chairman
DIN: 00029782

Date: 5th August, 2023
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, 2023.

By Order of the Board of Directors

**Vivek Jain**
Managing Director
DIN: 00029968

Date: 5th August, 2023
Place: Noida

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

*[For the Financial Year ended 31st March, 2023 pursuant to Schedule V – Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

The Members,
**Gujarat Fluorochemicals Limited**

We have examined the compliance of the conditions of Corporate Governance by Gujarat Fluorochemicals Limited ("Company") for the Financial Year ended 31st March, 2023 ("review period"), as per the relevant provisions of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the 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 an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of investor grievances received during the review period, no such grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**S. Samdani**
Partner

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

**ICSI Peer Review # 1079/2021**
**ICSI UDIN: F003677E000748564**

Place: Vadodara
Date: 5th August, 2023

## 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 Securities and Exchange Board of India ("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 ended on March 31, 2023, 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. Jay Mohanlal Shah* | 09761969 | 01-11-2022 |
| 4. | Mr. Niraj Kishore Agnihotri | 09204198 | 01-07-2021 |
| 5. | Mr. Om Prakash Lohia | 00206807 | 06-12-2018 |
| 6. | Mr. Sanath Kumar Muppirala | 08425540 | 28-04-2019 |
| 7. | Mr. Sanjay Sudhakar Borwankar^ | 08640818 | 15-02-2020 |
| 8. | Mr. Shailendra Swarup | 00167799 | 06-12-2018 |
| 9. | Mr. Shanti Prasad Jain | 00023379 | 06-12-2018 |
| 10. | Ms. Vanita Bhargava | 07156852 | 06-12-2018 |
| 11. | Mr. Vivek Kumar Jain | 00029968 | 06-12-2018 |

^Mr. Sanjay Sudhakar Borwankar ceased to be Director effective from October 31, 2022.

* Mr. Jay Mohanlal Shah has been appointed as Whole-time Director of the Company effective from November 01, 2022.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**S. Samdani**
Partner

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

**ICSI Peer Review # 1079/2021**
**ICSI UDIN: F003677E000748564**

Place: Vadodara
Date: 5th August, 2023

## Annexure - 2

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity-

| | | |
|---|---|---|
| 1 | **Corporate Identity Number (CIN) of the Listed Entity** | L24304GJ2018PLC105479 |
| 2 | **Name of the Listed Entity** | Gujarat Fluorochemicals Limited |
| 3 | **Year of incorporation** | 2018 |
| 4 | **Registered office address** | Survey Number 16/3, 26 & 27, Village Ranjitnagar, Taluka - Ghoghamba, District - Panchmahal, 389380, Gujarat |
| 5 | **Corporate address** | Inox Towers, 17 Sector 16 A, Noida - 201301, Uttar Pradesh |
| 6 | **E-mail** | bvdesai@gfl.co.in |
| 7 | **Telephone** | 0265 6198 111 |
| 8 | **Website** | www.gfl.co.in |
| 9 | **Financial year for which reporting is being done** | 1st April, 2022 to 31st March, 2023 |
| 10 | **Name of the Stock Exchange(s) where shares are listed** | BSE Limited and National Stock Exchange of India Limited |
| 11 | **Paid-up Capital** | ₹ 10,98,50,000 |
| 12 | **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** | 1. Name of Responsible Person: Mr. Bhavin Desai<br>2. Designation of Responsible Person: Company Secretary<br>3. Email ID: bvdesai@gfl.co.in<br>4. Contact Number: 0265 6198 111 |
| 13 | **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity)** | The disclosures under this report are made on standalone basis. |

## II. Products/Services

### 14 Details of Business/Activities (accounting for 90% of the turnover)

| SN | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products | 100% |

### 15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| SN | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Bulk Chemicals | 24111 | 19.62% |
| 2 | Fluorochemicals | 24111 | 27.44% |
| 3 | Polymers | 24111 | 52.94% |

## III. Operations

### 16 Number of locations where plants and/or operations/offices of the entity are situated:

National

| | | Total |
|---|---|---|
| Number of plants | 3 | 5 |
| Number of offices | 2 | |

International

| | | Total |
|---|---|---|
| Number of plants | 1 | 5 |
| Number of offices | 4 | |

Plants and offices also include locations of subsidiary companies.

17 Markets served by the entity:

A. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 14 |
| International (No. of Countries) | 13 |

B. What is the contribution of exports as a percentage of the total turnover of the entity?

60.37%

C. A brief on types of customers

GFL serves as a vital partner for industries at the forefront of innovation, including Chemical processing, Oil and Gas, and Automotive. Moreover, we are constantly expanding our reach into cutting-edge domains such as 5G, Electric vehicles (EVs), semiconductors, and the rapidly evolving realm of green hydrogen.

## IV. Employees

18 Details as at the end of Financial Year.

A. Employees and workers (including differently abled):

| SN | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 1,788 | 1,715 | 96% | 73 | 4% |
| 2. | Other than Permanent (E) | 106 | 99 | 93% | 7 | 7% |
| 3. | **Total employees (D + E)** | **1,894** | **1,814** | **96%** | **80** | **4%** |
| | **WORKERS** | | | | | |
| 4. | Permanent (F) | 1,524 | 1,524 | 100% | 0 | 0% |
| 5. | Other than Permanent (G) | 4,952 | 4,824 | 97% | 128 | 3% |
| 6. | **Total workers (F + G)** | **6,476** | **6,348** | **98%** | **128** | **2%** |

1- In Employees, Permanent (D) category includes all Employees who are on the company payroll and are level 5 & above; Other than permanent employees (E) include GET/DET/MT.

2- In Workers, Permanent category include L5(S)/L6 workers and Other Than Permanent (G) include Technician trainees and Contractual

B. Differently abled Employees and workers:

| SN | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1. | Permanent (D) | 3 | 3 | 100% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | **Total Differently abled employees (D + E)** | **3** | **3** | **100%** | **0** | **0%** |

| SN | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | WORKERS | | | | | |
| 4. | Permanent (F) | 2 | 2 | 100% | 0 | 0% |
| 5. | Other than Permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | **Total Differently abled workers (F + G)** | **2** | **2** | **100%** | **0** | **0%** |

19 **Participation/Inclusion/Representation of women**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No (B) | % (B / A) |
| Board of Directors | 10 | 1 | 10% |
| Key Management Personnel | 3 | 0 | 0% |

20 **Turnover rate for permanent employees and workers**

**(Disclose trends for the past 3 years)**

| | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| **Permanent Employees** | 30% | 40% | 30% | 23% | 26% | 23% | 13% | 13% | 13% |
| **Permanent Workers** | 18% | 0% | 18% | 9% | 0% | 9% | 10% | 0% | 10% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) **Names of holding / subsidiary / associate companies / joint ventures**

| SN | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Inox Leasing and Finance Limited | Holding | 52.61% | No |
| 2 | Gujarat Fluorochemicals Singapore Pte Limited | Wholly owned Subsidiary | 100% | No |
| 3 | Gujarat Fluorochemicals Americas LLC, USA | Wholly owned Subsidiary | 100% | No |

| SN | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 4 | Gujarat Fluorochemicals, GmbH | Wholly owned Subsidiary | 100% | No |
| 5 | Swarnim Gujarat Fluorspar Private Limited * | Joint Venture | 49.47% | No |
| 6 | GFL GM Fluorspar SA | Step Down Wholly owned Subsidiary | 100% | No |
| 7 | Gujarat Fluorochemicals FZE | Wholly owned Subsidiary | 100% | No |
| 8 | GFCL EV Products Limited | Wholly owned Subsidiary | 100% | No |
| 9 | GFCL Solar and Green Hydrogen Products Limited | Wholly owned Subsidiary | 100% | No |

*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.

## VI. CSR Details

**22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:**

Yes, CSR is applicable as per section 135 of Companies Act, 2013

**(ii) Turnover (in ₹):**

5,62,198 Lakhs

**(iii) Net Worth (in ₹):**

5,40,217 Lakhs

## VII. Transparency and Disclosures Compliances

**23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | https://gfl.co.in/Our_People.php | 0 | 0 | NA | 0 | 0 | NA |
| Investors(Other than Shareholders) | https://gfl.co.in/Our_People.php | 0 | 0 | NA | 0 | 0 | NA |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Shareholders | https://scores.gov.in/scores/Welcome.html | 15 | 0 | This includes the grievances of shareholders received through the Stock Exchanges and directly received by the Company | 9 | 0 | This includes the grievances of shareholder received through the Stock Exchanges and directly received by the Company |
| Employees and workers | https://gfl.co.in/Our_People.php | 3 | 0 | NA | 4 | 0 | NA |
| Customers | NA | 22 | 2 | NA | 18 | 2 | NA |
| Value Chain Partners | NA | 0 | 0 | NA | 0 | 0 | NA |
| Others(Please Specify) | NA | NA | NA | NA | NA | NA | NA |

**24 Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, following format rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.**

| SN | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Climate changes | Risk | Climate change stands as a paramount and pressing concern that we firmly acknowledge as a critical material issue. Its potential impact on our environment, society, and economy are far- reaching and demand our immediate attention. | With a deep sense of responsibility, we recognise that addressing climate change is not only an ethical obligation but also a strategic imperative. By proactively tackling this issue head-on, we aim to safeguard our planet for future generations and contribute to the overall well-being of our global community.<br><br>Through concerted efforts and decisive action, we are determined to mitigate the risks posed by climate change and pave the way towards a more sustainable and resilient future. | Negative |
| 2 | Customer Privacy | Risk | Customer privacy emerges as a resounding call to action, standing firm as a material issue of paramount significance that we recognise. | With resolute determination, we commit ourselves to protect the sanctity of our customers' personal information, treating it as an inviolable trust. | Negative |
| 3 | Employee Diversity | Opportunity | We recognise employee diversity as a transformative force that holds immense potential for our company's growth and prosperity. | NA | Positive |

## SECTION B - MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | **Ethics<br>Transparent and Accountable** | **Goods &Services in<br>Sustainable and Safe manner** | **Wellbeing of all Employees** | **Responsive to all stakeholders** | **Respect for Human Rights** | **Restore Environment** | **Public Policy Advocacy** | **Inclusive Growth** | **Customer Engagement** |
| **1. a. Whether your entity's policy/policies cover each principle and its core elements of the<br>NGRBCs. (Yes/No)** | Y | Y | Y | Y | Y | Y | N | Y | Y |
| **b. Has the policy been approved by the Board? (Yes/No)** | Y | Y | N | Y | Y | N | N | Y | N |
| **c. Web Link of the Policies, if available** | https://www.gfl.co.in/Company_Policies.php | | | | | | | | |
| **2. Whether the entity has translated the policy into procedures. (Yes / No)** | Y | Y | Y | Y | Y | Y | N | Y | Y |
| **3. Do the enlisted policies extend to your value chain partners? (Yes/No)** | Y | Y | Y | Y | Y | Y | N | Y | Y |
| **4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | The organisation has obtained the following certificates:<br>1. ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 20400, ISO 26000, ISO 37001<br>2. Authorised Economic Operator - T2 Certificate.<br>3. Certificate for compliance with Anti-competitive and Anti-trust principles based on Competition Act, 2002, ISO 26000, UNGC Principles. | | | | | | | | |
| **5. Specific commitments, goals and targets set by the entity with defined timelines, if any.** | GFL is embarking on an ambitious journey towards a sustainable future with its Net Zero Roadmap. By committing to the SBTi and diligently preparing for this roadmap, GFL aims to achieve its long-term Net Zero goal by 2050. With unwavering determination, GFL will prioritise reducing its Scope 1 & 2 emissions, striving to become Net Zero by 2040. Moreover, GFL recognises the importance of collaboration and will actively involve its supply chain in the pursuit of this shared vision by 2050. Over the next five years, GFL's decarbonisation strategy will be characterised by a remarkable increase of 10-20% in renewable energy adoption and a significant reduction of 10% in waste landfilling and incineration, as compared to the baseline year of 2021. | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | Ethics Transparent and Accountable | Goods &Services in Sustainable and Safe manner | Wellbeing of all Employees | Responsive to all stakeholders | Respect for Human Rights | Restore Environment | Public Policy Advocacy | Inclusive Growth | Customer Engagement |
| **6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | The performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors of the Company. | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |
| **7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)*** | | | | | | | | | |
| GFL is aligning its long-term vision and strategy with the globally growing environment-conscious industry. We are committed to India's goal of carbon neutrality by 2070. Expanding our product offering, we aim to serve emerging sectors like electric vehicles, solar panels, green hydrogen electrolysers, and fuel cells. Sustainability is deeply ingrained in our culture, aligned with the UN Sustainable Development Goals (SDGs). We take immediate actions to create a better future for all stakeholders and incorporate sustainability into our business strategy. Through inclusive growth, we strive to co-create sustainable business value at GFL. | | | | | | | | | |
| **8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** | Mr. Vivek Kumar Jain, Managing Director in consultation with the Board of Directors and its Committees are responsible for the implementation and oversight of the Business Responsibility policies. | | | | | | | | |
| **9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.** | The Company has established a high-level Social Accountability, Regulatory, and Sustainability Corporate Steering Committee (SARS Committee) entrusted with driving sustainability and climate-related initiatives. Chaired by the CEO, the committee comprises nine members representing various functions and units. Its pivotal role is to integrate business and sustainability priorities, ensuring the Company's thriving success. The committee addresses climate-related concerns, manages carbon emissions, and integrates the triple-bottom line (social, economic, and environmental aspects) into the business strategy.<br>Additionally, it oversees health and safety measures, fostering a secure and supportive work environment. | | | | | | | | |

10 Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:

| Subject for Review | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| | Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee | | | | Frequency (Annually/ Half Annually / Quarterly/ Any Other - Please specify) | | | | |
| **Performance against above policies and follow up action** | The Sustainability Committee meets at least once in a quarter. In the meetings, the status of sustainability objectives, action plans, future strategies, and other sustainability aspects including climate-related matters are discussed. The action plans developed are further reviewed and revised in order to enhance their effectiveness. Post the meeting, minutes are circulated among all members of the Committee to keep everyone abreast with the developments. | | | | | | | | |
| **Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances** | The Company is compliant with the existing regulations as applicable. | | | | | | | | |

11

| | |
|---|---|
| **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.** | Yes, the entity has carried out various independent assessments such as ISO 9001, ISO 14001, ISO 45001, ISO 27001, ISO 20400, ISO 26000, ISO 37001. The mentioned assessments are conducted by DQS India Private Limited and Intertek Certifications Limited |

12 If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **The entity does not consider the Principles material to its business (Yes/No)** | - | - | - | - | - | - | N | - | - |
| **The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)** | - | - | - | - | - | - | N | - | - |
| **The entity does not have the financial or/human and technical resources available for the task (Yes/No)** | - | - | - | - | - | - | N | - | - |
| **It is planned to be done in the next financial year (Yes/No)** | - | - | - | - | - | - | N | - | - |
| **Any other reason (please specify)** | 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. | | | | | | | | |

# Principle 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

## Essential Indicators

**1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics /principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | Nil | Nil | Nil |
| Key Managerial Personnel | Nil | Nil | Nil |
| Employees other than BOD and KMPs | 521 | 1. On Skill Upgradation<br>2. On Health & Safety<br>3. Human Rights | 1. On Skill upgradation 26%<br>2. On Health Safety Measures 52%<br>3. Human Rights 63% |
| Workers | 293 | 1. On Skill Upgradation<br>2. On Health & Safety<br>3. Human Rights | 1. On Skill upgradation 15%<br>2. On Health Safety Measures 52%<br>3. Human Rights 28% |

* The coverage of awareness programme has been carried out by considering the nominated number of workers as base.

**2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| Particulars | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine<br>Settlement | During the financial year, neither the Company, its directors, nor its Key Management Personnel (KMP) incurred any liabilities with respect to fines, penalties, or any form of punishment, nor did they engage in any agreements or settlements involving regulators, law enforcement agencies, or judicial institutions. | | | | |
| Compounding Fee | | | | | |

| Non - Monetary | | | | | |
|---|---|---|---|---|---|
| Particulars | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicialinstitutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | During the financial year, neither the Company, its directors, nor its Key Management Personnel (KMP) faced any form of punishment or imprisonment, nor did they engage in any agreements or settlements involving regulators, law enforcement agencies, or judicial institutions. | | | | |
| Punishment | | | | | |

**3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

**Case Details**

**Name of the regulatory/enforcement agencies/judicial institutions**

In the fiscal year, the Company, its directors, and key managerial personnel bear no liability whatsoever, thereby rendering any appeal or revision null and void in instances where either pecuniary or non-pecuniary measures have been contested.

**4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Company maintains a robust policy on preventing Corruption and Bribery for Employees and Third Parties. It upholds a steadfast commitment to conducting business with integrity, adhering to all relevant laws and regulations, including the Indian Prevention of Corruption Act, 1988, anti-bribery and anti-corruption laws, and aligning with the UN Global Compact principles, ISO26000, and National Voluntary Guidelines on Social, Environment & Economic Responsibilities. Continuous improvement in these practices remains a key focus. For more details, please visit our website at https://gfl.co.in/upload/pages/7653e03350050ff9e3b2d5f057207d86.pdf

5 **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directors | No law enforcement agency has wielded disciplinary measures in response to the grave accusations of bribery and corruption levied against any of the Directors, Key Managerial Personnel, Employees or Workers. | |
| KMP's | | |
| Employees | | |
| Workers | | |

6 **Details of complaints with regard to conflict of interest**

| Particulars | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | No complaint regarding conflict of interest | 0 | No complaint regarding conflict of interest |
| Number of complaints received in relation to issues of Conflict of Interest of the KMP's | 0 | No complaint regarding conflict of interest | 0 | No complaint regarding conflict of interest |

7 **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

There were no cases of complaints of conflict of interest of Directors / KMP.

## Leadership Indicators

1 **Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

| Total number of awareness programmes held | Topics / principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 2 | SA8000, Sustainable Procurement | 41% |

2 **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same**

Yes, an affirmation on compliance with the Code of Conduct of the Company is received from all the Directors and Senior Management Personnel (One level below the Board of Directors) at the end of the financial year. The said affirmation is placed before the Board at its first Board Meeting held in a financial year and published in Annual Report for regulatory authorities and investor Information. All new employees of the Company provide the affirmation on compliance with the Code of Conduct of the Company.

## Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1 **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| Particulars | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | Currently the Company is in process to track the R & D expenses and Capex investments done in order to improve the environmental and social impacts of the products and process. | | |
| Capex | | | |

2 a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, at the core of our organisation, we have strong systems in place to promote sustainable sourcing. Our sustainable procurement policy and Code of Conduct serve as guiding principles, showing us how to conduct business in a sustainable way with our valued suppliers, vendors and third parties. These important documents outline our unwavering expectations, insisting that our trusted partners uphold integrity in every aspect of their business interactions.

b. **If yes, what percentage of inputs were sourced sustainably?**

26%

3 **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Being manufacturing company and B2B practices we are following regulatory requirements for plastic packaging as per the Plastic Waste Management Rules, E-waste Management Rules, hazardous and other waste of MoEFCC, GoI for disposal of these wastes.

4 **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Embracing the tenets of Extended Producer Responsibility (EPR), our entity stands accountable under the plastic waste management rule, ensuring that the plastic waste we generate is responsibly managed. Despite not manufacturing plastic materials, our EPR obligations arise from the plastic waste we receive as raw materials for packaging purposes. With unwavering commitment, we diligently adhere to EPR requirements, fulfilling our compliance obligations. Through collaboration with authorised EPR service providers and in partnership with the Gujarat Pollution Control Board (GPCB), we undertake the noble task of safeguarding our environment from the perils of plastic waste.

## Leadership Indicators

1 **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

2 **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Not Applicable | | |

3 **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| Embracing a responsible waste management ethos, our company champions recycling and reusing practices that align seamlessly with the guidelines set forth by the Gujarat Pollution Control Board (GPCB) and other pertinent laws and regulations. Our commitment to sustainable management of waste extends beyond our own operations, aiming to minimize environmental impact by closing the loop on waste through conscientious recycling and re-purposing initiatives. | | |

4 **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not Applicable

5 **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| NA | |

## Principle 3

**Businesses should respect and promote the well-being of all employees, including those in their value chains**

### Essential Indicators

1 a. **Details of measures for the well-being of employees:**

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 1,715 | 1,715 | 100% | 1,715 | 100% | - | - | - | - | - | - |
| Female | 73 | 73 | 100% | 73 | 100% | 73 | 100% | - | - | - | - |
| **Total** | **1,788** | **1,788** | **100%** | **1,788** | **100%** | **73** | **4%** | **-** | **-** | **-** | **-** |
| **Other Than Permanent employees** | | | | | | | | | | | |
| Male | 99 | 99 | 100% | 99 | 100% | - | - | - | - | - | - |
| Female | 7 | 7 | 100% | 7 | 100% | 7 | 100% | - | - | - | - |
| **Total** | **106** | **106** | **100%** | **106** | **100%** | **7** | **7%** | **-** | **-** | **-** | **-** |

b. **Details of measures for the well-being of workers**

| Category | Total (A) | % of workers Covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 1,524 | 1,524 | 100% | 1,524 | 100% | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **1,524** | **1,524** | **100%** | **1,524** | **100%** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Other Than Permanent workers** | | | | | | | | | | | |
| Male | 4,824 | - | - | - | - | - | - | - | - | - | - |
| Female | 128 | - | - | - | - | - | - | - | - | - | - |
| **Total** | **4,952** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

2 **Details of retirement benefits, for Current FY and Previous Financial Year -**

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority(Y/N/N.A) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority(Y/N/N.A) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI | 0.2% | 0% | Y | 0.3% | 0% | Y |
| Others | - | - | - | - | - | - |

3 **Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

We acknowledge that our facility may currently fall short of meeting the specified requirements. However, we have already undertaken proactive measures to address this matter. At present, we are conducting a comprehensive and positive review of the requirements, actively exploring solutions to elevate our facility's preparedness to new levels. We remain committed to working diligently to meet the necessary standards.

4 **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Gujarat Fluorochemicals Limited is committed to the policy of Equal Employment. This commitment is an integral part of Company's mission to become an "Employer of Choice" – therefore all HR Policies and Procedures of the Company reflect non-discriminatory practices and provide equal opportunity for all employees. As part of this commitment, all employees are expected to treat their colleagues fairly, with mutual respect and without harassment at all levels. At present, the policy has not been made available in the public domain.

5 **Return to work and Retention rates of permanent employees and workers that took parental leave:**

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 95% | 100% | 91% |
| Female | 100% | 100% | NA | NA |
| **Total** | **100%** | **95%** | **100%** | **91%** |

There are no females in the permanent workers category, hence it is marked as not applicable.

6 **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief:**

**Yes/No**
**(If yes, then give details of the mechanism in brief)**

**Permanent Workers**

Grievance Handling Platform:

1. HR Buddy
2. Ethics Line
3. Suggestion Box
4. PHRRO
5. Guideline HR/42 – Grievance Procedure for Employees/Contractors

**Other than Permanent Workers**

Grievance Handling Platform:

1. Suggestion Box
2. Works Committee
3. SPT Committee
4. Guideline HR/42 – Grievance Procedure for Employees/Contractors

**Permanent employees**

Grievance Handling Platform:

1. HR Buddy
2. Ethics Line
3. Suggestion Box
4. PHRRO
5. Guideline HR/42 – Grievance Procedure for Employees/Contractors

**Other than Permanent employees**

Grievance Handling Platform:

1. Suggestion Box
2. SPT Committee
3. Works Committee
4. Guideline HR/42 – Grievance Procedure for Employees/Contractors

7 **Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employee** | 1,788 | - | - | 1,373 | - | - |
| Male | 1,715 | - | - | 1,317 | - | - |
| Female | 73 | - | - | 56 | - | - |
| **Total Permanent Workers** | 1,524 | - | - | 1,105 | - | - |
| Male | 1,524 | - | - | 1,105 | - | - |
| Female | - | - | - | - | - | - |

There is no union of our permanent employees and permanent workers.

8 **Details of training given to employees and workers:**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 1,814 | 931 | 51% | 457 | 25% | 1,371 | 873 | 64% | 24 | 2% |
| Female | 80 | 54 | 68% | 32 | 40% | 63 | 63 | 100% | 5 | 8% |
| **Total** | **1,894** | **985** | **52%** | **489** | **26%** | **1,434** | **936** | **65%** | **29** | **2%** |
| **Workers** | | | | | | | | | | |
| Male | 6,348 | 3,327 | 52% | 983 | 15% | 5,467 | 3,242 | 59% | 1,042 | 19% |
| Female | 128 | 91 | 71% | 18 | 14% | 128 | 63 | 49% | 21 | 16% |
| **Total** | **6,476** | **3,418** | **53%** | **1,001** | **15%** | **5,595** | **3,305** | **59%** | **1,063** | **19%** |

Workers include Permanent and other than permanent category.

9 **Details of performance and career development reviews of employees and workers:**

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 1,378 | 282 | 20% | 1,124 | 147 | 13% |
| Female | 54 | 14 | 26% | 52 | 10 | 19% |
| **Total** | **1,432** | **296** | **21%** | **1,176** | **157** | **13%** |
| **Workers** | | | | | | |
| Male | 1,247 | 201 | 16% | 957 | 267 | 28% |
| Female | - | - | - | - | - | - |
| **Total** | **1,247** | **201** | **16%** | **957** | **267** | **28%** |

In total headcount new joiners joined in second half Assessment Year (after 30th September) are not included.

**10 Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, the entity has implemented a dynamic Occupational Health and Safety management system that hinges on proactively preventing occupational injury and illness, eradicating hazards, mitigating risks and fostering a culture of collaboration and engagement by involving workers' representatives at every step, thereby forging a truly safe and thriving workplace.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

At Gujarat Fluorochemicals, we weave a safety tapestry within our workplace, diligently employing a range of measures to identify work-related hazards and assess risks on a regular basis. Our arsenal includes potent tools like HAZOP, Pre-Start-up Safety Review, Job Safety Analysis, Hazard Identification and Risk Assessment, Qualitative Risk Assessment, Permit to Work System and Safety Audit of work areas. These proactive measures act as sentinels, empowering us to pinpoint potential hazards and risks lurking in our midst. With unwavering vigilance, we swiftly respond, taking decisive action to mitigate and neutralise any threats that may compromise the safety and well- being of our employees and stakeholders.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, the Company has implemented the following measures to empower workers to report work-related hazards and remove themselves from such risks:

1. Near Miss Reporting system
2. Daily morning APEX meeting with workman
3. Plant safety committee meetings

These initiatives serve as channels for workers to proactively identify and report near misses or potential hazards, fostering a culture of safety and enabling swift action to mitigate risks.

**D. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the organisation ensures that its employees and workers have access to medical and health services beyond the scope of their occupational needs. We prioritise the well-being of our workforce by conducting regular pre-employment and periodic medical check-ups for both our own employees and those under contract. Additionally, we organise dental and health check-up camps, blood donation camps, and provide first aid training programmes to empower our employees and workers with essential life- saving skills.

11 **Details of safety related incidents, in the following format:**

| Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.52 | 1.09 |
| | Workers | 0.18 | 0.59 |
| Total recordable work-related injuries | Employees | 2 | 5 |
| | Workers | 1 | 4 |
| No. of fatalities | Employees | 0 | 4 |
| | Workers | 0 | 4 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

12 **Describe the measures taken by the entity to ensure a safe and healthy work place.**

In order to ensure a safe and healthy workplace, Gujarat Fluorochemicals diligently carries out safety audits across its units, employing the expertise of reputable third- party entities.

13. **Number of Complaints on the following made by employees and workers:**

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health & Safety | 0 | 0 | NA | 0 | 0 | NA |

**14 Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Condition | 100% |

**15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

During the assessment of health and safety practices and working conditions at the plants and offices there were no significant risks or concerns identified for which any corrective action was required to be taken.

## Leadership Indicators

1 **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes, the entity has taken a significant step to ensure the well-being and security of our valued employees and workers. We have implemented a comprehensive and robust Group Accident Insurance Policy, designed specifically to offer financial protection and support in the unfortunate event of any employee or worker's untimely demise.

2 **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**

To ensure compliance with statutory regulations, we have implemented a robust system whereby all suppliers are explicitly instructed to settle their statutory dues in accordance with the attached terms & conditions accompanying each purchase order. Furthermore, as part of our stringent onboarding process, new suppliers are required to submit signed and stamped copies of the "GFL Terms & Conditions" and "GFL Policy" before their registration can be completed. Company's sustainable procurement policy further states that all the employees, suppliers, vendors and service providers shall have to comply with all the applicable laws of the Land. In case of any breach of any such laws on the part of any suppliers, vendors and service providers, the Company has the right to terminate the contract forthwith without any prior notice or any applicable notice period. Moreover, if such breach exposes the Company to any legal litigation or financial liability, the concerned suppliers, vendors and service providers shall indemnify the Company of any such liability.

3 **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

| Particulars | Total no. of affected employees / workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4 **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Selected employees who are retiring are given transition assistance by extending their service or engaging them in special assignments through contractual basis.

5 **Details on assessment of value chain partners**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 26% |
| Working Condition | 26% |

6 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

During the sustainable procurement audit, a diligent examination of our suppliers' practices uncovered potential risks and concerns. Prompt corrective actions were undertaken by the responsible suppliers to address these issues, ensuring alignment with our sustainability goals. Additionally, we maintained open communication by providing detailed feedback to the respective suppliers regarding the identified risks or concerns. It is noteworthy that no significant risks or concerns of substantial nature have been identified thus far, highlighting the effectiveness of our proactive approach to sustainable procurement.

# Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders

## Essential Indicators

1 **Describe the processes for identifying key stakeholder groups of the entity.**

A diverse array of stakeholders, both within and outside the Company, have been meticulously identified. These stakeholder groups wield significant influence, exerting a direct and immediate impact on the seamless functioning and operations of the Company. Notably, this powerful network encompasses dedicated employees, valuable shareholders, loyal customers, vibrant communities, indispensable suppliers, strategic partners, and trusted vendors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Shareholders/ Investors | No | 1. Annual General Meeting (AGM)<br>2. Press conferences<br>3. Updates on Company website<br>4. Investor/analyst meetings<br>5. Stock exchange announcements | Ongoing | 1. Dividend<br>2. Financial statements<br>3. Financial results<br>4. Growth prospects<br>5. Share price appreciation |
| Employees | No | 1. Training and performance management HR forums<br>2. Focused group discussions<br>3. Employee engagement events<br>4. Regular updates through email communication<br>5. Employee satisfaction surveys | Ongoing | 1. Safety and job security<br>2. Employee wellbeing<br>3. Positive and open workplace<br>4. Capability building, development and enhancement of skills<br>5. Career growth opportunity |
| Customers | No | 1. Website periodic market research<br>2. Customer meets<br>3. Customer visits<br>4. Conferences<br>5. Trade fair | Ongoing | 1. Safety and data privacy<br>2. Ethical business practices<br>3. Eco-friendly products solutions<br>4. Superior quality products and services |
| Suppliers/ Vendors | No | 1. Supplier development initiatives<br>2. Online/offline workshops<br>3. Annual suppliers' meet (online/offline)<br>4. Supplier feedback surveys<br>5. On-boarding process | Ongoing | 1. Access to new markets<br>2. Fair margins<br>3. Revenue growth<br>4. Long-term partnerships<br>5. Resource efficiency |

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Government /Regulators | No | 1. Meetings<br>2. Presentations and networking in different forums<br>3. Regular visits<br>4. Annual and quarterly compliance reports<br>5. Press conferences and media events<br>6. Published articles and newsletters<br>7. Online meetings and interviews | Ongoing | 1. Timely compliance with law and regulations<br>2. Transparent and open operations<br>3. Adherence to environmental laws<br>4. Timely payment of taxes<br>5. Support to various schemes of central and state governments |
| Communities/ NGO | No | 1. Interactions during implementation of CSR projects<br>2. Interviews with local community<br>3. Representatives public hearing<br>4. CSR Cell engagement with community<br>5. Community development newsletter | Ongoing | 1. Livelihood opportunities<br>2. New technologies and smart solutions<br>3. Reduced environmental footprint<br>4. Community development<br>5. Preservation of culture and heritage |

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The organisation proactively fosters engagement with both stakeholders and the board, seeking their invaluable input and consultation on vital economic, environmental, and social matters. Moreover, the Company upholds a robust ethics line policy, empowering diverse stakeholders with clear guidelines and channels to voice their grievances or raise concerns, ensuring a culture of transparency, accountability, and ethical conduct.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity**

   Yes. The Company believes in working with all stakeholders and that they are an integral part of the business. Stakeholders are regularly engaged in an effort to constructively contribute to the important issues of social impact, environment and Human Rights. The Company uses its contact with Stakeholders to understand if there are issues related to environment and other social issues. Examples – Employee engagement activities and Investors meetings.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company values its community as an integral stakeholder and actively collaborates with them, tailoring Corporate Social Responsibility (CSR) programmes to meet their unique needs. These well-planned initiatives aim to create social transformation, uplift disadvantaged groups, and maximise the impact of CSR funds. Key focuses include medical healthcare, education support, and empowering women, among other diverse endeavors.

## Principle 5 Businesses should respect and promote human rights

### Essential Indicators

1 **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: -**

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 1,788 | 1,193 | 67% | 1,373 | 1,007 | 73% |
| Other than permanent | 106 | 0 | 0% | 61 | 21 | 34% |
| **Total Employees** | **1,894** | **1,193** | **63%** | **1,434** | **1,028** | **72%** |
| **Workers** | | | | | | |
| Permanent | 1,524 | 1 | 0% | 1,105 | 19 | 2% |
| Other than permanent | 4,952 | 1,793 | 36% | 4,490 | 718 | 16% |
| **Total Workers** | **6,476** | **1,794** | **28%** | **5,595** | **737** | **13%** |

2 **Details of minimum wages paid to employees and workers, in the following format:**

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | 1,788 | - | - | 1,788 | 100% | 1,373 | - | - | 1,373 | 100% |
| Male | 1,715 | - | - | 1,715 | 100% | 1,317 | - | - | 1,317 | 100% |
| Female | 73 | - | - | 73 | 100% | 56 | - | - | 56 | 100% |
| **Other than Permanent** | 106 | - | - | 106 | 100% | 61 | - | - | 61 | 100% |
| Male | 99 | - | - | 99 | 100% | 54 | - | - | 54 | 100% |
| Female | 7 | - | - | 7 | 100% | 7 | - | - | 7 | 100% |

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Workers** | | | | | | | | | | |
| **Permanent** | 1,524 | - | - | 1,524 | 100% | 1,105 | - | - | 1,105 | 100% |
| Male | 1,524 | - | - | 1,524 | 100% | 1,105 | - | - | 1,105 | 100% |
| Female | - | - | - | - | - | - | - | - | - | - |
| **Other than Permanent** | 4,952 | 4,952 | 100% | - | - | 4,490 | 4,490 | 100% | - | - |
| Male | 4,824 | 4,824 | 100% | - | - | 4,362 | 4,362 | 100% | - | - |
| Female | 128 | 128 | 100% | - | - | 128 | 128 | 100% | - | - |

3 **Details of remuneration/salary/wages, in the following format**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| BOD | 4 | 1,39,68,890 | 0 | 0 |
| KMP | 2 | 64,83,369 | 0 | 0 |
| Employees (Other than BOD/KMP) | 1,815 | 5,18,138 | 73 | 4,35,053 |
| Workers | 1,524 | 4,55,271 | 0 | 0 |

**4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

We have established key committees within our organisation to address important aspects of our operations. These include the ICC (related to POSH) and Ethics Committee for human rights, WEDC for women's empowerment and development, and SARCC for corporate social accountability.

**5 Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has implemented a robust mechanism to enable employees to report unethical conduct anonymously through the 'Ethics Line,' an online portal. The Ethics Officer is entrusted with the responsibility of investigating and providing feedback to the whistleblower. Furthermore, we have created an email address (ethicsline@gfl.co.in) specifically for our stakeholders to report grievances, which is prominently displayed on our website. In addition, suggestion boxes are available at our sites, allowing employees and workers to submit their grievances anonymously.

**6 Number of Complaints on the following made by employees and workers**

| | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| Discrimination at workplace | 3 | Nil | - | 3 | Nil | - |
| Child Labour | Nil | Nil | - | Nil | Nil | - |
| Forced Labour/ Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

**7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our organisation prioritises the protection of the complainant's identity as outlined in our Whistleblower Policy and Prevention of Sexual Harassment (POSH) Policy. All matters reported are handled with the utmost confidentiality. Moreover, our Code of Conduct strictly prohibits any form of retaliation against individuals reporting legitimate concerns. Those found engaging in retaliatory actions will be subjected to disciplinary measures.

| | |
|---|---|
| 8 | **Do human rights requirements form part of your business agreements and contracts? (Yes/No)** Yes, we prioritise human rights in all our business agreements and contracts. At Gujarat Fluorochemicals Limited, we take proactive steps by organising awareness sessions to ensure our vendors and suppliers fully understand and comply with human rights requirements. |

**9 Assessments for the year**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% Internally Assessed |
| Forced/ involuntary labour | 100% Internally Assessed |
| Sexual harassment | 100% Internally Assessed |
| Discrimination at workplace | 100% Internally Assessed |
| Wages | 100% Internally Assessed |
| Others – please specify | 100% Internally Assessed |

10 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

During the current financial year, no significant risks or concerns were identified as a result of assessment of plants and offices of the entity. Therefore, there was no corrective action required to be taken.

## Leadership Indicators

1 **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Gujarat Fluorochemicals did not receive any grievances/ complaints with respect to human rights and hence there was no requirement to modify or introduce any business process.

2 **Details of the scope and coverage of any Human rights due-diligence conducted.**

It verifies compliance with human rights policy through internal and external assessment mechanisms such as self-assessment questionnaires, announced and unannounced on-site audits of its independent Suppliers, Vendors and Service Providers, and Employees and workplace wellness surveys.

3 **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

We acknowledge that our facility may currently fall short of meeting the specified requirements. However, we have already undertaken proactive measures to address this matter. At present, we are conducting a comprehensive and positive review of the requirements, actively exploring solutions to elevate our facility's preparedness to new levels. We remain committed to working diligently to meet the necessary standards.

4 **Details on assessment of value chain partners**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Child labour | 26% |
| Forced/ involuntary labour | 26% |
| Sexual harassment | 26% |
| Discrimination at workplace | 26% |

**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**

| | |
|---|---|
| Wages | 26% |
| Others – please specify | 26% |

5 **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above**

Our proactive measures and diligent adherence to health and safety protocols have resulted in a safe and secure working environment for our employees and thus there have been no instances where corrective action was required.

## Principle 6

**Businesses should respect and make efforts to protect and restore the environment.**

### Essential Indicators

**1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Total electricity consumption (A) | 26,53,692 | 21,49,218 |
| Total fuel consumption- Liquefied petroleum gas (B) | 60,92,462 | 68,29,225 |
| Energy consumption through other sources Energy Generated through High-Speed Diesel and Light Diesel Oil (C) | 0 | 0 |
| **Total energy consumption (A+B+C)** | **87,46,154** | **89,78,443** |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Lakh) | 15.56 | 23.54 |

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Energy intensity (optional) – the relevant metric may be selected by the entity | NA | NA |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent Assessment/evaluation/assurance by an external agency Ernst & Young LLP.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Yes, we are enrolled in the PAT Scheme under the esteemed 'Chlor Alkali Sector' of the Government of India, showcasing our commitment to energy efficiency. Having already earned an impressive 437 and 336 E-Certificates during PAT Cycles 1 and 2 respectively, we now eagerly participate in PAT Cycle 3, expecting for its completion by March '24."

3. **Provide details of the following disclosures related to water, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | 53,29,627 | 44,95,872 |
| (ii) Groundwater | 0 | 0 |
| (iii) Third party water | 17,124 | 55,131 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| **Total volume of water withdrawal (in kiloliters) (I + ii + iii + iv + v)** | 53,46,751 | 45,51,003 |
| **Total volume of water consumption (in kiloliters)** | 63,15,431 | 54,81,931 |
| **Water intensity per rupee of turnover (Water consumed / turnover) (KL/ Turnover in Lakhs)** | 11.23 | 14.37 |
| **Water intensity (optional) – the relevant metric may be selected by the entity** | NA | NA |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency**

The Company has conducted Independent Audit by Gujarat Pollution Control Board (GPCB) Authorized schedule II Auditor and an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, GFL's Ranjitnagar unit has implemented the Zero Liquid Discharge (ZLD). The unit has installed Multi Effect Evaporator (MEE) and Reverse Osmosis (RO) system as part of the tertiary treatment and the entire water is being recycled and used for plantation activity within the premises.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter | Please specify unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| NOx | MT/Year | 112 | 78 |
| Sox | MT/Year | 114 | 78 |
| Particulate matter (PM) | MT/Year | 130 | 84 |
| Persistent organic pollutants (POP) | | NA | NA |
| Volatile organic compounds (VOC) | | NA | NA |
| Hazardous air pollutants (HAP) | | NA | NA |
| Others – please specify | | NA | NA |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 5,46,562 | 5,81,423 |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 4,96,240 | 3,85,600 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover (MT/Lakh)** | | 1.85 | 2.53 |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | | NA | NA |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

GFL is planning for the Net Zero through its emission reduction initiatives. Company has so far installed 54 MW wind turbines through its group company INOX Wind Limited as part of the emission reduction programme. Company is taking RE set-off through wind project and other initiatives which contribute 29% energy requirement for FY 23 for GFL.

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste **(A)** | 349 | 350 |
| E-waste **(B)** | 61 | 37 |
| Bio-medical waste **(C)** | 9.025 | 10.50 |
| Construction and demolition waste **(D)** | 0 | 0 |
| Battery waste **(E)** | 0 | 6 |

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Radioactive waste **(F)** | 0 | 0 |
| Other Hazardous waste. Please specify, if any. **(G)** | 61,976 | 16,579 |
| Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) | 21,623 | 57,574 |
| **Total (A+B + C + D + E + F + G + H)** | **84,018** | **74,556.5** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in mertic tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 3,869 | 2,905 |
| (ii) Re-used | 74,900 | 61,453 |
| (iii) Other recovery operations | 2,075 | 1,610 |
| **Total** | **80,844** | **65,968** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 40 | 103 |
| (ii) Landfilling | 3,090 | 8,083 |
| (iii) Other disposal operations | 43 | 410 |
| **Total** | **3,173** | **8,596** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   The Company manufacture chemicals, refrigerants and fluorospeciality chemicals. The Company has designed its integrated waste management system following the Hazardous waste management, handling and transboundary movement rule and adopted the circular economy concept to diverting its waste to recycling, reusing, reprocessing and recovery processes. Company has reduced its waste disposal through landfilling, incineration and other disposals by 63% as compared to FY 2021-22. This shows company's progressive efforts towards the circularity and reducing the environmental impacts.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

| | Location of operations | Types of Operation | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| 1 | Ranjitnagar | Manufacturing | Yes |
| 2 | Dahej - A | Manufacturing | Yes |
| 3 | Jolva | Manufacturing | Yes |

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| The entity has not conducted any environmental impact assessments of projects during the current financial year. | | | | | |

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

| SN | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| The entity diligently upholds compliance with the relevant environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and associated rules. Notably, in the current financial year, the Company remained fully compliant, with no instances of non-compliance necessitating corrective actions. | | | | |

## Leadership Indicators

1. **Provide break-up of the total energy consumed (in Gija Joules) from renewable and non-renewable sources, in the following format:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **From Renewable Sources** | | |
| Total Electricity Consumption (A) | 2,00,282 | 2,52,850 |
| Total Fuel Consumption (B) | 0 | 0 |
| Energy Consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | **2,00,282** | **2,52,850** |
| **From Non - Renewable Sources** | | |
| Total Electricity Consumption (D) | 24,53,411 | 18,96,367 |
| Total Fuel Consumption (E) | 60,92,462 | 68,29,225 |
| Energy consumption through other sources Energy Generated | 0 | 0 |
| **Total energy consumed from Non-renewable sources (A+B+C)** | **85,45,873** | **87,25,592** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

2. **Provide the following details related to water discharged:**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To Surface Water** | NA | NA |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(ii) To Ground Water** | NA | NA |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(iii) To Sea Water** | 9,71,214 | 10,88,413 |
| No Treatment | 0 | 0 |
| With Treatment - Please specify level of treatment | 9,71,214 | 10,88,413 |
| **(iv) Sent to third parties** | NA | NA |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(v) Others** | NA | NA |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **Total Water discharged ( in Kilolitres)** | **9,71,214** | **10,88,413** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company has conducted an Independent assessment/evaluation/assurance by an external agency Ernst & Young LLP.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source(in kilolitres)** | | |
| (i) To Surface Water | NA | NA |
| (ii) To Ground Water | NA | NA |
| (iii) To Sea Water | NA | NA |
| (iv) Sent to third parties | NA | NA |
| (v) Others | NA | NA |
| **Total volume of Water withdrawal (in kilolitres)** | NA | NA |
| **Total volume of Water consumption (in kilolitres)** | NA | NA |
| **Water intensity per rupee of turnover** (Water consumed / turnover) | NA | NA |
| **Water intensity (optional) –** the relevant metric may be selected by the entity | NA | NA |
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| **(i) To Surface Water** | | |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(ii) To Ground Water** | | |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(iii) To Sea Water** | | |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(iv) Sent to third parties** | | |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **(v) Others** | | |
| No Treatment | NA | NA |
| With Treatment - Please specify level of treatment | NA | NA |
| **Total Water discharged ( in Kilolitres)** | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | Currently Scope 3 emissions are not considered in calculation of the air emission. | |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emissions intensity (optional) – the relevant metric may be selected by the entity | | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The entity has not conducted any independent assessment/ evaluation/assurance by an external agency.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The Company acknowledges its responsibilities of conducting its operations in the ecological sensitive areas. During the current financial year, the entity did not find any significant direct or indirect impact on the biodiversity in such areas and therefore no remedial or corrective actions were required to be taken.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| SN | Initiative Undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Solvent recovery and reuse in process | GFL Ranjitnagar unit has initiated the solvent recovery and reusing the recovered solvent in the manufacturing process again. Only top up quantity of the solvent was required for the process. | This initiative reduces the solvent procurement and reduce the environmental impact. |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, Gujarat Fluorochemicals has on site emergency plan which contains the details about the emergency action plan which would be made known to the employees and workers, the public in vicinity, the interested parties and the interested government authorities. This document sets out the On-site Emergency Response Management Plan for all levels of accident ranging from a local incident within the site boundary to a situation that requires outside support. The objectives of the emergency response management plan are:

1. To protect lives of working personnel and nearby population.
2. To contain the hazards and to control its spread.
3. To minimise the impact on the environment.
4. To minimise the loss to plant and production.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

The Company has taken measures in order to ensure that the activities of its value chain do not cause any significant harm to the environment. During the current financial year there were no significant adverse impact to the environment, arising from the value chain of the entity and hence no mitigation or adaption measures were required to be taken.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company has assessed 26% of its value chain partners for environmental and social impacts.

## Principle 7

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### Essential Indicators

1 A. **Number of affiliations with trade and industry chambers/ associations.**

22

B. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

| | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Federation of Gujarat Industries | National |
| 2 | Science Based Targets initiative | National |
| 3 | UNGC - United Nations Global Compact | National |
| 4 | British Safety Council | National |
| 5 | Indian Chemicals Council IMC Chamber of Commerce and Industry | National |

| | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 6 | Corporate Membership of Asian Polymer Association (APA) | National |
| 7 | Life Membership of Asian Polymer Association (APA) | National |
| 8 | Executive Committee Asian Polymer Association Membership | National |
| 9 | Baroda Management Association | National |
| 10 | Federation of Indian Chamber of Commerce and Industry | National |

**2 Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of Authority | Brief of the case | Corrective Action Taken |
|---|---|---|
| The Company did not find any issues related to anti-competitive conduct from any regulatory authorities. Thus, no corrective action was taken or is underway on any issue related to anti-competitive conduct by the entity. | | |

## Leadership Indicators

**1 Details of public policy positions advocated by the entity:**

| SN | Public Policy Advocated | Method resorted for such advocacy | Whether information available in Public Domain? (Yes/ No) | available? (Annually/ Half Yearly/ Quarterly/ Others- Please Specify) |
|---|---|---|---|---|
| With a proactive approach, the Company actively engages in shaping standards and contributing its insightful perspectives on regulatory developments pertaining to the chemical industry. Striving to strike a balance among diverse stakeholders, we seek to foster an equilibrium that considers various viewpoints. However, the Company has not advocated any public policy position in the current financial year. | | | | |

# Principle 8 Businesses should promote inclusive growth and equitable development

## Essential Indicators

**1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

| Name and Brief Details of the Project | SIA Notification No. | Date of Notification | Whether conducted by Independent External Agency (Yes/ No)? | Results Communicated in Public Domain (Yes/ No) | Relevant Web Link |
|---|---|---|---|---|---|
| No project was required to be assessed for their social impact during the current financial year under any statutory requirement. | | | | | |

**2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| SN | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount paid to PAFs in the FY (In ₹) |
|---|---|---|---|---|---|---|
| The Company is primarily engaged in manufacturing of chemicals. Any project of GFL is not covered under Rehabilitation and Resettlement (R&R) Act, 2013. | | | | | | |

**3 Describe the mechanisms to receive and redress grievances of the community.**

The Company has established multiple avenues for its workforce to provide feedback, share suggestions and raise concerns regarding violations of laws and company policies. These platforms, including the digital ethics line, feedback surveys and employee associations, serve as powerful channels for voicing their concerns. Additionally, any stakeholder who encounters such violations can report their concerns directly to the Ethics Line via ethicsline@gfl.co.in, ensuring a robust mechanism for addressing and rectifying any breaches.

**4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 9% | 3% |
| Sourced directly from within the district and neighboring districts | 31% | 12% |

## Leadership Indicators

**1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| In response to Question 1 of the Essential Indicator, it is noteworthy that the assessment of social impact is deemed inapplicable for all projects. Consequently, the implementation of mitigating actions to address any potential negative social impact is also not applicable. | |

2 **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| SN | State | Aspirational District | Amount Spent (in ₹) |
|---|---|---|---|
| In the current financial year, the Company has allocated funds for its CSR activities; however, no expenditure has been directed towards any aspirational district. Acknowledging the significance of uplifting living standards in these districts, the Company affirms its commitment to exploring CSR expenditure in these regions in the future, aligning with its mission of making a positive impact on the communities residing in aspirational districts. | | | |

3 (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

There is no such preferential procurement policy where preference to purchase from suppliers comprising marginalised /vulnerable groups was given. However, in future GFL will review the Policy & same will be covered after Management approval

(b) **From which marginalised /vulnerable groups do you procure?**

Currently no procurement is made from marginalised/vulnerable groups

(c) **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4 **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

| SN | Intellectual Property based on traditional Knowledge | Owned/ Acquired (Yes/ No) | Benefit Shared (Yes/ No) | Basis of calculating Benefit Shared. |
|---|---|---|---|---|
| During the financial year, we have not shared any intellectual properties and thus neither we have derived any benefits from intellectual properties based on traditional knowledge. | | | | |

5 **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| GFL serves as a vital partner for industries at the forefront of | Brief of the case | Corrective Action Taken |
|---|---|---|
| The organisation ensures to protect the intellectual rights and properties. Thus, during the financial year the entity did not receive any adverse orders from regulatory authorities in intellectual property related disputes. | | |

6 **Details of beneficiaries of CSR Projects:**

| | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | Education | 19,000 students | 80% |
| 2 | Vocational Training | 260 women | 75% |

| | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 3 | Agriculture | 1,971 farmers | 80% |
| 4 | Water Management | 13,110 beneficiaries | 80% |
| 5 | Human | 6,150 beneficiaries | 80% |
| 6 | Animal | 1,836 cattle owners | 80% |
| 7 | Plantation & forestry | 2,688 beneficiaries | 75% |
| 8 | Social Infrastructure | 8,844 beneficiaries | 75% |

## Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1 **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has implemented a robust mechanism to effectively handle customer complaints. Customers have the convenience of raising queries, complaints, grievances, or escalations via emails, phone calls or direct messages to the sales manager. Prompt resolution of customer complaints within 48 hours is prioritised to mitigate any further losses. In addition, a thorough root cause analysis is conducted within 5 working days to identify the underlying factors. Corrective measures stemming from the analysis are diligently implemented within 30 days of receiving the complaint, ensuring a swift and effective resolution process.

**2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| Particulars | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and Responsible Usage | 100% |
| Recycling and/or Safe Disposal | 100% |

**3 Number of consumer complaints in respect of the following:**

| Particulars | FY 2022-23 | Remarks | FY 2021-22 | Remarks |
|---|---|---|---|---|
| Data Privacy | 0 | Nil | 0 | Nil |
| Advertising | 0 | Nil | 0 | Nil |
| Cyber- Security | 0 | Nil | 0 | Nil |
| Delivery of Essential Services | 0 | Nil | 0 | Nil |
| Restrictive Trade Practices | 0 | Nil | 0 | Nil |
| Unfair Trade Practices | 0 | Nil | 0 | Nil |
| Others | 22 | Nil | 18 | Nil |

**4 Details of instances of product recalls on account of safety issues:**

| Particulars | Number | Reasons for Recall |
|---|---|---|
| Voluntary Recalls | 0 | NA |
| Forced Recalls | 0 | NA |

**5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy. However, policy is not available in the public domain.

6 **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The Company has had a commendable record, with no reported incidents concerning advertising, delivery of essential services, cyber security breaches, customer data privacy concerns, recurring instances of product recalls, or penalties/actions imposed by regulatory authorities regarding the safety of products/services.

## Leadership Indicators

1 **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on products and services of the entity can be accessed at-

1. www.gfl.co.in
2. www.inoflon.com
3. www.fluonox.com
4. www.gflamericas.com

2 **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

GFL is committed to keep its customers well informed about the health and safety impacts of its products. As a responsible manufacturer, GFL provides all relevant safety and handling information for the products to customers as Technical Data Sheets (TDS) and Material Safety Data Sheets (MSDS). The Company carries out various awareness sessions on health and safety in order to keep the consumers informed about the safe and responsible usage of its products and/or services.

3 **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Strongly believing in the philosophy of going concern and as the Company has limited scope to educate and inform its end users about any risk of disruption/discontinuation of essential services. Thus, currently we do not have any such mechanism in place.

4 **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Our packaging serves as a comprehensive source of vital details, ranging from the product name and ingredients to nutritional information and usage instructions. Additionally, we ensure any necessary warnings or precautions are prominently displayed for customer awareness and safety. While maintaining this focus on clear communication, it is important to note that no customer satisfaction surveys have been conducted during the current financial year specifically pertaining to our major products or services. However, we continuously strive to uphold the highest standards of quality and customer satisfaction in all aspects of our business operations.

5 **Provide the following information relating to data breaches:**

A. Number of instances of data breaches along-with impact - 0

B. Percentage of data breaches involving personally identifiable information of customers - Not Applicable

# Annexure - 3

**Form No. AOC-1**

***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***

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

## Part A – Subsidiaries

(₹ in Lakhs)

| | Gujarat Fluoro-chemicals Americas LLC | Gujarat Fluoro-chemicals Singapore Pte. Limited | GFL GM Fluorspar (SA) | Gujarat Fluoro-chemicals GmbH | GFCL EV Products Limited | GFCL Solar and Green Hydrogen Products Limited | Gujarat Fluoro-chemicals FZE |
|---|---|---|---|---|---|---|---|
| Sr. No | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| The date since when the subsidiary was acquired | 2nd September, 2009 | 25th July, 2011 | 15th August, 2011 | 19th August, 2013 | 8th December, 2021 | 8th December, 2021 | 5th December, 2021 |
| Reporting period, if different from the holding Company | April to March | April to March | April to March | April to March | April to March | April to March | April to March |
| Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | USD 82.18 | USD 82.18 | MAD 8.04 | EURO 89.48 | NA | NA | AED 22.36 |
| Share Capital | 1,012.28 | 14,862.17 | 1,980.33 | 21.82 | 39,299.81 | 1.00 | 61.59 |
| Reserves and Surplus | 11,220.85 | 4,090.37 | 1,969.71 | 8,493.46 | (316.28) | (13.11) | 1,358.25 |
| Total Assets | 49,093.02 | 18,973.34 | 9,714.82 | 36,631.85 | 44,480.25 | 769.95 | 5,140.46 |
| Total Liabilities | 36,859.89 | 20.80 | 5,764.78 | 28,116.57 | 5,496.72 | 782.06 | 3,720.62 |
| Investments | - | 17,317.29 | - | - | - | - | - |
| Turnover | 79,891.99 | 435.56 | 5,081.98 | 63,191.46 | - | - | - |
| Profit/(Loss) before taxation | 4,548.48 | 416.53 | (2,197.71) | 3,828.68 | (274.23) | (11.41) | (48.27) |
| Provision for taxation | 993.85 | 44.57 | 32.47 | 1,326.58 | - | - | - |
| Profit/(Loss) after taxation | 3,554.63 | 371.96 | (2,230.18) | 2,502.10 | (274.23) | (11.41) | (48.27) |
| Proposed Dividend | - | - | - | - | - | - | - |
| % of Shareholding | 100.00 | 100.00 | 100.00 held by Gujarat Fluorochemicals Singapore Pte. Limited | 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

ANNEXURE - 3 (Contd.)

## Part B –Joint Venture

Statement related to Associate Companies and Joint Venture

(₹ in Lakhs)

| Sr. no | Particulars | Swarnim Gujarat Fluorspar Private Limited (SGFPL) |
|---|---|---|
| 1 | Latest Balance Sheet date | 31st March, 2023 |
| 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 | 86.29 |
| 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 encompasses the philosophy of Gujarat Fluorochemicals Limited ("Company") for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs and activities as permitted under Schedule VII of the Companies Act, 2013 for welfare and sustainable development of the community at large. For more details, please visit our website www.gfl.co.in. |
| 2 | Composition of CSR Committee: | |

| Name of Directors | 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. Shanti Prashad Jain | Chairman – Independent Director | 2 | 2 |
| Mr. Shailendra Swarup | Independent Director | 2 | 2 |
| Mr. Vivek Kumar Jain | Managing Director | 2 | 2 |

| Sr. No. | Particulars | Details |
|---|---|---|
| 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 executive summary along with web-link(s) 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 | (a) Average net profit of the Company as per section 135(5) | **₹ 62,818.76 Lakhs** |
| | (b) percent of average net profit of the Company as per section 135(5) | **₹ 1,256.38 Lakhs** |
| | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years | **Nil** |
| | (d) Amount required to be set off for the financial year | **₹ 483.72 Lakhs** |
| | **(e) Total CSR obligation for the financial year (7a + 7b- 7c)** | **₹ 772.66 Lakhs** |
| 6 | (a) Amount Spent on CSR Projects **(both Ongoing Project and other than Ongoing Project)** | **₹ 862.29 Lakhs** |
| | (b) Amount spent in Administrative Overheads | **Nil** |
| | (c) Amount spent on Impact Assessment, if applicable | **Nil** |
| | (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: | **₹ 862.29 Lakhs** |
| | (e) 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 |
| ₹ 862.29 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

ANNEXURE - 4 (Contd.)

(f) Excess amount for set off, if any:

| Sr. No. | Particular | Amount |
|---|---|---|
| i. | Two percent of average net profit of the Company as per sub-Section (5) of Section 135 | **₹ 1,256.38 Lakhs** |
| ii. | Total amount spent for the Financial Year | **₹ 1,346.01 Lakhs** |
| iii. | Excess amount spent for the Financial Year [(ii)-(i)] | **Nil** |
| iv. | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | **Nil** |
| v. | Amount available for set-off in succeeding Financial Years [(iii)-(iv)] | **₹ 89.63 Lakhs** |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
| | | | | | Amount (in ₹) | Date of Transfer | | |
| Not Applicable | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/authority/beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered Address |
| **Not Applicable** | | | | | | | |

| | | |
|---|---|---|
| 9. | 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 as the Company has complied with the requirements of Section 135 of the Companies Act, 2013. |

**Vivek Jain**
Managing Director
DIN: 00029968

**Shanti Prashad Jain**
Chairman CSR Committee
DIN: 00023379

# Annexure – 5

## Secretarial Audit Report

**For the Financial Year ended 31st March, 2023**

*[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 authorised 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 31st March, 2023 ("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 and Sweat Equity) Regulations, 2021; However, there were no actions / events pursuant to these regulations, hence not applicable.

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

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

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

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

   i. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   j. SEBI (Debenture Trustees) Regulations, 1993.

ANNEXURE - 5 (Contd.)

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 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.

**S. Samdani**
Partner

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

**ICSI Peer Review # 1079/2021**
**ICSI UDIN: F003677E000748443**

Place: Vadodara
Date: 5th August, 2023

*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.*

ANNEXURE - 5 (Contd.)

## 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 Company's affairs.

**S. Samdani**
Partner

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

**ICSI Peer Review # 1079/2021**
**ICSI UDIN: F003677E000748443**

Place: Vadodara
Date: 5th August, 2023

# 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**

(i) The steps taken or impact on conservation of energy:

**Ranjitnagar Unit:**

- MPP-3 utilities: VFD is installed in 240 TR chilled water unit to reduce specific power consumption during running of chiller on partial loads. Initial specific power consumption was 1.45 KW/TR at 37% partial load & after installing of VFD, it consumes 0.9 KW/TR.
  - Expected Power saving of 392 MW/Year.
- MPP-3 Utilities: We were running 02 Nos of Pumps of 37 KW each for Chilled brine supply to MPP-3 & MPP-1 plant. Power consumption of two pumps was 102 Amp .We increased the impeller diameter of one pump from 198 MM to 228 MM with increased motor capacity of 55 KW and ran only pump. Power consumption of single pump is now 67 Amp .
  - Achieved Power saving of 178 MW/Yr.
- MPP-1 utilities: Stoppage 20 KW of 1no Chilled water secondary pump from HCFC plant and given provision from MPP-3 Chilled water secondary pump for MPP-1 plant.
  - Achieved Power saving of 170 MW/Yr.
- MPP-1 Utilities: Stoppage of (-)20.0 Deg C chilled brine system along with its primary and secondary pumps through integration of (-)20.0 Deg C MPP-3 Chilled brine System Saving of 79 KW/Hr.
  - Achieved Power saving of 671 MW/Yr.
- HCFC Cooling water pumps: We procured Energy efficient Cooling water pump with higher flow of 300 M3/Hr from original flow of 250 M3/Hr . Earlier power consumption was 227 KW/Hr for 5 Nos running pumps. After installing higher efficiency pumps, it consumes 211 KW/Hr with running of 4 Nos pumps.
  - Achieved Power saving of 136 MW/Yr.

**Total power saving: 1547 MW/Year**

**Savings in ` 138.92 Lakhs**

**Dahej and Jolva Units:**

- Optimisation of water usage at SR-2 process of D-PTFE plant,
- Further Increase in CoC: Cycle of Concentrations of Cooling Water at all 32 Nos. of identified CT's (Cooling Towers) & saving of treated water thereof,
- Increased usage of PTFE wash water for Cooling Tower's sump make up at Polymer complex & DI: De-Ionisation Water Treatment Plants (DI # 4 & DI # 5) further recovery from UF & RO rejects,
- Cooling Towers blowdown recovery at CA plant's CT's & diversion of same water to ERS,
- Recovery of MGF: Multi Grade Filter's backwash water from CU: Common Utilities & diversion of same water to ERS,
- Increase in %CsR (Condensate Recovery) from all the process plants & utilisation of same for steam Boiler's make up resulted in equivalent saving of fresh DM: De-mineralised water at CPP. Captive Power Plant,
  - Achieved Water Savings from pt. no. # 1 to pt. no. # 6 = 619 KLD,
- Un-interrupted operations of ERS: Effluent Recycling Systems & utilisation of its treated water as an make up for most of the Cooling Towers (CT's),
  - Achieved Gross Water Savings from ERS = 1268 KLD,

ANNEXURE - 6 (Contd.)

- Replacement of Honeycomb PVC fills to improve the Cooling Towers efficiency of TFE2, CMS-2 VAM, CMS-1 & TFE1 CT's,
  - Achieved drastic improvement in Cooling Efficiency of CCW: Circulating Cooling Water,
- To sustain SSF: Side Stream Filters Efficiency by Media replacement of TFE-1, CMS VAM and PTFE CT's from @ 55% to 65%,
  - Achieved Efficiency & CCW (Circulating Cooling Water) quality improvement,
- Installation & Commissioning of Acoustic Cabin for VDF Utilities Control Room,
  - Achieved Sound level reduction from 93 to 66 dBA,
- Operations Cost Optimisation at ETP: Effluent Treatment Plant by implementation of various schemes, as per detailed plan,
  - Achieved Substantial Cost Savings @ ₹ 300/- Lakhs per Annum with Chemicals cost,
- At CPP: Flash steam heat recovery from continuous blowdown of both the steam Boilers through flash steam recovery system & utilisation of same heat energy at Deaerator,
  - Achieved Substantial Cost Savings @ ₹ 30/- Lakhs per Annum,
- At CCGT: Installation & commissioning of new 600 TR VCS (Vapor Compression System) twin screw compressor - highly efficient refrigeration system and permanent stoppage of steam fired VAM: Vapor Absorption Machine, to serve the purpose,
  - Achieved Substantial Cost Savings @ ₹ 15/- Lakhs per Annum,
- At CPP: Fine tuning of Automatic Recirculating Valve (ARC) pertains to steam Boiler's feed water pumps, resulted in reduction of power consumption from 12000 KWH to 11200 KWH per day,
  - Achieved Power savings of 280 MW/Annum,
- At CPP: Installation & commissioning of new VFD: Variable Frequency Drive enabled twin screw type Instrument Air Compressor, to serve the purpose,
  - Achieved Power savings of 157.5 MW/Annum,
- Utilities: At S&A, cooling water pump P812A (M/s Johnson make) replaced with the highly energy efficient pump (M/s Grundfos make) to save power at same duty point,
  - Achieved Power savings of 63.3 MW/Annum,
- Utilities: FKM HVAC AHU: At Air Handling Unit, single centrifugal blower has been replaced with 6 nos. of M/s Munters make highly efficient ENCON fans, to save power at same duty point,
  - Achieved Power savings of 92.7 MW/Annum,
- TFE1 Utilities: Refrigeration systems CoP – Coefficient of Performance improvement through execution of various identified jobs apart from CT: Cooling Tower's thorough cleaning to improve CT efficiency to max possible extent, apart from (-35) & (-15) DegC CaCl2 Brine Evaporators tube cleaning with hydro jet & its shell side cleaning / de-scaling with the compatible refrigerant viz. R141B,
  - Achieved Power savings of 973.6 MW/Annum,
- Utilities: At CU installation & commissioning of auto start / stop level switches in various pits viz. Centralised Instrument Air Compressors moisture pit & Centralised fire hydrant dewatering pump's pit, to save power on pumping energy,
  - Achieved Power savings of 65.7 MW/Annum,
- Utilities (J): At MPP (Micro Powder Plant) Phase-1, Phase-2 & Phase-3: Integration of chilled water & cooling water circuit has been executed to optimise overall operations of CHW refrigeration systems installed at all aforesaid phases, to serve the purpose,

ANNEXURE - 6 (Contd.)

  - Achieved Power savings of 202.9 MW/Annum,
- Utilities (J): Utilisation of process water from central utilities at MPP. Micro Powder Plant instead of earlier set up of MGF-ACF-Softener for cooling tower sump make up, to serve the purpose,
  - Achieved Power savings of 46.4 MW/Annum, apart from associated chemical savings,
- TFE-2 Utilities: For fulfilling the plant's (-35) DegC Brine system demand by operations of 2 nos. (-35) DegC & 2 no (-15) DegC chillers, instead 3 nos. (-35) DegC chillers, to save overall power consumption, (HT motors: 6600 V) {802B: Ops of (-15) to (-35)},
  - Achieved Power savings of 183 Kwh, (Saving depends upon HRs of ops - Variable),
- Optimisation in usage of High Purity Nitrogen gas at Polymer & Chemical Complex by Process Fine Tuning & Systems Leak-proofing activities throughout the complex,
  - Achieved reduction from earlier usage of 19000 $Nm^3$/Day to 16500 $Nm^3$/Day,
- DI: De-Ionised water consumption optimisation at few grades of FKM plant from 40 Cum/MT to 38 Cum/MT,
  - Achieved reduction in co-polymer grade. But, in Ter-peroxide grade wip,
- Utilities: At A&H utilities installation & commissioning of additional 1 # no. Condenser for (-52) DegC refrigeration systems & 1 # Cooling Water cell with associated pumping systems has been done to increase overall throughput of HCFC # R22 plant,
  - Achieved max possible output from HCFC plant to serve the purpose. With improved specific power norms, (variable with plant throughput),
- Utilities: Sustenance of Compressed Instrument Air Dew Point to further improve the reliability of control logic instrumentation systems of overall Complex,
  - Various key instrument CV breakdown / malfunctioning, avoidance project,
- Utilities: HVAC – SR2 # Replacement of 2 nos. AHUs due to its shelf life & heavy corrosion of centrifugal blower type, to plug type VFD driven blower for power saving & reliability improvement,
  - Achieved Power savings of 42 MW/Annum,
- TFE1 Utilities: Refrigeration system's Condenser – A & Condenser - B tubes cleaning / de-scaling followed by polymer coatings of tube sheets of both the Condensers 1 by 1 with silicon putty has been executed,
  - Achieved drastic reliability improvement of both the Condensers with positive impact on power (indirect power) & R22 refrigerant saving,
- Utilities: Installation & Commissioning of In-house designed & fabricated online Filter for (-5) DegC MEG BRINE of TFE-1 & TFE-2 Utilities,
  - Efficiency & Brine quality improvement project,
- To ensure nearer to ZERO leaks of all the complex Utilities safety district Viz. Steam, Condensate, Compressed Air, Water, N2, Refrigerant etc. through ULS: Utilities Loss Survey Program,
  - Indirect Power, Water savings & resources utilisation project,
- VDF Utilities: Integration of CHW circuit for process as well as HVAC application of S&A, FKM, VDF, PVDF and New Polymer plants to ensure best in class RELIABILITY with sustenance of nearer to ZERO B/D in these particular utilities set up,
  - Indirect Power savings & resources utilisation project,
- Utilities: Integration of CW circuit pertains to S&A, FKM, VDF & PVDF plants to ensure best in class RELIABILITY with sustenance of nearer to ZERO B/D in these particular utilities set up,
  - Indirect Power savings & resources utilisation project,

ANNEXURE - 6 (Contd.)

- Utilities: Supply of (-35) DegC CaCl2 brine to D-PTFE # 5th / 6th / 7th Reactors from TFE1 Utilities Augmentation project, through separate header to increase overall reliability of D-PTFE reactors with increased throughput by better temperature gradient during consecutive batch processes,
  - Indirect Power savings & D-PTFE throughput project

(ii) **Steps taken by the Company for utilising alternate source of energy:**

Please refer to Natural Capital Section of Integrated report.

(iii) **Capital Investment on energy conservation equipments:**

Please refer to Natural Capital Section of Integrated report.

**B. Technology Absorption**

(i) **efforts made towards technology absorption, adaptation and innovation**

**Dahej Unit:**

- GFL has developed FKM extrusion grade with good resistance to ethanol blend bio fuels, specially designed for flex fuel engine, fuel tube application. This new grade ensures optimal performance and longevity, enabling good compatibility with bio fuels.
- GFL is actively advancing its development pipeline for automotive & CPI sectors, focusing on the creation of high quality FKM grades with excellent resistance to low temperature with glass transition temperature (Tg) of around -30°C, ensuring good performance in demanding cold environments.
- GFL has successfully developed environmentally new age surfactant system for polymerisation of PTFE fine powder and PVDF polymers. Products are commercialised.
- GFL has successfully developed modified PVDF grades for battery binder application for improved adhesion with binder for lithium ion batteries (LIB)
- GFL has developed high molecular weight PVDF grade for membrane application.

(ii) **the benefits derived like product improvement, cost reduction, product development, import substitution**

**Dahej Unit:**

- Improvement in Operation efficiency
- Cost reduction in operations
- Product quality and improvement
- Cleaner Environment
- Portfolio enhancement

(iii) **Imported Technology: Nil**

(iv) **the expenditure incurred on Research and Development**

**Investment in R&D**

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

**C. Foreign exchange Earnings and Outgo:**

Foreign Exchange earned: ₹ 3,34,430 Lakhs

Foreign Exchange used: ₹ 1,88,969 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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23.

| Sr. no | Name of Directors / KMPs | % increase in remuneration in the Financial Year 2022-23 | Ratio of Remuneration of each of Director to median remuneration of employees |
|---|---|---|---|
| 1 | Mr. Devendra Kumar Jain, Non-executive Director* | - | - |
| 2 | Mr. Vivek Jain, Managing Director | 82% | 1:52 |
| 3 | Mr. Shailendra Swarup, Independent Director# | - | - |
| 4 | Mr. Sanath Kumar Muppirala, Whole-time Director | 12% | 1:32 |
| 5 | Mr. Om Prakash Lohia, Independent Director** | - | - |
| 6 | Mr. Shanti Prashad Jain, Independent Director# | - | - |
| 7 | Ms. Vanita Bhargava, Independent Director# | - | - |
| 8 | Mr. Chandra Prakash Jain, Independent Director# | - | - |
| 9 | Mr. Niraj Agnihotri, Whole-time Director | 9% | 1:40 |
| 10 | Mr. Jay Mohanlal Shah, Whole-time Director @ | 0% | 1:9 |
| 11 | Mr. Manoj Agrawal, Chief Financial Officer | 11% | 1:26 |
| 12 | Mr. Bhavin Desai, Company Secretary | 10% | 1:7 |

* including sitting fees

** No Sitting Fees paid

@ Appointed w.e.f. 1.11.2022

# No remuneration or Commission paid to them except Sitting fees 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 6%.
3. The Company had **3,418** permanent employees on the rolls of Company as on 31st March, 2023.
4. Average percentage increase in remuneration of employees other than the remuneration of managerial personnel was in the tune of **9%**.
5. It is affirmed that the remuneration is as per the remuneration policy of the Company.

**Disclosures as per Rule 5 (2) & 5(3) 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 during the business hours, till the date of ensuing Annual General Meeting 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, 2023, 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, 2023, 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 ₹ 1,891.30 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

# Independent Auditor's Report

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.

# Independent Auditor's Report

## 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      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 52(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

# Independent Auditor's Report

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 final and interim dividend paid during the year 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

**For PATANKAR & ASSOCIATES,**
Chartered Accountants
Firm's Registration No. 107628W

**S. S. Malani**
Partner
Membership No. 110051
UDIN: 23110051BGTJZH7472

Place: Pune
Date: 5th May, 2023

**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, 2023 – 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 Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified during the year. The periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were 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 |

(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:

# 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, 2023 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

(₹ in Lakhs)

| Particulars | Guarantees | Securities | Loans | Advances in nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/provided during the year | | | | |
| - Subsidiary | 2,470.54 | - | 13,657.77 | - |
| - Step-down subsidiary | - | - | - | - |
| - Fellow subsidiaries | 1,32,600.60 | 20,361.28 | - | - |
| - Others | - | - | 500.00 | - |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiary (*) | 2,470.54 | - | 1,637.30(*) | - |
| - Step-down subsidiary | 1,424.99 | - | - | - |
| - Fellow subsidiaries | 1,73,047.69 | - | - | - |
| - Others | - | - | 2,725.00 | - |

(*) includes foreign currency amounts restated at applicable exchange rate as at balance sheet date.

The Company has not provided guarantee or security 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 ₹ 2,725.00 Lakhs given to a party on which interest accrued thereon of ₹ 1,033.75 Lakhs is provided during the year and no interest is recognized for the year.

(c) The Company have granted a loan to wholly owned subsidiaries where the repayment schedule of principal and payment of interest has been stipulated and the repayments or receipts are regular. Further, the Company has granted certain 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 and interest, except for interest of ₹ 1,033.75 Lakhs on loan of ₹ 2,725.00 Lakhs was demanded and same is fully provided as at the end of the year and no further interest is recognized 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 which are payable on demand, since the Company has during the year not demanded such loan and interest, except for interest of ₹ 1,033.75 Lakhs which was demanded and same is fully provided as at the end of 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 Lakhs | 3,732.30 | - | 1,007.30 (*) |
| Percentage thereof to the total loans granted | 85.56% | - | 23.09 % |

(*) includes foreign currency amounts restated at applicable exchange rate as at balance sheet date.

**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, 2023 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

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, 2023 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 | 2.62 | |
| Central Excise Act, 1944 | Cenvat Credit on inter unit transactions | 809.75 | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| Customs Act, 1962 | Differential duty on high seas import March 2012 to May 2013 | 890.56 | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| | Demand due to failure to produce/late submission of export obligations certificates for the period from July 1997 to May 2003 | 1,139.30 | Deputy Commissioner of Customs DEEC (M) Cell, NCH, Mumbai |
| | Demand due to late submission of export obligations certificates for F.Y. 2012-13 | 7.80 | Commissioner Customs (Appeals), Kandla |
| | Demand for wrong classification for import of flanges for May 2020 to June 2020 | 55.63 | Commissioner of Customs, Nhava Sheva, Raigad, Maharashtra |
| 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 form - C F.Y. 2017-2018 (upto 30.06.2017) | 42.87 | Joint Commissioner of Commercial Tax (Appeal), Vadodara |
| | On account of the non-submission of form - C F.Y.2016-17 | 4.70 | Deputy Commissioner of Commercial Tax (Appeals), Vadodara |
| Income-tax Act, 1961 | Penalty for failure to maintain information and documents in respect of international transactions for A.Y. 2018-19 | 1,464.82 | National Faceless Appeal Centre, Delhi (appeal filed on 27th April, 2023) |

Above include the liabilities vested with the Company on demerger of the Chemical Business Undertaking as per the Scheme of Arrangement.

# 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, 2023 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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) The Group of which the Company is a part has only one CIC.

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

# 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, 2023 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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: 23110051BGTJZH7472

Place: Pune
Date: 5th May, 2023

# 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, 2023 - 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, 2023 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

# 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, 2023 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.

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, 2023 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: 23110051BGTJZH7472

Place: Pune
Date: 5th May, 2023

# Standalone Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1)** | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 5 | 2,89,957.73 | 2,37,518.24 |
| | (b) Capital work-in-progress | 6 | 79,182.68 | 67,245.95 |
| | (c) Right-of-use assets | 42 | 9,713.27 | 4,335.75 |
| | (d) Investment property | 7 | 338.18 | 643.71 |
| | (e) Intangible assets | 8(a) | 1,010.14 | 786.32 |
| | (f) Intangible assets under development | 8(b) | 1,529.91 | - |
| | (g) Financial assets | | | |
| | (i) Investments | 9 | | |
| | a) Investments in subsidiaries | 9(a) | 55,258.67 | 13,904.47 |
| | b) Investments in joint venture | 9(b) | 118.25 | 118.25 |
| | c) Other investments | 9(c) | - | - |
| | (ii) Loans | 10 | 648.26 | - |
| | (iii) Other non-current financial assets | 11 | 3,419.37 | 25,301.45 |
| | (h) Other non-current assets | 12 | 41,636.63 | 95,208.72 |
| | **Sub-total** | | **4,82,813.09** | **4,45,062.86** |
| **(2)** | **Current assets** | | | |
| | (a) Inventories | 13 | 1,13,332.69 | 76,145.18 |
| | (b) Financial assets | | | |
| | (i) Other investments | 9(d) | 17.15 | 1,882.75 |
| | (ii) Trade receivables | 14 | 1,45,259.98 | 84,672.15 |
| | (iii) Cash & cash equivalents | 15 | 805.46 | 1,474.59 |
| | (iv) Bank balances other than (iii) above | 16 | 13,699.52 | 12,737.20 |
| | (v) Loans | 10 | 3,773.39 | 7,177.65 |
| | (vi) Other current financial assets | 11 | 38,570.85 | 31,999.82 |
| | (c) Other current assets | 12 | 26,619.29 | 18,672.73 |
| | **Sub-total** | | **3,42,078.33** | **2,34,762.07** |
| | Assets held for sale | 49 | 2,668.94 | - |
| | **Total assets (1+2)** | | **8,27,560.36** | **6,79,824.93** |
| **EQUITY & LIABILITIES** | | | | |
| **(1)** | **Equity** | | | |
| | (a) Equity share capital | 17 | 1,098.50 | 1,098.50 |
| | (b) Other equity | 18 | 5,51,666.24 | 4,20,637.85 |
| | **Sub-total** | | **5,52,764.74** | **4,21,736.35** |
| | **Liabilities** | | | |
| **(2)** | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 19 | 17,303.94 | 42,228.07 |
| | (ii) Lease liabilities | 42 | 467.00 | 12.39 |
| | (b) Provisions | 21 | 3,888.66 | 3,261.70 |
| | (c) Deferred tax liabilities (net) | 22 | 27,627.32 | 26,895.21 |
| | **Sub-total** | | **49,286.92** | **72,397.37** |
| **(3)** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 23 | 1,27,950.89 | 1,11,345.76 |
| | (ii) Lease liabilities | 42 | 134.38 | 17.92 |
| | (iii) Trade payables | | | |
| | a) total outstanding dues of micro enterprises and small enterprises | 24 | 803.72 | 483.48 |
| | b) total outstanding dues of creditors other than micro enterprises and small enterprises | 24 | 66,463.72 | 49,147.40 |
| | (iv) Other current financial liabilities | 20 | 19,893.37 | 15,948.27 |
| | (b) Other current liabilities | 25 | 1,386.80 | 1,490.16 |
| | (c) Provisions | 21 | 1,997.80 | 1,586.64 |
| | (d) Current tax liabilities (net) | 26 | 6,878.02 | 5,671.58 |
| | **Sub-total** | | **2,25,508.70** | **1,85,691.21** |
| | **Total equity & liabilities (1+2+3)** | | **8,27,560.36** | **6,79,824.93** |

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|---|
| I | Revenue from operations | 27 | 5,62,197.97 | 3,81,308.91 |
| II | Other income | 28 | 18,106.91 | 16,283.97 |
| III | **Total Income (I+II)** | | **5,80,304.88** | **3,97,592.88** |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 29 | 1,76,051.74 | 1,17,873.22 |
| | Changes in inventories of finished goods, work in progress, stock-in-trade and by products | 30 | (16,663.25) | 1,147.52 |
| | Power & fuel | | 95,316.02 | 67,102.53 |
| | Employee benefits expense | 31 | 29,579.14 | 24,073.43 |
| | Finance costs | 32 | 11,500.24 | 7,594.33 |
| | Depreciation and amortisation expense | 33 | 21,807.74 | 18,810.95 |
| | Other expenses | 34 | 80,832.34 | 57,979.84 |
| | **Total expenses (IV)** | | **3,98,423.97** | **2,94,581.82** |
| V | **Profit before tax (III-IV)** | | **1,81,880.91** | **1,03,011.06** |
| VI | Tax expense | 35 | | |
| | (i) Current tax | | 45,445.00 | 25,831.00 |
| | (ii) Deferred tax | | 881.67 | (131.13) |
| | (iii) Taxation pertaining to earlier years | | (6.29) | (103.10) |
| | | | **46,320.38** | **25,596.77** |
| VII | **Profit for the year (V-VI)** | | **1,35,560.53** | **77,414.29** |
| VIII | **Other Comprehensive Income** | | | |
| | A. Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of the defined benefits plans | | (178.13) | 17.37 |
| | (ii) Tax on above | | 44.83 | (4.37) |
| | B. Items that will be reclassified to profit or loss | | | |
| | (i) Gains on effective portion of hedging instruments in a cash flow hedge | | (6.47) | 36.96 |
| | (ii) Tax on above | | 1.63 | (9.30) |
| | **Total other comprehensive income** | | **(138.14)** | **40.66** |
| IX | **Total comprehensive income for the year (VII+VIII)** | | **1,35,422.39** | **77,454.95** |
| | Earnings per equity share of ₹ 1 each | | | |
| | Basic and Diluted (in ₹) | 40 | 123.41 | 70.47 |

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

## A. Equity share capital

| Particulars | ₹ in Lakhs |
|---|---|
| **Balance as at 1st April, 2021** | **1,098.50** |
| Changes in equity share capital during the year | - |
| **Balance as at 31st March, 2022** | **1,098.50** |
| Changes in equity share capital during the year | - |
| **Balance as at 31st March, 2023** | **1,098.50** |

## B. Other equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | Items of other comprehensive income | Total |
|---|---|---|---|---|---|
| | Capital Reserve | General Reserve | Retained earnings | Cash flow hedge reserve | |
| **Balance as at 1st April, 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 |
| **Total comprehensive income for the year** | **-** | **-** | **77,427.29** | **27.66** | **77,454.95** |
| Interim dividend paid - see Note 17.3 | - | - | (2,197.00) | - | (2,197.00) |
| **Balance as at 31st March, 2022** | **12,547.50** | **3,20,000.00** | **88,085.51** | **4.84** | **4,20,637.85** |
| Movement during the year: | | | | | |
| Profit for the year | - | - | 1,35,560.53 | - | 1,35,560.53 |
| Other comprehensive income for the year, net of income tax (*) | - | - | (133.30) | (4.84) | (138.14) |
| **Total comprehensive income for the year** | **-** | **-** | **1,35,427.23** | **(4.84)** | **1,35,422.39** |
| Interim & final dividend paid - see Note 17.3 | - | - | (4,394.00) | - | (4,394.00) |
| **Balance as at 31st March, 2023** | **12,547.50** | **3,20,000.00** | **2,19,118.74** | **-** | **5,51,666.24** |

(*) 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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

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DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lakhs)

| | Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| A | Cash flow from operating activities | | |
| | **Profit for the year** | **1,35,560.53** | **77,414.29** |
| | Adjustments for : | | |
| | Tax expense | 46,320.38 | 25,596.77 |
| | Depreciation and amortisation expense | 21,807.74 | 18,810.95 |
| | Gain on sale of investment property | - | (1,948.86) |
| | Gain on retirement/disposal of property, plant and equipment (net) | (263.54) | (151.53) |
| | Allowance for doubtful advances/inter-corporate deposits | 1,044.18 | 379.32 |
| | Allowance for doubtful trade receivables and expected credit losses | 190.15 | 478.25 |
| | Liabilities and provisions no longer required, written back | (309.70) | (205.33) |
| | Advances and other claims reversed/written off | 319.66 | 129.42 |
| | Loss of property, plant and equipment and inventory due to fire | - | 212.85 |
| | Unrealised foreign exchange gain (net) | (955.43) | (806.95) |
| | Gain on fair value changes in investments classified at FVTPL (net) | (48.56) | (218.10) |
| | Mark-to-market loss on derivative financial instruments (net) | 111.54 | 108.96 |
| | Interest income | (6,922.68) | (8,191.99) |
| | Finance costs | 11,500.24 | 7,594.33 |
| | **Operating profit before working capital changes** | **2,08,354.51** | **1,19,202.38** |
| | Movements in working capital: | | |
| | Increase/(decrease) in provisions | 859.99 | 452.75 |
| | Increase/(decrease) in trade payables | 17,881.16 | 9,017.53 |
| | Increase /(decrease) in other financial liabilities | 3,732.51 | 2,783.31 |
| | Increase /(decrease) in other liabilities | (103.36) | 284.84 |
| | (Increase)/decrease in loans | - | 119.70 |
| | (Increase)/decrease in inventories | (37,187.51) | (5,335.77) |
| | (Increase)/decrease in trade receivables | (59,325.68) | (11,409.95) |
| | (Increase)/decrease in other financial assets | (3,137.42) | (3,900.46) |
| | (Increase)/decrease in other assets | (7,805.02) | (11,030.18) |
| | **Cash generated from operations** | **1,23,269.18** | **1,00,814.15** |
| | Income-tax paid (net) | (44,616.37) | (22,523.78) |
| | **Net cash generated from operating activities** | **78,652.81** | **77,660.37** |
| B | Cash flow from investing activities | | |
| | Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances) | (32,906.79) | (66,649.75) |
| | Proceeds from sale/disposal of property, plant and equipment (net) | 493.53 | 2,477.78 |
| | Payments for acquiring right-of-use assets | (4,892.06) | - |
| | Payments for acquiring intangible assets | (265.68) | - |
| | Proceeds from sale of investment property | - | 2,277.00 |
| | Investment in shares of subsidiary companies (including share application money paid) | (42,757.21) | (5,198.89) |
| | Purchase of other investments | (10,499.46) | (10,499.47) |
| | Redemption/sale of other investments | 12,413.63 | 17,547.99 |
| | Inter-corporate deposits given to subsidiary companies | (13,657.77) | (3,500.00) |
| | Inter-corporate deposits received back from subsidiary company | 15,550.00 | - |
| | Interest received | 3,506.04 | 885.86 |
| | Movement in other bank balances | 19,664.06 | (3,580.38) |
| | **Net cash used in investing activities** | **(53,351.71)** | **(66,239.86)** |

# Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lakhs)

| | Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **C** | **Cash flow from financing activities** | | |
| | Proceeds from non-current borrowings | 20,000.00 | 20,352.98 |
| | Repayment of non-current borrowings | (54,047.96) | (16,339.60) |
| | Proceeds from/(repayment of) current borrowings (net) | 25,251.64 | (3,710.39) |
| | Payment of lease liabilities | (150.68) | (35.27) |
| | Finance costs | (12,629.23) | (8,432.66) |
| | Final and Interim dividend paid | (4,394.00) | - |
| | On account of interim dividend | - | (2,197.00) |
| | **Net cash used in financing activities** | **(25,970.23)** | **(10,361.94)** |
| | **Net increase/(decrease) in cash and cash equivalents** | **(669.13)** | **1,058.57** |
| | Cash and cash equivalents as at the beginning of the year | 1,474.59 | 416.02 |
| | **Cash and cash equivalents as at the end of the year** | **805.46** | **1,474.59** |

### Changes in liabilities arising from financing activities during the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Current borrowings | Non-current borrowings |
|---|---|---|
| **Opening balance** | 97,025.65 | 56,548.18 |
| Cash flows | 25,251.64 | (34,047.96) |
| Interest expense | 6,107.83 | 4,210.59 |
| Interest paid | (5,929.73) | (4,392.83) |
| Foreign exchange adjustment | 481.46 | - |
| **Closing balance** | **1,22,936.85** | **22,317.98** |

### 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** |

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 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).

These financial statements for the year ended 31st March, 2023 were approved for issue by the Company's Board of Directors at its meeting held on 5th May, 2023.

### 2.2 Basis of preparation, presentation and measurement

These Financial Statements are presented in Indian Rupees (₹), 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 amortized 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 realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**2.3 Particulars of investments in subsidiaries and joint venture as at 31st March, 2023 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. Limited | 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 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 recognized 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

- 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 derecognize a financial liability.

The above amendments did not have any impact on the financial statements of the Company.

**b. New accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 31st March, 2023, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2023. The summary of these amendments is as under:

- Amendments to Ind AS 1 Presentation of Financial Statements: The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.

- Amendments to Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments have introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

- Amendments to Ind AS 12 Income Taxes: The amendments have narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off-setting temporary differences.

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 recognized at their respective carrying values. No adjustments are made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize 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.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

**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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized 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 recognized 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 recognized to the extent there is a reasonable certainty of the realizability of the claim amount.

### 3.3 Government Grants

Government grants are recognized 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 recognized 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 recognizes 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 recognized 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 recognizes 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 recognizes a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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, the 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 recognized 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 recognized 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 recognized 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 recognized 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 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 recognized 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 capitalization.

All other borrowing costs are recognized 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 recognized 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 recognized 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 recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognized 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 categorized as follows:**

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

**Other long-term employee benefits:**

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilized accumulating compensated absences and utilize 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

### 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 recognized 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 realized, 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 recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

### 3.9 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalized. 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 3.5).

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 capitalized are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalized. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other non-current assets.

Depreciation is recognized 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 derecognized 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 recognized 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 recognized 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 recognized 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 derecognized 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

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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 derecognized.

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 recognized 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.

### 3.11 Intangible assets

#### Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 recognized 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 recognized 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 recognized 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 recognized, development expenditure is recognized 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 amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### Derecognition of intangible assets:

An intangible asset is derecognized 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 recognized in profit or loss when the asset is derecognized.

#### 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 recognized 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 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 recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### 3.13 Inventories

Inventories are valued at lower of the cost and net realizable 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 realizable 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 recognized 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 recognized 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 recognized 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

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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 recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. 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 recognized immediately in profit or loss.

### A] Financial assets

**a) Initial recognition and measurement:**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized 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 amortized 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 recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized 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 recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company other than derivative instruments for cash flow hedges.

**iii. Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and joint ventures. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized 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 amortized cost and FVTPL, the exchange differences are recognized 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:

The contractual rights to cash flows from the financial asset expires;

i. 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;

ii. 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);

iii. 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 recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized 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:

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for the year ended 31st March, 2023

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

### 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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized 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 recognized 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 amortized 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 recognized 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 amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized 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 recognized in Statement of Profit and Loss.

d) **Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### 3.17 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 44.

Derivatives are initially recognized 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 recognized 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.

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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 recognized in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the 'Other income' line item.

Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Amounts previously recognized 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 recognized 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.

### 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 recognized 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 amortization 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 amortization 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.

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 crystallizing. 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, 2023

## 5. Property, plant and equipment

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Freehold land | 519.62 | 46.86 |
| Buildings | 28,898.08 | 27,512.60 |
| Plant and equipment | 2,59,129.28 | 2,08,709.23 |
| Furniture and fixtures | 297.21 | 235.51 |
| Vehicles | 515.73 | 597.09 |
| Office equipment | 597.81 | 416.95 |
| **Total** | **2,89,957.73** | **2,37,518.24** |

(₹ 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, 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** | **3,05,277.33** | **1,059.36** | **788.26** | **1,853.55** | **3,43,561.37** |
| Additions | 472.76 | 4,911.41 | 68,954.14 | 120.52 | 7.57 | 437.72 | 74,904.12 |
| Borrowing costs | - | 7.64 | 1,284.96 | - | - | - | 1,292.60 |
| Reclassified from investment property | - | 338.28 | - | - | - | - | 338.28 |
| Reclassified as asset held for sale | - | (2,799.19) | - | - | - | - | (2,799.19) |
| Disposals | - | - | (956.93) | - | (10.01) | (2.20) | (969.14) |
| **Balance as at 31st March, 2023** | **519.62** | **36,994.15** | **3,74,559.50** | **1,179.88** | **785.82** | **2,289.07** | **4,16,328.04** |

(₹ in Lakhs)

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **II. Accumulated depreciation** | | | | | | | |
| **Balance as at 1st April, 2021** | **-** | **6,005.55** | **80,190.83** | **739.43** | **198.80** | **1,229.36** | **88,363.97** |
| Depreciation expense for the year | - | 1,117.50 | 16,772.31 | 84.42 | 67.58 | 214.38 | 18,256.19 |
| Eliminated on disposal of assets | - | (99.64) | (395.04) | - | (75.21) | (7.14) | (577.03) |
| **Balance as at 31st March, 2022** | **-** | **7,023.41** | **96,568.10** | **823.85** | **191.17** | **1,436.60** | **1,06,043.13** |
| Depreciation expense for the year | - | 1,159.66 | 19,589.06 | 58.82 | 88.93 | 256.86 | 21,153.33 |
| Reclassified from investment property | - | 43.25 | - | - | - | - | 43.25 |
| Reclassified as asset held for sale | - | (130.25) | - | - | - | - | (130.25) |
| Eliminated on disposal of assets | - | - | (726.94) | - | (10.01) | (2.20) | (739.15) |
| **Balance as at 31st March, 2023** | **-** | **8,096.07** | **1,15,430.22** | **882.67** | **270.09** | **1,691.26** | **1,26,370.31** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 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, 2022 | 46.86 | 27,512.60 | 2,08,709.23 | 235.51 | 597.09 | 416.95 | 2,37,518.24 |
| As at 31st March, 2023 | 519.62 | 28,898.08 | 2,59,129.28 | 297.21 | 515.73 | 597.81 | 2,89,957.73 |

**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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Plant and equipment | 50,301.66 | 1,04,263.29 |
| Vehicles | 337.28 | 493.76 |
| **Total** | **50,638.94** | **1,04,757.05** |

2) The title deeds of certain immovable properties not held in name of the Company (see Note 52(a))

3) The Company has not revalued its property, plant and equipment during the year.

## 6. Capital work-in-progress

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Capital work-in-progress | 71,355.04 | 63,516.54 |
| Pre-operative expenditure pending allocation | 7,827.64 | 3,729.41 |
| **Total** | **79,182.68** | **67,245.95** |

**Particulars of pre-operative expenditure incurred during the year are as under:**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Opening Balance** | **3,729.41** | - |
| Add: Expenses incurred during the year | | |
| Salaries and wages | 3,801.37 | 1,117.79 |
| Contribution to provident and other funds | 187.43 | 59.79 |
| Gratuity | 72.17 | 17.70 |
| Staff welfare expenses | 0.30 | 26.13 |
| Borrowing costs | 1,372.82 | 1,100.84 |
| Power & fuel | 394.26 | 548.48 |
| Stores and spares consumed | 344.78 | 333.11 |
| Insurance | 110.63 | 11.43 |
| Production labour charges | 113.09 | 89.69 |
| Factory expenses | 23.97 | 66.39 |
| Repairs to | | |
| - Buildings | 4.90 | - |
| - Plant and equipments | 182.49 | - |
| - Others | 85.36 | - |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 6. Capital work-in-progress (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Rates and taxes | 54.29 | 107.93 |
| Travelling and conveyance | 69.35 | 105.75 |
| Communication expenses | 4.46 | - |
| Legal & professional fees and expenses | 89.76 | 324.15 |
| Rent, lease rentals and hire charges | 140.55 | 52.53 |
| Miscellaneous expenses | 6.22 | 259.81 |
| | 7,058.20 | 4,221.52 |
| **Sub-total** | **10,787.61** | **4,221.52** |
| Less: Capitalised during the year | (2,959.97) | (492.11) |
| **Closing balance** | **7,827.64** | **3,729.41** |

### Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2023

(₹ 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 | 57,353.75 | 19,945.59 | 1,420.59 | 462.75 | 79,182.68 |
| Projects temporarily suspended | - | - | - | - | - |

### Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2023

(₹ in Lakhs)

| CWIP | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 | - | 1,050.34 | - | - | 1,050.34 |
| Project 2 | 794.57 | - | - | - | 794.57 |
| **Total** | **794.57** | **1,050.34** | **-** | **-** | **1,844.91** |

### 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** |

(*) Others comprise of various projects with individually immaterial values.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 7. Investment property

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Building | 338.18 | 643.71 |
| **Total** | **338.18** | **643.71** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **I. Cost or Deemed Cost** | |
| **Balance as at 1st April, 2021** | **1,117.08** |
| Disposal | (376.04) |
| **Balance as at 31st March, 2022** | **741.04** |
| Reclassified to Property, plant and equipment | (338.28) |
| **Balance as at 31st March, 2023** | **402.76** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **II. Accumulated depreciation** | |
| **Balance as at 1st April, 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** |
| Depreciation expense for the year | 10.50 |
| Reclassified to Property, plant and equipment | (43.25) |
| **Balance as at 31st March, 2023** | **64.58** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **III. Net carrying amount** | |
| **As at 31st March, 2022** | **643.71** |
| **As at 31st March, 2023** | **338.18** |

### 7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2023 and 31st March, 2022 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted are made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 7. Investment Property (Contd.)

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, 2022 | 8,433.33 |
| **Fair value as at 31st March, 2023** | **8,067.00** |

### 7.2 Amounts recognised in profit or loss in respect of investment properties

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Rental income | 478.31 | 483.18 |
| Direct operating expenses in respect of properties that generated rental income | 181.85 | 159.20 |
| Depreciation | 10.50 | 17.59 |
| 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 52(a))

b) The Company has not revalued its investment properties.

## 8 (a) Intangible assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Product Development | - | - |
| Technical Know-How | 342.60 | 785.64 |
| Software | 667.54 | 0.68 |
| **Total** | **1,010.14** | **786.32** |

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Total |
|---|---|---|---|---|
| **I. Cost or Deemed Cost** | | | | |
| **Balance as at 1st April, 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** |
| Additions | - | - | 687.33 | 687.33 |
| **Balance as at 31st March, 2023** | **695.80** | **5,205.80** | **908.35** | **6,809.95** |

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Total |
|---|---|---|---|---|
| **II. Accumulated ammortisation** | | | | |
| **Balance as at 1st April, 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** |
| Amortisation expense for the year | - | 443.04 | 20.47 | 463.51 |
| **Balance as at 31st March, 2023** | **695.80** | **4,863.20** | **240.81** | **5,799.81** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 8 (a) Intangible assets (Contd.)

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Total |
|---|---|---|---|---|
| **III. Net Carrying amount** | | | | |
| **As at 31st March, 2022** | **-** | **785.64** | **0.68** | **786.32** |
| **As at 31st March, 2023** | **-** | **342.60** | **667.54** | **1,010.14** |

**Note:** The Company has not revalued its intangible assets during the year.

## 8 (b) Intangible assets under development

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Intangible assets under development | 1,529.91 | - |
| **Total** | **1,529.91** | **-** |

### Intangible assets under development ageing schedule as at 31st March, 2023

(₹ in Lakhs)

| CWIP | Amount in Intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1,529.91 | - | - | - | 1,529.91 |
| Projects temporarily suspended | - | - | - | - | - |

### Intangible assets under development ageing schedule as at 31st March, 2022

(₹ in Lakhs)

| CWIP | Amount in Intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

## 9. Investments

### (a) Investment in subsidiaries (measured at cost)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Nos. | Amounts | Nos. | Amounts |
| **Non - Current, fully paid-up** | | | | | |
| **Unquoted Investments** | | | | | |
| **Investments in Equity Instruments** | | | | | |
| Gujarat Fluorochemicals Singapore Pte. Limited (#) | USD 1 | 2,16,91,000 | 14,862.17 | 1,90,91,000 | 12,806.78 |
| 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 | 39,29,98,125 | 39,299.81 | 1,00,000 | 1.00 |
| GFCL Solar & Green Hydrogen Products Limited | ₹ 1 | 10,000 | 1.00 | 1,00,000 | 1.00 |
| Gujarat Fluorochemicals FZE, Dubai | AED 30 | 10,000 | 61.59 | 10,000 | 61.59 |
| **Total investment in subsidiaries (a)** | | | **55,258.67** | | **13,904.47** |

(#) 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 52(g)).

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 9. Investments (Contd.)

### (b) Investment in Joint Venture (measured at cost)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | 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** |

### (c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Nos. | Amounts | Nos. | Amounts |
| **Non-current investments** | | | | | |
| **I. Quoted Investments (fully paid-up)** | | | | | |
| **Investments in Mutual Funds** | | | | | |
| HDFC FMP 1120D - March 2019 (1) Series 44 - Direct - Growth | ₹ 10 | - | - | 15000000 | 1,864.65 |
| **Total quoted Investments** | | | **-** | | **1,864.65** |
| - Less: Current portion of non current investments disclosed under current investments | | | - | | (1,864.65) |
| **Total quoted Investments** | | | **-** | | **-** |
| **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, 2022: ₹ 60.75 Lakhs)) | | | | | |
| **Investments in Venture Capital Fund** | | | | | |
| Kshitij Venture Capital Fund | ₹ 121 | 250000 | 17.15 | 250000 | 18.10 |
| Less: Current portion of non-current investments disclosed under current investments | | | (17.15) | | (18.10) |
| ***Total Unquoted Investments*** | | | **-** | | **-** |
| | | | | | |
| **Total non-current investments (9a + 9b + 9c)** | | | **55,376.92** | | **14,022.72** |
| Aggregate amount of unquoted investments | | | 55,376.92 | | 14,022.72 |
| Aggregate amount of impairment in value of investments | | | 60.75 | | 60.75 |

### (d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | 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** |
| **II. Unquoted Investments (fully paid-up)** | | | | | |
| **Investments in venture capital funds** | | | | | |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 9. Investments (Contd.)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Nos. | Amounts | Nos. | Amounts |
| Kshitij Venture Capital Fund | ₹ 121 | 250000 | 17.15 | 250000 | 18.10 |
| **Total current investments (I + II)** | | | **17.15** | | **1,882.75** |
| Aggregate amount of quoted investments | | | - | | 1,864.65 |
| Aggregate market value of quoted investments | | | - | | 1,864.65 |
| Aggregate amount of unquoted investments | | | 17.15 | | 18.10 |
| Aggregate amount of impairment in value of investments | | | - | | - |

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Summary of other investments** | | |
| Current investments | 17.15 | 1,882.75 |
| **Total** | **17.15** | **1,882.75** |
| **Category-wise other investments - as per Ind AS 109 classification** | | |
| Investments carried at fair value through profit or loss | 17.15 | 1,882.75 |
| **Total** | **17.15** | **1,882.75** |

## 10. Loans (at amortised cost)

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Loans to related parties (see Note 45) | | |
| - Inter-corporate deposits to subsidiary company | 648.26 | - |
| **Total** | **648.26** | **-** |
| **Current** | | |
| Loans to related parties (see Note 45) | | |
| - Inter-corporate deposits/shareholders loan to subsidiary companies | 1,048.39 | 3,517.16 |
| Inter-corporate deposits to others (see Note 47(b)) | | |
| - Considered good | 2,725.00 | 3,660.49 |
| - Credit impaired | 1,033.75 | 292.14 |
| | 3,758.75 | 3,952.63 |
| Less: Provision for impairment | (1,033.75) | (292.14) |
| | 2,725.00 | 3,660.49 |
| **Total** | **3,773.39** | **7,177.65** |

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 52(i)).

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 11. Other financial assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Security deposits | 2,009.96 | 844.85 |
| Non-current bank balances (from Note 16) | 6.40 | 24,345.05 |
| Derivative financial assets | - | 111.55 |
| Share application money paid to subsidiary company (see Note 45) | 1,403.01 | - |
| **Total** | **3,419.37** | **25,301.45** |
| **Current** | | |
| Security deposits | 2,118.79 | 156.47 |
| Other receivables | | |
| - from related parties (including interest on capital advances of ₹ 22,949.97 Lakhs (as at 31st March, 2022 ₹ 18,351.25 Lakhs) - (see Note 45) | 31,268.32 | 24,644.66 |
| - insurance claims lodged - (see Note 48) | 5,123.63 | 7,190.54 |
| - others | 60.11 | 8.15 |
| **Total** | **38,570.85** | **31,999.82** |

## 12. Other assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Capital advances | | |
| to related parties (see Note 45) | 25,410.00 | 87,780.00 |
| to others | 15,956.11 | 7,006.23 |
| | 41,366.11 | 94,786.23 |
| Security deposits with Government authorities | 265.59 | 205.03 |
| Prepayments | 4.93 | 217.46 |
| **Total** | **41,636.63** | **95,208.72** |
| **Current** | | |
| Advance to suppliers | | |
| Considered good | | |
| to related parties (see Note 45) | 677.15 | 1,714.40 |
| to others | 9,275.35 | 9,883.68 |
| | 9,952.50 | 11,598.08 |
| Considered doubtful | 47.09 | 46.80 |
| | 9,999.59 | 11,644.88 |
| Less: Allowance for doubtful advances | (47.09) | (46.80) |
| | 9,952.50 | 11,598.08 |
| Other advances | 241.14 | 183.19 |
| Duties & taxes refund claimed | 4,669.34 | 259.66 |
| Balance with government authorities: | | |
| Balance in GST accounts | 8,094.56 | 2,067.12 |
| Export incentives receivables | 1,454.61 | 3,065.09 |
| Prepayments | 2,207.14 | 1,499.59 |
| **Total** | **26,619.29** | **18,672.73** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 13. Inventories
(at lower of cost and net realisable value)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Raw materials (see note (i) below) | 39,308.79 | 23,777.02 |
| Work-in-progress | 15,127.21 | 9,673.49 |
| Finished goods | 36,948.58 | 25,817.47 |
| Stores and spares | 16,953.01 | 15,068.14 |
| Others | | |
| - Fuel | 4,129.36 | 948.36 |
| - Packing materials | 713.03 | 786.41 |
| - By products | 152.71 | 74.29 |
| **Total** | **1,13,332.69** | **76,145.18** |

**Notes:**

(i) Raw materials include materials in transit of ₹ 192.97 Lakhs (as at 31st March, 2022: ₹ 103.39 Lakhs).

(ii) The cost of inventories recognised as an expense includes ₹ 698.38 Lakhs (as at 31st March, 2022: ₹ 563.85 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.

## 14. Trade receivables
(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current** | | |
| Considered good | 1,45,259.98 | 84,672.15 |
| Trade receivables which have significant increase in credit risk | 59.65 | 47.19 |
| Trade receivables - credit impaired | 959.83 | 1,021.11 |
| | 1,46,279.46 | 85,740.45 |
| Provision for expected credit loss and impairment | (1,019.48) | (1,068.30) |
| **Total** | **1,45,259.98** | **84,672.15** |

**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, 2023 are of ₹ 6,819.09 Lakhs (as at 31st March, 2022: ₹ 3,795.72 Lakhs). 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 14. Trade Receivables (Contd.)

**Trade receivables ageing schedule**

**Ageing for trade receivables - outstanding as at 31st March, 2023 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 | 1,09,460.00 | 34,967.69 | 583.03 | 113.30 | 135.96 | - | 1,45,259.98 |
| Which have significant increase in credit risk | 38.79 | 8.41 | 5.89 | 2.31 | 4.25 | - | 59.65 |
| Credit impaired | - | - | - | - | 198.98 | 760.85 | 959.83 |
| **Disputed trade receivables** | | | | | | | |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Sub-total** | **1,09,498.79** | **34,976.10** | **588.92** | **115.61** | **339.19** | **760.85** | **1,46,279.46** |
| Provision for expected credit loss & impairment | (38.79) | (8.41) | (5.89) | (2.31) | (203.23) | (760.85) | (1,019.48) |
| **Net Trade Receivables** | **1,09,460.00** | **34,967.69** | **583.03** | **113.30** | **135.96** | **-** | **1,45,259.98** |

**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** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 15. Cash & cash equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balances with banks in current accounts | 799.80 | 1,468.74 |
| Cash on hand | 5.66 | 5.85 |
| **Total** | **805.46** | **1,474.59** |

## 16. Other bank balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance in interim dividend payable account | - | 2,197.00 |
| Balance in unclaimed dividend account | 28.66 | - |
| Bank deposits with original maturity of more than 3 months but less than 12 months | 13,666.23 | 4,355.88 |
| Bank deposits with original maturity of more than 12 months | 11.03 | 30,529.37 |
| | 13,677.26 | 34,885.25 |
| Amount disclosed under Note 11 - Other non-current financial assets | (6.40) | (24,345.05) |
| **Total** | **13,699.52** | **12,737.20** |

**Note:** Other bank balances includes ₹ 30.87 Lakhs (as at 31st March, 2022: ₹ 50.92 Lakhs) margin money deposits kept as security against bank guarantees and fixed deposits of ₹ 13,250.00 Lakhs (as at 31st March, 2022: ₹ 33,059.00 Lakhs) kept as security against working capital facilities to fellow subsidiaries.

## 17. Equity share capital

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Authorized** | | |
| 20,00,00,000 (31st March, 2022: 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, 2022: 10,98,50,000) equity shares of ₹ 1 each | 1,098.50 | 1,098.50 |
| **Total** | **1,098.50** | **1,098.50** |

### 17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

| Particulars | Nos. | (₹ in Lakhs) |
|---|---|---|
| **As at 31st March, 2023** | | |
| 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, 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 |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 17. Equity share capital (Contd.)

### 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 final dividend for the year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs and ₹ 2 per equity share as interim dividend aggregating to ₹ 2,197.00 Lakhs. In the preceding year, the Company had paid ₹ 2 per equity share as an interim dividend for the year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs.

The Board of Directors at its meeting held on 5th May, 2023 have recommended payment of final dividend of ₹ 2 per equity share for the financial year ended 31st March, 2023 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, 2023** | | |
| Inox Leasing and Finance Limited | 5,77,91,906 | 577.92 |
| **As at 31st March, 2022** | | |
| Inox Leasing and Finance Limited | 6,02,91,906 | 602.92 |

### 17.5 Details of shareholders holding more than 5% shares in the Company

| Particulars | Nos. | holding % |
|---|---|---|
| **As at 31st March, 2023** | | |
| Inox Leasing and Finance Limited | 5,77,91,906 | 52.61% |
| Devansh Trademart LLP | 66,62,360 | 6.06% |
| Aryavardhan Trading LLP (Formerly known as Siddhapavan Trading LLP) | 55,76,440 | 5.08% |
| **As at 31st March, 2022** | | |
| Inox Leasing and Finance Limited | 6,02,91,906 | 54.89% |
| Devansh Trademart LLP | 66,62,360 | 6.06% |
| Aryavardhan Trading LLP (Formerly known as 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.

### 17.7 Shareholdings of promoters

Disclosure of Shareholding of promoters as at 31st March, 2023 is as follows:

| Sr. No. | Name of the Promoter | As at 31st March, 2023 | | As at 31st March, 2022 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | No. of Shares | % of holding | No. of Shares | % of holding | |
| | **Promoter** | | | | | |
| 1 | Inox Leasing and Finance Limited | 5,77,91,906 | 52.61% | 6,02,91,906 | 54.89% | (2.28%) |
| | **Promoter Group** | | | | | |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 17. Equity share capital (Contd.)

| Sr. No. | Name of the Promoter | As at 31st March, 2023 | | As at 31st March, 2022 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | No. of Shares | % of holding | No. of Shares | % of holding | |
| 2 | Devansh Trademart LLP | 66,62,360 | 6.06% | 66,62,360 | 6.06% | - |
| 3 | Aryavardhan Trading LLP (Formerly known as Siddhapavan Trading LLP) | 55,76,440 | 5.08% | 55,76,440 | 5.08% | - |
| 4 | Devendra Kumar Jain | 20,100 | 0.02% | 20,100 | 0.02% | - |
| 5 | Vivek Kumar Jain | 20,100 | 0.02% | 20,100 | 0.02% | - |
| 6 | Devansh Jain | 10,000 | 0.01% | 10,000 | 0.01% | - |
| 7 | Nandita Jain | 10,000 | 0.01% | 10,000 | 0.01% | - |

**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 | Aryavardhan Trading LLP (Formerly known as 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%) |

## 18. Other equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Capital reserves | 12,547.50 | 12,547.50 |
| General reserve | 3,20,000.00 | 3,20,000.00 |
| Retained earnings | 2,19,118.74 | 88,085.51 |
| Cash flow hedge reserve | - | 4.84 |
| **Total** | **5,51,666.24** | **4,20,637.85** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 18. Other equity (Contd.)

### 18.1 Capital reserves

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| 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 Retained earnings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | 88,085.51 | 12,855.22 |
| Profit for the year | 1,35,560.53 | 77,414.29 |
| Other comprehensive income for the year, net of income tax | (133.30) | 13.00 |
| Payment of final dividend on equity shares - see Note 17.3 | (2,197.00) | - |
| Payment of interim dividend on equity shares - see Note 17.3 | (2,197.00) | (2,197.00) |
| Balance at the end of the year | **2,19,118.74** | **88,085.51** |

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.

### 18.4 Cash flow hedge reserve

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | 4.84 | (22.82) |
| Other comprehensive income for the year, net of income tax | (4.84) | 27.66 |
| Balance at the end of the year | - | 4.84 |

The cash flow hedge reserve represented 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.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 19. Non-current borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured** | | |
| **Term loans** | | |
| (a) Non-convertible Debentures | | |
| 5000, Senior, Secured, Listed, Rated, Taxable, Redeemable, Non-convertible Debentures (NCDs) of ₹ 1.00 Lakhs each | 5,012.80 | - |
| (b) From banks | | |
| - Foreign currency loans | - | 1,254.70 |
| - Rupee loans | 17,012.90 | 54,864.98 |
| (c) From others - rupee loans | 292.28 | 428.50 |
| | **22,317.98** | **56,548.18** |
| Less: Disclosed under Note 23 : Current borrowings | | |
| (i) Current maturities | 4,908.11 | 14,031.94 |
| (ii) Interest accrued | 105.93 | 288.17 |
| **Total** | **17,303.94** | **42,228.07** |

**Notes:**

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For nature of securities and terms of repayment etc. - see Note 36.

## 20. Other financial liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current** | | |
| Interim dividend payable | - | 2,197.00 |
| Unclaimed dividend (*) | 28.66 | - |
| Security deposits | 508.52 | 517.63 |
| Creditors for capital expenditure (#) | 7,392.00 | 6,536.56 |
| Derivative financial liabilities | - | 4.36 |
| Employees dues payable | 8,373.22 | 5,560.08 |
| Premium payable on option contracts | - | 21.32 |
| Other payables | 3,590.97 | 1,111.32 |
| **Total** | **19,893.37** | **15,948.27** |

(*) Amount will be credited to investor education and protection fund as and when due.

(#) Includes dues to micro enterprises and small enterprises (see Note 41).

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 21. Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Provision for employee benefits (see Note 43) | | |
| - for Gratuity | 2,780.36 | 2,336.24 |
| - for Compensated absences | 1,108.30 | 925.46 |
| **Total** | **3,888.66** | **3,261.70** |
| **Current** | | |
| Provision for employee benefits (see Note 43) | | |
| - for Gratuity | 836.44 | 587.43 |
| - for Compensated absences | 1,161.36 | 999.21 |
| **Total** | **1,997.80** | **1,586.64** |

## 22. Deferred tax assets/(liabilities)

**For the year ended 31st March, 2023**

**22.1 The major components of deferred tax assets/(liabilities) in relation to:**

(₹ in Lakhs)

| Particulars | Balance as at 1st April, 2022 | Recognised in profit or loss | Recognised in other comprehensive income | Balance as at 31st March, 2023 |
|---|---|---|---|---|
| Property, plant & equipment and intangible assets | (28,927.82) | (1,307.95) | - | (30,235.77) |
| Expenses allowable on payment basis | 302.11 | 170.41 | - | 472.52 |
| Allowance for doubtful trade receivables and expected credit losses | 268.87 | (12.29) | - | 256.58 |
| Effect of measuring derivative instruments at fair value | (21.61) | 19.98 | 1.63 | - |
| Expenses allowable in subsequent years | 262.16 | (131.08) | - | 131.08 |
| Gratuity and leave benefits | 1,220.23 | 216.45 | 44.83 | 1,481.51 |
| Others | 0.85 | 265.91 | - | 266.76 |
| **Net Deferred tax liabilities** | **(26,895.21)** | **(778.57)** | **46.46** | **(27,627.32)** |

**For the year ended 31st March, 2022**

**22.2 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 | Balance as at 31st March, 2022 |
|---|---|---|---|---|
| Property, plant & equipment and intangible assets | (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)** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 23. Current borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured** | | |
| (a) From banks | | |
| (i) Foreign currency loans | | |
| - Short term / working capital demand loans | 9,876.92 | 2,523.25 |
| - Packing credit /Buyers credit/Import finance | 58,638.24 | 30,961.11 |
| (ii) Rupee loan | | |
| - Short term / working capital demand loans | 53,591.53 | 63,541.29 |
| - Cash credit / overdraft | 830.16 | - |
| | **1,22,936.85** | **97,025.65** |
| Current maturities of long term borrowings (from Note 19) | 4,908.11 | 14,031.94 |
| Interest accrued on long term borrowings (from Note 19) | 105.93 | 288.17 |
| **Total** | **1,27,950.89** | **1,11,345.76** |

**Notes:**

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For nature of securities and terms of repayment etc. - see Note 36.

## 24. Trade payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| - Total outstanding dues of micro enterprises and small enterprises (see Note 41) | 803.72 | 483.48 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 66,463.72 | 49,147.40 |
| **Total** | **67,267.44** | **49,630.88** |

**Trade Payables ageing schedule**

**Ageing for trade payables - outstanding as at 31st March, 2023 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 | - | 786.70 | 17.02 | - | - | 803.72 |
| (ii) Others | 12,040.20 | 52,913.44 | 1,311.74 | - | 198.34 | 66,463.72 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |

**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 | - | - | - | - | - | - |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 25. Other current liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Advances from customers | 330.98 | 561.44 |
| Statutory dues and taxes payable | 1,055.82 | 928.72 |
| **Total** | **1,386.80** | **1,490.16** |

## 26. Current tax liabilities (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Current tax liabilities (net of payments) | 6,878.02 | 5,671.58 |
| **Total** | **6,878.02** | **5,671.58** |

## 27. Revenue from operations

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| (a) Revenue from contracts with customers | | |
| Sale of products | 5,53,224.58 | 3,71,030.55 |
| (b) Other operating revenue | 8,973.39 | 10,278.36 |
| **Total** | **5,62,197.97** | **3,81,308.91** |

### 27.1 Disaggregated revenue information

**For year ended 31st March, 2023**

(₹ in Lakhs)

| Particulars | India | Europe | USA | Rest of the world | Total |
|---|---|---|---|---|---|
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 1,07,195.03 | - | - | 1,334.01 | 1,08,529.04 |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 41,678.44 | 6,649.44 | 71,912.31 | 31,583.15 | 1,51,823.34 |
| Fluoropolymer (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 70,362.23 | 1,06,199.67 | 80,622.13 | 35,688.17 | 2,92,872.2 |
| **Total** | **2,19,235.70** | **1,12,849.11** | **1,52,534.44** | **68,605.33** | **5,53,224.58** |

**For year ended 31st March, 2022**

(₹ in Lakhs)

| Particulars | India | Europe | USA | Rest of the world | Total |
|---|---|---|---|---|---|
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 97,724.43 | 124.16 | 1,263.83 | 1,690.34 | 1,00,802.76 |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 35,976.93 | 5,654.10 | 208.33 | 20,192.16 | 62,031.52 |
| Polymer (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 56,051.32 | 77,830.08 | 44,238.09 | 30,076.78 | 2,08,196.27 |
| **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, 2023

## 27. Revenue from operations (Contd.)

### 27.2 Contract balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Trade receivables | 1,45,259.98 | 84,672.15 |
| Contract liabilities - advance from customers | 330.98 | 561.44 |

During the year ended 31st March, 2023, the Company has recognised revenue of ₹ 499.65 Lakhs (for the year ended 31st March, 2022: ₹ 499.15 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Gross revenue | 5,54,329.01 | 3,72,017.01 |
| Less: Discounts, rebates etc. | 1,104.43 | 986.46 |
| **Net revenue recognised from contracts with customers** | **5,53,224.58** | **3,71,030.55** |

## 28. Other income

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(a) Interest income** | | |
| (I) On financial assets using effective interest method: | | |
| - on fixed deposits with banks | 1,170.53 | 1,291.92 |
| - on inter-corporate deposit to subsidiary company | 613.79 | 19.07 |
| - on Inter-corporate deposits to others | 4.32 | 272.50 |
| (II) Other interest income | | |
| - on income tax refunds | - | 20.19 |
| - on capital advances | 5,109.69 | 6,583.50 |
| - other interest | 24.35 | 4.81 |
| | **6,922.68** | **8,191.99** |
| **(b) Other non-operating income** | | |
| Rental income from operating leases | 542.95 | 483.69 |
| Guarantee commission income | 1,902.85 | 1,760.66 |
| Net gain on retirement/disposal of property, plant and equipment and sale of investment property | 263.54 | 2,100.39 |
| Miscellaneous income | 4.08 | 403.92 |
| | **2,713.42** | **4,748.66** |
| **(c) Other gains and losses** | | |
| Net gain on investments carried at FVTPL | 48.56 | 218.10 |
| Net gain on foreign currency transactions and translation | 8,533.79 | 3,234.18 |
| Net loss on fair value changes in derivatives classified at FVTPL | (111.54) | (108.96) |
| | **8,470.81** | **3,343.32** |
| **Total** | **18,106.91** | **16,283.97** |
| Note: Realised gain on sale of investments (net) | 414.16 | 1,482.86 |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 29. Cost of materials consumed

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Raw materials consumed | 1,66,356.87 | 1,09,207.13 |
| Packing materials consumed | 9,694.87 | 8,666.09 |
| **Total** | **1,76,051.74** | **1,17,873.22** |

## 30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Opening 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** |
| **Less : Closing inventories** | | |
| Finished goods | 36,948.58 | 25,817.47 |
| Work-in-progress | 15,127.21 | 9,673.49 |
| By-products | 152.71 | 74.29 |
| | **52,228.50** | **35,565.25** |
| **(Increase) / Decrease in inventories** | **(16,663.25)** | **1,147.52** |

## 31. Employee benefits expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Salaries and wages | 26,864.35 | 21,913.72 |
| Contribution to provident and other funds | 1,155.29 | 1,000.30 |
| Gratuity | 588.59 | 549.95 |
| Staff welfare expenses | 970.91 | 609.46 |
| **Total** | **29,579.14** | **24,073.43** |

## 32. Finance costs

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(A) Interest expense** | | |
| a) Interest on financial liabilities measured at amortised cost | | |
| Interest on borrowings | 10,318.42 | 7,541.07 |
| b) Interest on lease liabilities - (see Note 42) | 55.88 | 4.16 |
| c) Interest on income tax | 182.72 | 282.00 |
| d) Other interest expenses | 505.16 | 136.34 |
| | **11,062.18** | **7,963.57** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 32. Finance costs (Contd.)

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(B) Net foreign exchange loss on borrowings (considered as finance costs)** | 1,627.71 | 633.84 |
| **(C) Other borrowing costs** | 183.17 | 97.76 |
| **Sub-total (A+B+C)** | **12,873.06** | **8,695.17** |
| Less: Borrowing costs capitalised | (1,372.82) | (1,100.84) |
| **Total** | **11,500.24** | **7,594.33** |

The weighted average capitalisation rate of funds borrowed is 7.83% p.a. (previous year 6.61% p.a.)

## 33. Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Depreciation on property, plant and equipment | 21,153.33 | 18,256.19 |
| Depreciation on right-of-use assets | 180.40 | 80.89 |
| Depreciation on Investment property | 10.50 | 17.59 |
| Amortisation of intangible assets | 463.51 | 456.28 |
| **Total** | **21,807.74** | **18,810.95** |

## 34. Other expenses

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Stores and spares consumed | 13,552.77 | 10,492.54 |
| Freight | 15,235.31 | 11,364.82 |
| Insurance | 2,542.88 | 1,512.13 |
| Indirect tax expenses | 1,599.84 | 1,067.03 |
| Production labour charges | 4,707.17 | 3,236.79 |
| Processing charges | 524.32 | 595.12 |
| Factory expenses | 3,125.51 | 2,043.89 |
| Repairs to | | |
| - Buildings | 532.25 | 619.86 |
| - Plant and equipments | 8,233.56 | 7,450.35 |
| - Others | 849.08 | 723.64 |
| | **9,614.89** | **8,793.85** |
| Directors' sitting fees | 20.00 | 27.00 |
| Commission to non-executive director | 1,891.30 | 1,058.10 |
| Rates and taxes | 171.03 | 508.02 |
| Travelling and conveyance | 2,747.66 | 1,640.60 |
| Communication expenses | 169.69 | 151.33 |
| Legal and professional fees and expenses | 5,809.41 | 5,077.46 |
| Rent, lease rentals and hire charges | 4,259.68 | 2,179.38 |
| Royalty | 2,499.15 | 2,398.66 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 34. Other expenses (Contd.)

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Allowance for doubtful trade receivables and expected credit losses | 190.15 | 478.25 |
| Allowance for doubtful inter corporate deposits | 1,033.75 | 292.14 |
| Corporate Social Responsibility (CSR) expenses (see Note 50) | 1,077.45 | 522.00 |
| Loss by fire (see Note 48) | 41.56 | 720.67 |
| Miscellaneous expenses | 10,018.82 | 3,820.06 |
| **Total** | **80,832.34** | **57,979.84** |

**Notes:**

1. Bad debts and remission are net of provision for doubtful trade receivables adjusted of ₹ 238.98 Lakhs (previous year Nil).
2. Miscellaneous expenses includes amounts written off which is net of provision for doubtful inter-corporate deposits of ₹ 292.14 Lakhs (previous year Nil).
3. Miscellaneous expenses includes donation of ₹ 104.00 Lakhs (previous year Nil) given to a political party (Bhartiya Janata Party).

## 35. Tax expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(i) Income tax recognised in Statement of Profit and Loss** | | |
| **Current Tax** | | |
| In respect of current year | 45,445.00 | 25,831.00 |
| In respect of earlier years | 96.81 | - |
| | **45,541.81** | **25,831.00** |
| **Deferred Tax** | | |
| In respect of current year | 881.67 | (131.13) |
| In respect of earlier years | (103.10) | (103.10) |
| | **778.57** | **(234.23)** |
| **Sub-total** | **46,320.38** | **25,596.77** |
| **(ii) Income tax recognised in Other Comprehensive Income** | | |
| Deferred tax on remeasurement of defined benefit plans | (44.83) | 4.37 |
| Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge | (1.63) | 9.30 |
| **Sub-total** | **(46.46)** | **13.67** |
| **Total Tax expense** | **46,273.92** | **25,610.44** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Profit before tax | 1,81,880.91 | 1,03,011.06 |
| Income tax using the Company's domestic tax rate @ 25.168% | 45,775.79 | 25,925.82 |
| Effect of expenses that are not deductible in determining taxable profits | 629.84 | 408.41 |
| Effect of income that is taxed at special rates | (78.96) | (634.36) |
| | **46,326.67** | **25,699.87** |
| Taxation pertaining to earlier years | (6.29) | (103.10) |
| Tax expense as per the Statement of Profit and Loss | **46,320.38** | **25,596.77** |

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.

## 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, 2023**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 1 | Rupee Loan | 5,121.38 | Quarterly repayment, final maturity on 19th May, 2027 | 6M MCLR + 0.15% p.a. | (a) |
| 2 | Rupee Loan | 128.59 | Monthly repayment, final maturity on 4th January, 2025 | 8.75% p.a. | (b) |
| 3 | Rupee Loan | 162.08 | Monthly repayment, final maturity on 4th September, 2024 | 8.30% p.a. | (b) |
| 4 | Rupee Loan | 6,800.00 | Quarterly repayment, final maturity on 26th June, 2027 | Repo Rate + 2.40 % p.a. | (c) |
| 5 | Rupee Loan | 5,000.00 | Quarterly repayment, final maturity on 15th September, 2027 (First four (4) quarters are moratorium period) | 3M MCLR + 0.20% p.a. | (d) |
| 6 | Redeemable Non-Convertible Debentures | 5,000.00 | Yearly repayment, final maturity on 20th March, 2026 | 8.52% p.a. | (e) |

**As at 31st March, 2022**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 1 | Rupee Loan | 6,368.14 | Quarterly repayment, final maturity on 19th May, 2027 | 6M MCLR + 0.15% p.a. | (a) |
| 2 | Rupee Loan | 152.77 | Monthly repayment, final maturity on 4th January, 2025 | 8.75% p.a. | (b) |
| 3 | Rupee Loan | 194.68 | Monthly repayment, final maturity on 4th September, 2024 | 8.30% p.a. | (b) |
| 4 | Rupee Loan | 78.39 | Monthly repayment, final maturity on 7th March, 2023 | 10.00% p.a. | (b) |
| 5 | Rupee Loan | 21,318.75 | Quarterly repayment, final maturity on 27th December, 2025 | Repo Rate + 2.75 % p.a. | (f) |
| 6 | Rupee Loan | 16,924.32 | Quarterly repayment, final maturity on 26th June, 2027 | Repo Rate + 2.40 % p.a. | (f) |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 36. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 7 | Rupee Loan | 9,972.50 | Quarterly repayment, final maturity on 21st March, 2026 | 3M T Bill + 2.87 % p.a. | (f) |
| 8 | Foreign Currency Loan | 842.05 | Half yearly repayment, final maturity on 20th March, 2023 | Hedged at 10.55% p.a. with Call Spread Option | (g) |
| 9 | Foreign Currency Loan | 408.40 | Half yearly repayment, final maturity on 20th March, 2023 | 6M LIBOR + 4.14% p.a. | (g) |

**Notes:**

a) 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.

b) The vehicle loans are secured by way of hypothecation of vehicles.

c) The term loan is secured by way of exclusive charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant located at 12A, GIDC Dahej Industrial Estate, Taluka - Vagra, District - Bharuch - 392130, Gujarat.

d) The term loan is secured by way of first pari passu charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant located at 12/A, GIDC Dahej Industrial Estate, Taluka - Vagra, District - Bharuch – 392130, Gujarat.

e) The redeemable non-convertible debentures are secured by way of an exclusive first Charge by hypothecation of movable assets 14 MW Wind Power Project at Mahidad and AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village - Ranjitnagar 389380, Taluka - Ghoghamba, District - Panchmahal, Gujarat. The carrying value of the assets hypothecated is ₹ 8,801.31 Lakhs as at 31st March, 2023.

f) The term loans were 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 12/A, GIDC Dahej Industrial Estate, Taluka - Vagra, District - Bharuch - 392130, Gujarat.

g) The foreign currency term loan was 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.

### 36.2 The terms of repayment of unsecured loans are as under :

**As at 31st March, 2023**

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 1 | Foreign Currency Loan- Import Finance | 1,555.47 | Repayment range from 3rd April, 2023 to 6th April, 2023 | Interest range from 6M SOFR + 1.30% to 6M SOFR + 1.35% |
| 2 | Foreign Currency Loan- Import Finance | 5,145.54 | Repayment range from 6th June, 2023 to 31st August, 2023 | Interest range from 6M SOFR + 0.60% to 6M SOFR + 1.10% |
| 3 | Foreign Currency Loan- Import Finance | 3,011.59 | Repayment on 9th June, 2023 | Interest range from 6M SOFR + 0.50% |
| 4 | Foreign Currency Loan- Import Finance | 5,706.31 | Repayment range from 21st April, 2023 to 18th August, 2023 | Interest range from 6M SOFR + 0.45% to 6M SOFR + 0.70% |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 36. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 5 | Foreign Currency Loan- Import Finance | 2,265.52 | Repayment range from 19th May, 2023 to 24th July, 2023 | Interest range from 6M SOFR + 0.80% to 6M SOFR + 1.05% |
| 6 | Foreign Currency Loan - Packing Credit | 24,829.65 | Repayment range from 24th May, 2023 to 25th September, 2023 | Interest range from 6M EURIBOR + 0.53% to 6M EURIBOR + 0.55% |
| 7 | Foreign Currency Loan - Packing Credit | 10,682.75 | Repayment range from 18th June, 2023 to 1st September, 2023 | Interest range from 6M SOFR + 0.48% to 6M SOFR + 0.60% |
| 8 | Foreign Currency Loan - Packing Credit | 1,163.19 | Repayment on 6th April, 2023 | 3.10% p.a. |
| 9 | Foreign Currency Loan - Packing Credit | 4,108.75 | Repayment range from 15th June, 2023 to 19th July, 2023 | Interest range from 1M SOFR + 0.60% to 1M SOFR + 0.83% (1M SOFR Reset Every 1 M) |
| 10 | Foreign Currency Loan - WCL FCY | 9,861.00 | Repayment range from 1st September, 2023 to 26th September, 2023 | Interest range from 5.90% p.a. to 5.95% p.a. |
| 11 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 6th May, 2023 | 1M T Bill + 1.32% (1M T Bill Reset every 1M) |
| 12 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 17th June, 2023 | 1M T Bill + 1.12% (1M T Bill Reset every 1 M) |
| 13 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 2nd April, 2023 | Repo Rate + 1.35% |
| 14 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 4th April, 2023 | Repo Rate + 1.35% |
| 15 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 19th April, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 16 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 6th May, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 17 | Rupee Loan - Working Capital Demand Loan | 2,000.00 | Bullet repayment on 9th May, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 18 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 9th August, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 19 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 8th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 20 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 8th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 21 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 27th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 22 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 4th August, 2023 | 7.70% p.a. |
| 23 | Rupee Loan - working capital Demand Loan | 2,200.00 | Bullet repayment on 11th August, 2023 | 7.80% p.a. |
| 24 | Rupee Loan - working capital Demand Loan | 1,000.00 | Bullet repayment on 29th July, 2023 | Repo Rate + 1.35% |
| 25 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 5th June, 2023 | 3M T Bill + 1.38% (3M T Bill reset every 3 M) |
| 26 | Rupee Loan -Short Term Loan | 3,000.00 | Bullet repayment on 7th June, 2023 | 3M T Bill + 1.38% (3M T Bill reset every 3 M) |
| 27 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 13th June, 2023 | 3M T Bill + 1.43% (3M T Bill reset every 3 M) |
| 28 | Rupee Loan -Short Term Loan | 2,000.00 | Bullet repayment on 15th June, 2023 | 3M T Bill + 1.43% (3M T Bill reset every 3 M) |
| 29 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 6th May, 2023 | Repo Rate + 1.40% (Repo Rate reset every 1 M) |
| 30 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 29th May, 2023 | Repo Rate + 1.35% (Repo Rate reset every 1 M) |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

### 36. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 31 | Rupee Loan -Short Term Loan | 3,000.00 | Bullet repayment on 12th April, 2023 | Repo Rate + 1.10% (Repo Rate reset every 3 M) |
| 32 | Rupee Loan -Short Term Loan | 739.70 | Bullet repayment on 30th June, 2023 | 6M MCLR + 0.90% |
| 33 | Rupee Loan -Short Term Loan | 54.90 | Bullet repayment on 4th July, 2023 | 6M MCLR + 0.90% |
| 34 | Rupee Loan - Cash Credit | 235.94 | Daily working capital Limit / cash Credit | 6M MCLR |
| 35 | Rupee Loan - Cash Credit | 484.85 | Daily working capital Limit / cash Credit | 6M MCLR |
| 36 | Rupee Loan - Cash Credit | 109.37 | Daily working capital Limit / cash Credit | 3M MCLR |

**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) |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 36. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 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. |

**36.3** See Note 52(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, 2023

## 37. Contingent liabilities

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| a | **In respect of Income Tax matters -** | | |
| i) | Demand on account of additions 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 | 1,819.19 |
| ii) | Demand on account of additions made in assessment order for A.Y. 2018-19 on benchmarking of investment in foreign subsidiaries, disallowance of deduction u/s 80-IA, etc. | 2,192.19 | - |
| iii) | Penalty u/s 271AA(1) for failure to keep / maintain information and documents in respect of international transactions for A.Y. 2018-19. | 1,464.82 | - |
| iv) | Demand on account of addition made in assessment order for A.Y. 2015-16 on depreciation charged at higher rate on windmills. | - | 26.83 |
| | **Total of Income tax matters** | **5,476.20** | **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. | 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. | 2,669.32 | 2,682.06 |
| | **Total of Excise Duty matters** | **3,600.20** | **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 |
| iii) | Demand due to failure to produce/late submission of Export obligation certificates. Matter is pending before Deputy Commissioner of Customs for examining the export obligation discharge certificate submitted. | 1,240.12 | - |
| iv) | Demands for which the Company had received show cause notice for wrong classification for import of flanges (part of wind operated electricity generator). The Company has filed reply in this regard. | 55.63 | - |
| | **Total of Custom Duty matters** | **2,679.69** | **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 form C. | 57.56 | 64.20 |
| | The Company has filed appeals before appropriate appellate authorities against the said orders. | | |
| | **Total of Sales Tax matters** | **112.89** | **119.53** |
| e | **In respect of GST matters** | | |
| i) | Show cause notice for short payment of GST. | 23.43 | - |
| ii) | Show cause notice for penalty for short payment of GST on import services. | 16.96 | - |
| | **Total of GST matters** | **40.39** | **-** |
| | **Total Contingent Liability in respect of taxation matters** | **11,909.37** | **6,962.43** |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 37. Contingent liabilities (Contd.)

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| f | **In respect of Other matters** | | |
| i) | Details of corporate guarantees given to banks and financial institutions for loans taken by a subsidiary, step down subsidiary and fellow subsidiaries and working capital facilities of the Company used by fellow subsidiaries. | 1,76,943.22 | 1,84,239.66 |
| | **Total Contingent Liability in respect of Other matters** | **1,76,943.22** | **1,84,239.66** |

**Notes:**

1 In respect of above Excise duty, Custom duty and Sales tax matters, the Company has paid an amount of ₹ 263.31 Lakhs (as at 31st March, 2022: ₹ 163.45 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 favourable outcome. Further it is not possible for the Company to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

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.

## 38. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 56,321.06 Lakhs (as at 31st March, 2022: ₹ 17,721.71 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 Bulk Chemicals, Fluorochemicals & Fluoropolymer. 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **a) Sale of products** | | |
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 1,08,529.04 | 1,00,802.76 |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 1,51,823.34 | 62,031.52 |
| Fluoropolymer (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 2,92,872.20 | 2,08,196.27 |
| | **5,53,224.58** | **3,71,030.55** |
| **b) Other operating revenue** | | |
| Export incentives | 5,984.37 | 4,370.19 |
| Sale of scrap | 1,404.02 | 814.49 |
| Insurance claim (see Note 48) | - | 2,788.73 |
| Carbon credits | 275.50 | 437.46 |
| Others | 1,309.50 | 1,867.49 |
| | **8,973.39** | **10,278.36** |
| **Total revenue from operations** | **5,62,197.97** | **3,81,308.91** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 39. Segment information (Contd.)

### b) Geographical breakup

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| India | 2,27,933.59 | 1,99,593.58 |
| Europe | 1,13,124.61 | 84,045.80 |
| USA | 1,52,534.44 | 45,710.25 |
| Rest of the world | 68,605.33 | 51,959.28 |
| **Total** | **5,62,197.97** | **3,81,308.91** |

**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 2022-23 and 2021-22.

## 40. Earnings per share

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Profit for the year (₹ in Lakhs) | 1,35,560.53 | 77,414.29 |
| 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 ₹)** | **123.41** | **70.47** |

## 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Principal amount due to suppliers under MSMED Act, 2006 at the year end | | |
| Trade payable | 803.72 | 483.48 |
| Payable towards capital expenditure | 241.96 | 166.02 |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end. | 32.65 | 12.11 |
| Payment made to suppliers (other than interest) beyond the appointed date during the year. | 3,093.49 | 1,313.15 |
| Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year. | - | 4.05 |
| Interest due and payable to suppliers under MSMED Act for payments already made. | 148.74 | 25.54 |
| Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end. | 181.39 | 37.66 |

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 and Equipment | Buildings | Total |
|---|---|---|---|---|
| **Balance as at 1st April, 2021** | **4,460.55** | **177.45** | **69.79** | **4,707.79** |
| Disposals | - | (133.15) | (48.85) | (182.00) |
| **Balance as at 31st March, 2022** | **4,460.55** | **44.30** | **20.94** | **4,525.79** |
| Additions | 4,892.06 | 450.62 | 215.24 | 5,557.92 |
| **Balance as at 31st March, 2023** | **9,352.61** | **494.92** | **236.18** | **10,083.71** |
| **Accumulated depreciation** | | | | |
| **Balance as at 1st April, 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** |
| Depreciation expense for the year | 62.88 | 58.02 | 59.50 | 180.40 |
| **Balance as at 31st March, 2023** | **214.59** | **86.50** | **69.35** | **370.44** |

(₹ in Lakhs)

| Particulars | Land-leasehold | Plant and Equipment | Buildings | Total |
|---|---|---|---|---|
| **As at 31st March, 2022** | **4,308.84** | **15.82** | **11.09** | **4,335.75** |
| **As at 31st March, 2023** | **9,138.02** | **408.42** | **166.83** | **9,713.27** |

**Note:**

a) The title deeds of Leasehold Land not held in name of the Company (see Note 52(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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance as at the beginning of the year** | **30.31** | **61.42** |
| Addition during the year | 665.87 | - |
| Interest on lease liabilities | 55.88 | 4.16 |
| Payment of lease liabilities | (150.68) | (35.27) |
| **Balance as at the end of the year** | **601.38** | **30.31** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 42. Leases (Contd.)

### iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Maturity analysis - contractual undiscounted cash flows | | |
| Less than one year | 188.09 | 19.96 |
| One to five years | 383.25 | 12.76 |
| More than five years | 247.34 | - |
| **Total undiscounted lease liabilities** | **818.68** | **32.72** |

### iv. Amount recognised in statement of profit and loss

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Interest on lease liabilities | 55.88 | 4.16 |
| Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases | 352.99 | 484.22 |

### v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Total cash outflow for leases | 150.68 | 35.27 |

## B. Company as a lessor

### a) Operating Lease for Investment Property :

Operating leases relate to investment property 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Less than one year | 346.56 | 63.84 |
| One to five years | 895.28 | - |
| **Total** | **1,241.84** | **63.84** |

### b) Operating Lease for other :

Other lease pertains to operating lease for leasehold land with one of the subsidiary company with lease terms of 20 years. Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Less than one year | 60.00 | - |
| One to five years | 240.00 | - |
| More than five years | 840.00 | - |
| **Total** | **1,140.00** | **-** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 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 ₹ 1,154.53 Lakhs (as at 31st March, 2022: ₹ 999.31 Lakhs) is recognised as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss and ₹ 187.43 Lakhs (as at 31st March, 2022: ₹ 59.79 Lakhs) 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, 2023 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Opening defined benefit obligation** | 2,923.67 | 2,624.14 |
| Current service cost | 451.72 | 392.10 |
| Interest cost | 209.04 | 175.55 |
| Actuarial gains / (losses) on obligation: | - | |
| a) arising from changes in financial assumptions | (57.88) | (102.20) |
| b) arising from experience adjustments | 236.01 | 84.83 |
| Benefits paid/transferred | (145.76) | (250.75) |
| **Present value of defined benefit obligation as at year end** | **3,616.80** | **2,923.67** |

### (ii) Components of amount recognised in profit and loss and other comprehensive income are as under :

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Current service cost | 451.72 | 392.10 |
| Interest cost | 209.04 | 175.55 |
| Less: amount included in pre-operative expenses | (72.17) | (17.70) |
| **Amount recognised in profit or loss** | **588.59** | **549.95** |
| Actuarial gains/(losses): | | |
| a) arising from changes in financial assumptions | (57.88) | (102.20) |
| b) arising from experience adjustments | 236.01 | 84.83 |
| **Amount recognised in other comprehensive income** | **178.13** | **(17.37)** |
| **Total** | **766.72** | **532.58** |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 43. Employee benefits (Contd.)

### (iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows :

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Discount rate | 7.38% | 7.15% |
| Expected rate of salary increase | 8.00% | 8.00% |
| Employee Attrition Rate | 5.00% | 5.00% |
| Mortality | ILAM (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, 2023 | As at 31st March, 2022 |
|---|---|---|
| if discount rate increased by 1% | (244.27) | (211.58) |
| if discount rate decreased by 1% | 269.87 | 228.19 |
| if salary escalation rate increased by 1% | 262.98 | 225.24 |
| if salary escalation rate decreased by 1% | (246.43) | (210.91) |

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 recognised in the balance sheet.

### (v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Expected outflow in 1st Year | 836.44 | 587.43 |
| Expected outflow in 2nd Year | 266.67 | 190.34 |
| Expected outflow in 3rd Year | 220.80 | 212.05 |
| Expected outflow in 4th Year | 228.51 | 170.78 |
| Expected outflow in 5th Year | 189.98 | 181.25 |
| Expected outflow in 6th to 10th Year | 1,874.40 | 1,581.82 |

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.98 years (as at 31st March, 2022: 12.79 years)

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 43. Employee benefits (Contd.)

**(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, 2023 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by ₹ 282.78 Lakhs (as at 31st March, 2022: ₹ 114.20 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Discount rate | 7.38% | 7.15% |
| Expected rate of salary increase | 8.00% | 8.00% |
| Employee attrition rate | 5.00% | 5.00% |
| Mortality | ILAM (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 optimisation 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.

#### 44.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Total debt | 1,45,254.83 | 1,53,573.83 |
| Cash & bank balance | (1,201.85) | (3,249.92) |
| Net debt | **1,44,052.98** | **1,50,323.91** |
| Total equity | **5,52,764.74** | **4,21,736.35** |
| Net debt to equity ratio (in times) | **0.26** | **0.36** |

**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 and unclaimed dividend account).

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

### 44.2 Categories of financial instruments

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **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 |
| (ii) Investments in venture capital funds | 17.15 | 18.10 |
| (b) Derivative instruments designated as Fair value hedge in hedge accounting | - | 111.55 |
| **Sub total** | **17.15** | **1,994.30** |
| **Measured at amortised cost** | | |
| (a) Cash and bank balances | 14,511.38 | 38,556.84 |
| (b) Other financial assets at amortised cost | | |
| (i) Trade receivables | 1,45,259.98 | 84,672.15 |
| (ii) Loans | 4,421.65 | 7,177.65 |
| (iii) Others | 41,983.82 | 32,844.67 |
| **Sub total** | **2,06,176.83** | **1,63,251.31** |
| **Total financial assets** | **2,06,193.98** | **1,65,245.61** |
| **b) Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (a) Borrowings | 1,45,254.83 | 1,53,573.83 |
| (b) Lease liabilities | 601.38 | 30.31 |
| (c) Trade payables | 67,267.44 | 49,630.88 |
| (d) Other financial liabilities | 19,893.37 | 15,943.91 |
| **Sub total** | **2,33,017.02** | **2,19,178.93** |
| **Measured at Fair Value Through Other Comprehensive Income (FVTOCI)** | | |
| Derivative instruments designated as cash flow hedge accounting relationship | - | 4.36 |
| **Sub total** | **-** | **4.36** |
| **Total Financial liabilities** | **2,33,017.02** | **2,19,183.29** |

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

### 44.3 Financial risk management

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables, other payables and lease liabilities.

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 minimise 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 risk management policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

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. The Board of Directors of the Company has taken all necessary actions to mitigate the financial risks identified on the basis of information and situation present.

### 44.4 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

### 44.5 Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Liabilities** | | |
| US$ | 54,150.44 | 20,451.25 |
| Euro | 27,741.30 | 20,039.48 |
| Others | 15.80 | 0.47 |
| **Assets** | | |
| US$ | 74,118.01 | 24,575.25 |
| Euro | 29,849.20 | 15,098.91 |
| AED | 534.67 | - |

#### 44.5.1 Foreign Currency Sensitivity Analysis

The Company is mainly exposed to foreign exchange risk arising from currency exposures, with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ 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 borrowings, payables, receivables and loans in currency other than the functional currency of the Company.

A 10% strengthening of the ₹ 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 ₹ against these currencies would have led to an equal but opposite effect.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

(₹ in Lakhs)

| USD impact (net of taxes) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Impact on profit or loss for the year | 1,494.21 | 308.61 |
| Impact on total equity as at the end of the reporting period | 1,494.21 | 308.61 |

(₹ in Lakhs)

| Euro impact (net of taxes) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Impact on profit or loss for the year | 157.74 | 369.71 |
| Impact on total equity as at the end of the reporting period | 157.74 | 369.71 |

### 44.5.2 Forward Foreign Exchange Contracts

The Company had entered 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, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| **Fair value hedges** | | | | | | | | | |
| Principal only swaps (POS) contracts (Financial Assets) | USD | - | 75.79 | - | 11.11 | - | 842.06 | - | 111.55 |

The line-items in the standalone financial statements that include the above hedging instruments are 'other financial assets'.

### 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 through the impact of rate changes on interest-bearing liabilities. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely. 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 minimise 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. As at the year end, there are no foreign currency long-term borrowings. Bank overdraft/cash credit facility and certain short-term rupee loans and short-term foreign currency borrowings carry a floating 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 financial assets i.e., bank fixed deposits are at a fixed rate of interest.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

### 44.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to floating interest rates for non-current borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. For floating rate borrowings, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's profit/loss for the year ended 31st March, 2023 would decrease/increase by ₹ 51.62 Lakhs (net of tax) (for the year ended 31st March, 2022, decrease /increase by ₹ 191.11 Lakhs (net of tax)). This is mainly attributable to the Company's exposure to interest rates on its floating 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, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| ICICI BANK | - | 10.55% | - | 842.06 | - | (4.36) |
| **1 to 5 years** | | | **-** | **842.06** | **-** | **(4.36)** |
| **Total** | | | **-** | **842.06** | **-** | **(4.36)** |
| **Balance in the cash flow hedge reserve (net of tax)** | | | | | **-** | **4.84** |

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Company's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the standalone 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 and mutual funds 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. 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, balances with banks, loans and other receivables.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

### 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% |
| > 3years | 5.00% |

**Movement in the expected credit loss allowance**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at the beginning of the year | 47.19 | 51.61 |
| Movement in expected credit loss allowance | 12.46 | (4.42) |
| **Balance at the end of the year** | **59.65** | **47.19** |

### 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 party. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised 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) recognised during the period is recognised 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 is limited because the counterparties are banks.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

### 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, 2023** | | | | |
| Borrowings | 1,27,950.89 | 17,303.94 | - | 1,45,254.83 |
| Trade payables | 67,267.44 | - | - | 67,267.44 |
| Security deposits | 508.52 | - | - | 508.52 |
| Other payables | 19,384.85 | | - | 19,384.85 |
| **Total** | **2,15,111.70** | **17,303.94** | **-** | **2,32,415.64** |
| **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** |

Particulars of contractual maturities in respect of lease liabilities is as per Note 42.

### 44.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 44. Financial instruments (Contd.)

### 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, 2023 | 31st March, 2022 | | | | |
| 1. Principal only swaps designated in hedge accounting relationships (Note 11) | Assets - Nil and Liabilities - Nil | Assets - ₹ 111.55 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 - Nil | Assets - Nil and Liabilities ₹ 4.36 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)) | Nil | Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 1,864.65 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 ₹ 17.15 Lakhs | Investments in units of Venture capital fund: aggregate fair value of ₹ 18.10 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, 2023

## 45. Related party disclosures

**(A) Where control exists :**

### Ultimate controlling party

Mr. V. K. Jain (w.e.f. 8th November, 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 - wholly-owned subsidiary of GFL Singapore Pte. Limited

Gujarat Fluorochemicals FZE (incorporated on 5th December, 2021)

GFCL EV Products Limited (incorporated on 8th December, 2021)

GFCL Solar and Green Hydrogen Products Limited (incorporated on 8th December, 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)

Mr. Sanath Kumar Muppirala

Mr. Sanjay Borwankar (upto 31st October, 2022)

Mr. Niraj Agnihotri (w.e.f. 1st July, 2021)

Mr. Jay Shah (w.e.f. 1st November, 2022)

**b) Non-executive directors**

Mr. D. K. Jain

Mr. Shailendra Swarup

Mr. Shanti Prashad Jain

Mr. Chandra Prakash Jain

Mr. Om Prakash Lohia

Ms. Vanita Bhargava

### Fellow subsidiaries and their associates

GFL Limited (upto 21st September, 2021 and subsequently reclassified)

Inox Leisure Limited (upto 21st September, 2021 and subsequently reclassified)

Inox Wind Energy Limited

Inox Wind Limited

Waft Renergy Private Limited

Resco Global Wind Service Private Limited

Inox Green Energy Services Limited (earlier known as Inox Wind Infrastructure Services Limited)

Haroda Wind Energy Private Limited

Khatiyu Wind Energy Private Limited

Vigodi Wind Energy Private Limited

Vasuprada Renewables Private Limited

Suswind Power Private Limited

Vibhav Energy Private Limited

Wind Four Renergy Private Limited

Ripudaman Urja 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

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

### Associates of Inox Green Energy Services Limited

Wind One Renergy Private Limited (upto 7th October, 2022)

Wind Five Renergy Private Limited (upto 7th October, 2022)

Wind Two Renergy Private Limited (upto 30th July, 2022)

Wind Three Renergy Private Limited (upto 7th October, 2022)

### Enterprises over which a Key Management Personnel, or his relatives, have control/significant influence

GFL Limited (w.e.f. 21st September, 2021)

INOX Leisure Limited (w.e.f. 21st September, 2021 and upto 31st December, 2022)

Devansh Gases Private Limited

Refron Valves Private Limited

Devansh Trademart LLP

Rajni Farms Private Limited

Inox India Private Limited

Aryavardhan Trading LLP
(Earlier known as Siddhapavan Trading LLP)

Inox Air Products Private Limited

Siddho Mal Trading LLP

Inox Chemicals LLP

Swarup & Company

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **A) Transactions during the year** | | | | | | | | | | |
| **Sale of goods** | | | | | | | | | | |
| Inox Air Products Private Limited | | | | | | | **0.67** | 0.61 | **0.67** | 0.61 |
| GFL Americas LLC | **79,168.81** | 45,892.30 | | | | | | | **79,168.81** | 45,892.30 |
| GFL GmbH, Germany | **56,040.07** | 36,927.14 | | | | | | | **56,040.07** | 36,927.14 |
| Refron Valves Private Limited | | | | | | | **0.12** | - | **0.12** | - |
| Inox Wind Limited | | | **-** | 117.45 | | | | | **-** | 117.45 |
| **Total** | **1,35,208.88** | 82,819.44 | **-** | 117.45 | | | **0.79** | 0.61 | **1,35,209.67** | 82,937.50 |
| **Sales return** | | | | | | | | | | |
| GFL Americas LLC | **107.14** | 87.66 | | | | | | | **107.14** | 87.66 |
| GFL GmbH, Germany | **3.21** | - | | | | | | | **3.21** | - |
| **Total** | **110.35** | 87.66 | | | | | | | **110.35** | 87.66 |
| **Miscellaneous Income** | | | | | | | | | | |
| Inox Green Energy Services Limited | | | **2.50** | - | | | | | **2.50** | - |
| **Total** | | | **2.50** | - | | | | | **2.50** | - |
| **Purchase of assets** | | | | | | | | | | |
| Inox India Private Limited | | | | | | | **163.00** | 83.00 | **163.00** | 83.00 |
| Inox Air Products Private Limited | | | | | | | **41.57** | - | **41.57** | - |
| **Total** | | | | | | | **204.57** | 83.00 | **204.57** | 83.00 |
| **Purchase of goods** | | | | | | | | | | |
| Inox Air Products Private Limited | | | | | | | **2,503.96** | 1,807.00 | **2,503.96** | 1,807.00 |
| Inox India Private Limited | | | | | | | **2,202.77** | 2,311.62 | **2,202.77** | 2,311.62 |
| Refron Valves Private Limited | | | | | | | **-** | 0.10 | **-** | 0.10 |
| GFL GM Fluorspar SA | **-** | 2,559.86 | | | | | | | **-** | 2,559.86 |
| GFL GmbH, Germany | **116.67** | 188.50 | | | | | | | **116.67** | 188.50 |
| GFL Americas LLC | **1,680.80** | 488.53 | | | | | | | **1,680.80** | 488.53 |
| **Total** | **1,797.47** | 3,236.89 | | | | | **4,706.73** | 4,118.72 | **6,504.20** | 7,355.61 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

(₹ 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Purchase of services** | | | | | | | | | | |
| Inox Air Products Private Limited | | | | | | | **3.05** | - | **3.05** | - |
| **Total** | | | | | | | **3.05** | - | **3.05** | - |
| **Purchase of movie tickets** | | | | | | | | | | |
| Inox Leisure Limited | | | | | | | **14.28** | - | **14.28** | - |
| **Total** | | | | | | | **14.28** | - | **14.28** | - |
| **Advances given towards purchases of goods** | | | | | | | | | | |
| GFL GM Fluorspar SA | **-** | 2,701.07 | | | | | | | **-** | 2,701.07 |
| **Total** | **-** | 2,701.07 | | | | | | | **-** | 2,701.07 |
| **Advances given towards purchase of goods received back** | | | | | | | | | | |
| GFL GM Fluorspar SA | **1,103.66** | - | | | | | | | **1,103.66** | - |
| **Total** | **1,103.66** | - | | | | | | | **1,103.66** | - |
| **Capital advances received back** | | | | | | | | | | |
| Inox Wind Limited | | | **50,519.70** | - | | | | | **50,519.70** | - |
| Resco Global Wind Service Private Limited | | | **11,850.30** | - | | | | | **11,850.30** | - |
| **Total** | | | **62,370.00** | - | | | | | **62,370.00** | - |
| **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 |

## 45. Related party disclosures (Contd.)

(₹ 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Interest income (on capital advances)** | | | | | | | | | | |
| Inox Wind Limited | | | **4,133.54** | 5,327.33 | | | | | **4,133.54** | 5,327.33 |
| Resco Global Wind Service Private Limited | | | **976.15** | 1,256.17 | | | | | **976.15** | 1,256.17 |
| **Total** | | | **5,109.69** | 6,583.50 | | | | | **5,109.69** | 6,583.50 |
| **Interest income (on Inter-Corporate deposit)** | | | | | | | | | | |
| GFCL EV Products Limited | **552.41** | 19.07 | | | | | | | **552.41** | 19.07 |
| GFCL Solar and Green Hydrogen Products Limited | **20.29** | - | | | | | | | **20.29** | - |
| Gujarat Fluorochemicals FZE | **41.09** | - | | | | | | | **41.09** | - |
| **Total** | **613.79** | 19.07 | | | | | | | **613.79** | 19.07 |
| **Guarantees/securities given** | | | | | | | | | | |
| GFCL EV Products Limited | **2,470.54** | - | | | | | | | **2,470.54** | - |
| Inox Green Energy Services Limited | | | **20,916.00** | 38,434.00 | | | | | **20,916.00** | 38,434.00 |
| Inox Wind Limited | | | **45,792.88** | 61,641.00 | | | | | **45,792.88** | 61,641.00 |
| Resco Global Wind Service Private Limited | | | **86,253.00** | 39,473.00 | | | | | **86,253.00** | 39,473.00 |
| **Total** | **2,470.54** | - | **1,52,961.88** | 1,39,548.00 | | | | | **1,55,432.42** | 1,39,548.00 |
| **Guarantees/securities extinguished/ exposure reduced** | | | | | | | | | | |
| GFL GM Fluorspar SA | **264.67** | 3,564.34 | | | | | | | **264.67** | 3,564.34 |
| Inox Green Energy Services Limited | | | **62,984.75** | 48,601.00 | | | | | **62,984.75** | 48,601.00 |
| Inox Wind Limited | | | **43,183.44** | 30,387.00 | | | | | **43,183.44** | 30,387.00 |
| Resco Global Wind Service Private Limited | | | **56,296.00** | - | | | | | **56,296.00** | - |
| **Total** | **264.67** | 3,564.34 | **1,62,464.19** | 78,988.00 | | | | | **1,62,728.86** | 82,552.34 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

(₹ 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Share application money paid** | | | | | | | | | | |
| Gujarat Fluorochemicals FZE | **1,403.01** | - | | | | | | | **1,403.01** | - |
| **Total** | **1,403.01** | - | | | | | | | **1,403.01** | - |
| **Equity shares subscribed** | | | | | | | | | | |
| GFL Singapore Pte. Limited | **2,055.39** | 5,135.30 | | | | | | | **2,055.39** | 5,135.30 |
| Gujarat Fluorochemicals FZE | **-** | 61.59 | | | | | | | **-** | 61.59 |
| GFCL EV Products Limited | **39,298.81** | 1.00 | | | | | | | **39,298.81** | 1.00 |
| GFCL Solar and Green Hydrogen Products Limited | **-** | 1.00 | | | | | | | **-** | 1.00 |
| **Total** | **41,354.20** | 5,198.89 | | | | | | | **41,354.20** | 5,198.89 |
| **Inter corporate deposits/ shareholder's loan given** | | | | | | | | | | |
| GFCL EV Products Limited | **12,050.00** | 3,500.00 | | | | | | | **12,050.00** | 3,500.00 |
| GFCL Solar and Green Hydrogen Products Limited | **630.00** | - | | | | | | | **630.00** | - |
| Gujarat Fluorochemicals FZE | **977.77** | - | | | | | | | **977.77** | - |
| **Total** | **13,657.77** | 3,500.00 | | | | | | | **13,657.77** | 3,500.00 |
| **Inter corporate deposits repaid** | | | | | | | | | | |
| GFCL EV Products Limited | **15,550.00** | - | | | | | | | **15,550.00** | - |
| **Total** | **15,550.00** | - | | | | | | | **15,550.00** | - |
| **Reimbursement of expenses (paid)/ payments made on behalf of the Company** | | | | | | | | | | |
| GFL Americas LLC | **30.81** | 29.74 | | | | | | | **30.81** | 29.74 |
| GFL GmbH, Germany | **1,529.91** | 1.79 | | | | | | | **1,529.91** | 1.79 |
| GFCL EV Products Limited | **18.10** | 25.49 | | | | | | | **18.10** | 25.49 |
| Devansh Gases Private Limited | | | | | | | **7.32** | 7.32 | **7.32** | 7.32 |
| GFL Limited | | | **-** | 522.00 | | | | | **-** | 522.00 |
| Mr. D. K. Jain | | | | | **11.97** | - | | | **11.97** | - |
| **Total** | **1,578.82** | 57.02 | **-** | 522.00 | **11.97** | - | **7.32** | 7.32 | **1,598.11** | 586.34 |

45. **Related party disclosures (Contd.)**

(₹ 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Reimbursement of expenses (received)/ payments made on behalf by the Company** | | | | | | | | | | |
| Inox Wind Limited | | | **46.14** | 15.25 | | | | | **46.14** | 15.25 |
| GFL GM Fluorspar SA | **-** | 0.92 | | | | | | | **-** | 0.92 |
| Inox Air Products Private Limited | | | | | | | **3.35** | 4.72 | **3.35** | 4.72 |
| GFL GmbH, Germany | **24.67** | 0.37 | | | | | | | **24.67** | 0.37 |
| GFL Americas LLC | **0.21** | - | | | | | | | **0.21** | - |
| Inox Green Energy Services Limited | | | **183.52** | 308.94 | | | | | **183.52** | 308.94 |
| Gujarat Fluorochemicals FZE | **1.44** | 8.01 | | | | | | | **1.44** | 8.01 |
| GFCL EV Products Limited | **338.85** | 21.54 | | | | | | | **338.85** | 21.54 |
| GFCL Solar and Green Hydrogen Products Limited | **1.86** | - | | | | | | | **1.86** | - |
| **Total** | **367.03** | 30.84 | **229.66** | 324.19 | | | **3.35** | 4.72 | **600.04** | 359.75 |
| **Guarantee commission income** | | | | | | | | | | |
| Inox Green Energy Services Limited | | | **468.89** | 693.52 | | | | | **468.89** | 693.52 |
| Inox Wind Limited | | | **982.89** | 935.53 | | | | | **982.89** | 935.53 |
| Resco Global Wind Service Private Limited | | | **434.10** | 101.30 | | | | | **434.10** | 101.30 |
| GFL GM Fluorspar SA | **16.97** | 30.30 | | | | | | | **16.97** | 30.30 |
| **Total** | **16.97** | 30.30 | **1,885.88** | 1,730.35 | | | | | **1,902.85** | 1,760.65 |
| **Rent received** | | | | | | | | | | |
| Inox Air Products Private Limited | | | | | | | **8.72** | 20.92 | **8.72** | 20.92 |
| Inox Wind Limited | | | **72.39** | 72.39 | | | | | **72.39** | 72.39 |
| GFCL EV Products Limited | **61.56** | 0.08 | | | | | | | **61.56** | 0.08 |
| GFCL Solar and Green Hydrogen Products Limited | **1.56** | 0.08 | | | | | | | **1.56** | 0.08 |
| Inox Green Energy Services Limited | | | **12.02** | 3.01 | | | | | **12.02** | 3.01 |
| Others | | | **3.61** | 3.83 | | | **-** | 0.36 | **3.61** | 4.19 |
| **Total** | **63.12** | 0.16 | **88.02** | 79.23 | | | **8.72** | 21.28 | **159.86** | 100.67 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

(₹ 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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Rent paid** | | | | | | | | | | |
| Devansh Gases Private Limited | | | | | | | **33.00** | 24.00 | **33.00** | 24.00 |
| Mr. D. K. Jain | | | | | **62.26** | - | | | **62.26** | - |
| **Total** | | | | | **62.26** | - | **33.00** | 24.00 | **95.26** | 24.00 |
| **O&M charges & lease rents paid** | | | | | | | | | | |
| Inox Air Products Private Limited | | | | | | | **234.46** | 216.27 | **234.46** | 216.27 |
| Inox Green Energy Services Limited | | | **569.96** | 539.85 | | | | | **569.96** | 539.85 |
| **Total** | | | **569.96** | 539.85 | | | **234.46** | 216.27 | **804.42** | 756.12 |
| **Write-off 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 |
| **Professional fees paid** | | | | | | | | | | |
| Swarup & Co. | | | | | | | **50.00** | 8.97 | **50.00** | 8.97 |
| **Total** | | | | | | | **50.00** | 8.97 | **50.00** | 8.97 |

The above amounts are exclusive of duties and taxes, wherever applicable.

## 45. Related party disclosures (Contd.)

**Particulars of amounts outstanding as at 31st March, 2023**

(₹ in Lakhs)

| Particulars | Subsidiary Companies | | Fellow Subsidiary Companies and their Associates | | Enterprises over which KMP or his relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Amounts payable** | | | | | | | | |
| Trade/other payable | | | | | | | | |
| GFL Americas LLC | **385.06** | 197.32 | | | | | **385.06** | 197.32 |
| GFL GmbH, Germany | **1,634.95** | 159.97 | | | | | **1,634.95** | 159.97 |
| GFCL EV Products Limited | **-** | 3.86 | | | | | **-** | 3.86 |
| Inox India Private Limited | | | | | **524.53** | 273.56 | **524.53** | 273.56 |
| Inox Air Products Private Limited | | | | | **360.48** | 494.03 | **360.48** | 494.03 |
| Inox Green Energy Services Limited | | | **243.62** | 384.39 | | | **243.62** | 384.39 |
| Inox Wind Limited | | | **-** | 459.12 | | | **-** | 459.12 |
| **Total** | **2,020.01** | 361.15 | **243.62** | 843.51 | **885.01** | 767.59 | **3,148.64** | 1,972.25 |
| **Amounts receivable** | | | | | | | | |
| a) Trade/other receivables | | | | | | | | |
| GFL Americas LLC | **36,188.57** | 15,931.45 | | | | | **36,188.57** | 15,931.45 |
| GFL GmbH, Germany | **22,425.51** | 10,198.74 | | | | | **22,425.51** | 10,198.74 |
| Inox Leisure Limited | | | | | **-** | 30.48 | **-** | 30.48 |
| Inox Green Energy Services Limited | | | **1,028.64** | 575.71 | | | **1,028.64** | 575.71 |
| Inox Air Products Private Limited | | | | | **-** | 0.45 | **-** | 0.45 |
| GFL GM Fluorspar SA | **316.72** | 299.75 | | | | | **316.72** | 299.75 |
| GFL Limited | | | | | **-** | 156.67 | **-** | 156.67 |
| Inox Wind Limited | | | **23,122.79** | 18,578.42 | | | **23,122.79** | 18,578.42 |
| Inox Wind Energy Limited | | | **33.91** | 33.13 | | | **33.91** | 33.13 |
| Resco Global Wind Service Private Limited | | | **6,324.47** | 4,941.20 | | | **6,324.47** | 4,941.20 |
| Gujarat Fluorochemicals FZE | **9.45** | 8.01 | | | | | **9.45** | 8.01 |
| GFCL EV Products Limited | **409.20** | - | | | | | **409.20** | - |
| GFCL Solar and Green Hydrogen Products Limited | **3.79** | 0.09 | | | | | **3.79** | 0.09 |
| Others | | | **19.34** | 20.27 | | | **19.34** | 20.27 |
| **Total** | **59,353.24** | 26,438.04 | **30,529.15** | 24,148.73 | **-** | 187.60 | **89,882.39** | 50,774.37 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

**Particulars of amounts outstanding as at 31st March, 2023**

(₹ in Lakhs)

| Particulars | Subsidiary Companies | | Fellow Subsidiary Companies and their Associates | | Enterprises over which KMP or his relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| b) Advances for purchase of goods | | | | | | | | |
| GFL GM Fluorspar SA | 677.15 | 1,714.40 | | | | | 677.15 | 1,714.40 |
| **Total** | 677.15 | 1,714.40 | | | | | 677.15 | 1,714.40 |
| c) Advances for purchase of assets | | | | | | | | |
| Inox Wind Limited | | | 20,511.32 | 71,031.02 | | | 20,511.32 | 71,031.02 |
| Resco Global Wind Service Private Limited | | | 4,898.68 | 16,748.98 | | | 4,898.68 | 16,748.98 |
| **Total** | | | 25,410.00 | 87,780.00 | | | 25,410.00 | 87,780.00 |
| d) Inter-corporate deposits/shareholder's loan given | | | | | | | | |
| GFCL EV Products Limited | - | 3,500.00 | | | | | - | 3,500.00 |
| GFCL Solar and Green Hydrogen Products Limited | 630.00 | - | | | | | 630.00 | - |
| Gujarat Fluorochemicals FZE | 1,007.30 | - | | | | | 1,007.30 | - |
| **Total** | 1,637.30 | 3,500.00 | | | | | 1,637.30 | 3,500.00 |
| e) Interest accrued on inter-corporate deposit / shareholder's loan given | | | | | | | | |
| GFCL EV Products Limited | - | 17.16 | | | | | - | 17.16 |
| GFCL Solar and Green Hydrogen Products Limited | 18.26 | - | | | | | 18.26 | - |
| Gujarat Fluorochemicals FZE | 41.09 | - | | | | | 41.09 | - |
| **Total** | 59.35 | 17.16 | | | | | 59.35 | 17.16 |
| f) Guarantees/securities | | | | | | | | |
| GFL GM Fluorspar SA | 1,424.99 | 1,689.66 | | | | | 1,424.99 | 1,689.66 |
| GFCL EV Products Limited | 2,470.54 | - | | | | | 2,470.54 | - |
| Inox Green Energy Services Limited | | | 14,060.25 | 56,129.00 | | | 14,060.25 | 56,129.00 |
| Inox Wind Limited | | | 89,557.44 | 86,948.00 | | | 89,557.44 | 86,948.00 |
| Resco Global Wind Service Private Limited | | | 69,430.00 | 39,473.00 | | | 69,430.00 | 39,473.00 |
| **Total** | 3,895.53 | 1,689.66 | 1,73,047.69 | 1,82,550.00 | | | 1,76,943.22 | 1,84,239.66 |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 45. Related party disclosures (Contd.)

**Compensation paid to Key Management Personnel is as under:**

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| (i) Remuneration paid: | | |
| Mr. V. K. Jain | 4,275.85 | 2,333.25 |
| Mr. D. K. Jain | 1,891.30 | 1,058.10 |
| Mr. Sanath Kumar Muppirala | 129.37 | 115.31 |
| Mr. Sanjay Borwankar | 69.08 | 99.69 |
| Mr. Niraj Kishore Agnihotri | 151.85 | 81.32 |
| Mr. Jay Shah | 35.75 | - |
| **Total** | **6,553.20** | **3,687.67** |
| (ii) Director sitting fees paid: | 20.00 | 27.00 |

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 ₹ 36.26 Lakhs (previous year ₹ 30.36 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, 2023 and 31st March, 2022 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) During the previous 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| As Statutory auditor | 54.50 | 47.50 |
| Audit of subsidiary companies | 12.00 | 12.00 |
| Tax audit | 19.50 | 17.50 |
| For taxation matters | 5.00 | 3.00 |
| Certification | 1.00 | 3.50 |
| | **92.00** | **83.50** |

Note: All amounts are exclusive of goods and services tax.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

**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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **GFCL EV Products Limited** | | |
| Amount of inter-corporate deposits at the year end | - | 3,500.00 |
| Maximum balance during the year | 14,750.00 | 3,500.00 |
| Investment by the loanee in the shares of the Company | - | - |
| **GFCL Solar and Green Hydrogen Products Limited** | | |
| Amount of inter-corporate deposits at the year end | 630.00 | - |
| Maximum balance during the year | 630.00 | - |
| Investment by the loanee in the shares of the Company | - | - |
| **Gujarat Fluorochemicals FZE** | | |
| Amount of shareholder loan at the year end | 1,007.30 | - |
| Maximum balance during the year | 1,007.30 | - |
| Investment by the loanee in the shares of the Company | - | - |

**(b) Disclosure required under section 186(4) of the Companies Act, 2013**

**A) In respect of related parties:**

(i) The inter-corporate deposits outstanding Nil (31st March, 2022: ₹ 3,500 Lakhs) to GFCL EV Products Limited were unsecured and given for business purpose. The inter-corporate deposits was repayable at call and carried interest @ 7.50% p.a.

(ii) The inter-corporate deposits outstanding of ₹ 630 Lakhs (31st March, 2022: Nil) to GFCL Solar and Green Hydrogen Products Limited are unsecured and given for business purpose. The inter-corporate deposits are repayable after 2 years from date of deposit given and carry interest @ 7.50% p.a.

(iii) The inter-corporate deposits outstanding of ₹ 1,007.30 Lakhs (31st March, 2022: Nil) to Gujarat Fluorochemicals FZE are unsecured and given for business purpose. The inter-corporate deposits are repayable on demand and carry interest @ 7.00% p.a.

(iv) For details of Investments made - see Note 9

(v) 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, 2023 | As at 31st March, 2022 |
| Wearit Global Limited | 10.00% | - | 292.14 |
| Castle Suppliers Private Limited | 10.00% | 2,725.00 | 2,725.00 |

**Note:**

1) The above inter-corporate deposit is given for general business purposes and is repayable at call.

2) During the year, inter-corporate deposit given to Wearit Global Limited has been written off.

3) During the year ended 31st March, 2023, the Company had given an inter-corporate deposit of ₹ 500.00 Lakhs to Shardha Tradelinks Private Limited for general business purposes and carried interest at 15.00% p.a.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

**48.** On 16th December, 2021, there was a fire at the Company's MPP Unit-2 plant at 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 damaged facilities and also for loss of profits due to business interruption. The Company, on the basis of valid insurance contracts, had lodged claims with the Insurance Company. The survey and loss assessment by the insurance company is currently ongoing.

During the previous year ended 31st March, 2022, the Company had derecognised the net book value of the damaged assets (including property, plant and equipment and inventories) of ₹ 4,256.98 Lakhs and expenses/loss pertaining to this incident (including estimated compulsory deductible by Insurance Company) amounting to ₹ 720.67 Lakhs had been expensed out. The Company had also recognised ₹ 2,788.73 Lakhs towards loss of profits due to business interruption. During the year, out of the total insurance claim lodged of ₹ 7,021.30 Lakhs (net of compulsory and other deductibles), the Company has received interim payment of ₹ 1,897.67 Lakhs from the Insurance Company and the balance amount of ₹ 5,123.63 Lakhs is included in "Other current financial assets" in the balance sheet. Differences, if any, will be recognised upon the final settlement of such claim.

## 49. Assets held for sale

Asset held for sale is in respect of an office building, which is expected to be sold within the period of 12 months.

## 50. 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| i) | in respect of the Company | 1,256.38 | 573.47 |
| ii) | towards CSR obligation in respect of the profits of the demerged Chemical Business Undertaking vested in this Company | - | 522.00 |
| **Total** | | **1,256.38** | **1,095.47** |

### i) in respect of the Company:

(₹ in Lakhs)

| Sr. No. | Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| 1 | Balance excess spent at the beginning of the year | 483.72 | 752.39 |
| 2 | Amount required to be spent during the year | 1,256.38 | 573.47 |
| 3 | Amount spent during the year | | |
| | (i) Construction/acquisition of any fixed assets | - | - |
| | (ii) On purposes other than (i) above | 862.29 | 304.80 |
| 4 | Balance excess spent at the end of the year | 89.63 | 483.72 |
| 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 undertaken: | Rural Development projects, Promoting healthcare and Preventive health care, Eradicating hunger and poverty, Promoting Education, Animal welfare, Agriculture allied activities etc. | |

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

## 50. Corporate social responsibility (CSR) (Contd.)

### 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **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 |
| 3 | Amount paid during the year | - | (1,343.00) |
| **4** | **Balance at the end of the year** | - | - |

## 51. Ratios

| Sr. No. | Name of the Ratio | Numerator | Denominator | Year ended 31st March, 2023 | Year ended 31st March, 2022 | % Variance | Reason for variance of more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 1.52 | 1.26 | 19.98% | Not applicable |
| 2 | Debt-equity ratio (in times) | Total debt (including lease liabilities) | Shareholder's equity | 0.26 | 0.36 | (27.55%) | On account of increase in earnings. |
| 3 | Debt service coverage ratio (in times) | Earnings available for debt service = Net profit after taxes + finance cost + depreciation and amortisation | Gross Interest and lease payments + Principal repayment of long-term borrowings | 2.52 | 4.14 | (39.20%) | On account of prepayment of long-term borrowings |
| 4 | Return on equity (ROE) (in %) | Net profit after taxes | Average shareholder's equity | 27.82% | 20.13% | 38.23% | On account of increase in earnings. |
| 5 | Inventory turnover ratio (in times) | Net credit sales | Average inventory | 5.84 | 5.05 | 15.53% | Not applicable |
| 6 | Trade receivables turnover ratio (in times) | Net credit sales | Average trade receivables | 4.81 | 4.71 | 2.25% | Not applicable |
| 7 | Trade payable turnover ratio (in times) | Purchases of goods / services and other expenses | Average trade payables | 6.19 | 5.40 | 14.67% | Not applicable |
| 8 | Net capital turnover ratio (in times) | Net Sales | Average working capital (Inventories+Trade receivables-Trade payables) | 3.66 | 3.46 | 5.56% | Not applicable |
| 9 | Net profit ratio (in %) | Net profit after taxes | Net Sales | 24.50% | 20.84% | 17.58% | Not applicable |

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

### 51. Ratios (Contd.)

| Sr. No. | Name of the Ratio | Numerator | Denominator | Year ended 31st March, 2023 | Year ended 31st March, 2022 | % Variance | Reason for variance of more than 25% |
|---|---|---|---|---|---|---|---|
| 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 | 26.72% | 18.39% | 45.30% | On account of increase in earnings. |
| 11 | Return on investment (ROI) (in %) | Income generated from investments | Weighted average investments | 3.92% | 7.52% | (47.95%) | On account of higher return in previous years on sale of investments. |

### 52. 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 | 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. |
| 2 | Investment property | Building located at Noida, Uttar Pradesh (on Leasehold land) | 473.81 | 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 | Right-of-use assets | Leasehold land at Noida, Uttar Pradesh | 314.69 | 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. |

(*) 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.

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

**52. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)**

**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.

**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 ₹ 2,055.39 Lakhs during the year (previous year ₹ 5,135.30 Lakhs) 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 wholly-owned 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:

# Notes to the Standalone Financial Statements
for the year ended 31st March, 2023

## 52. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

| 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, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| Related Parties (see Note 45) | 1,007.30 | 3,500.00 | 23.09% | 53.70% |

j) **Relationship with Struck - off Companies**

(i) Details of struck - off companies with whom the Company has transaction during the year or outstanding balances:

| Sr. No. | Name of Struck - Off Company | Nature of transactions with struck - off Company | Balance as at 31st March, 2023 (₹ in Lakhs) | Balance as at 31st March, 2022 (₹ in Lakhs) | Relationship with the Struck - off Company |
|---|---|---|---|---|---|
| 1 | Dreams Broking Private Limited | Unclaimed dividend | * | - | None |
| 2 | Kamla Holdings Private Limited | Unclaimed dividend | 0.24 | - | None |
| 3 | Meghna Finance and Investment Private Limited | Unclaimed dividend | 0.14 | - | None |

(*) amount less than ₹ 0.01 Lakh

(ii) Below struck off companies are shareholders holding equity shares 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 | Kamla Holdings Private Limited | Shares held by struck - off company | None |
| 3 | 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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# 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, 2023, 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, 2023, 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 ₹ 1,891.30 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, 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, 2023, 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.

# Independent Auditor's Report

### 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 Board of Directors and Management 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and Management 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 Board of Directors and Management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and Management 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

# Independent Auditor's Report

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 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, 2023 taken on record by the Board of Directors of the Holding Company, and on the basis of reports of the independent auditor of its subsidiary companies, incorporated in India, none of the directors of the Holding Company and its subsidiary companies incorporated in India are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India.

   (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;

# Independent Auditor's Report

ii. The Group and its jointly controlled entity did not have any material foreseeable losses on long- term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and jointly controlled entity incorporated in India.

iv. (a) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us 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 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us 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, 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 19.3 to the consolidated financial statements:

(a) The final and interim dividend paid by the Holding Company during the year 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.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Holding Company, its subsidiaries and joint controlled entity which are companies incorporated in India w.e.f. 1$^{st}$ April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31$^{st}$ March, 2023.

**For PATANKAR & ASSOCIATES,**
Chartered Accountants
Firm's Registration No. 107628W

**S. S. MALANI**
Partner
Membership No. 110051
UDIN: 23110051BGTJZI5393

Place: Pune
Date: 5$^{th}$ May, 2023

# 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, 2023 - referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

(xxi) 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)<br>Clause 3(iii)(b)<br>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, 2023 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: 23110051BGTJZI5393

Place: Pune
Date: 5th May, 2023

# 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, 2023 – 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, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary 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

# 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, 2023 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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 incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary 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: 23110051BGTJZI5393

Place: Pune
Date: 5th May, 2023

# Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1)** | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 5 | 2,96,273.83 | 2,44,736.00 |
| | (b) Capital work-in-progress | 6 | 1,14,237.84 | 67,982.25 |
| | (c) Right-of-use assets | 43 | 12,910.30 | 4,662.27 |
| | (d) Investment property | 7 | 338.18 | 643.71 |
| | (e) Intangible assets | 8(a) | 1,606.85 | 1,324.66 |
| | (f) Intangible assets under development | 8(b) | 1,529.91 | - |
| | (g) Investments accounted for using the equity method | 9(a) | 86.29 | 86.81 |
| | (h) Financial assets | | | |
| | (i) Other investments | 9(b) | - | - |
| | (ii) Loans | 10 | 8.13 | 42.41 |
| | (iii) Other non-current financial assets | 11 | 2,244.88 | 25,570.73 |
| | (i) Deferred tax assets (net) | 12 | 28.62 | 26.57 |
| | (j) Other non-current assets | 13 | 58,085.18 | 98,917.25 |
| | (k) Income tax assets (net) | 14 | 2.91 | - |
| | **Sub-total** | | **4,87,352.92** | **4,43,992.66** |
| **(2)** | **Current assets** | | | |
| | (a) Inventories | 15 | 1,48,537.89 | 94,725.76 |
| | (b) Financial assets | | | |
| | (i) Other investments | 9(c) | 17.15 | 1,882.75 |
| | (ii) Trade receivables | 16 | 1,10,679.72 | 77,809.17 |
| | (iii) Cash & cash equivalents | 17 | 2,399.11 | 2,554.82 |
| | (iv) Bank balances other than (iii) above | 18 | 13,699.52 | 12,737.20 |
| | (v) Loans | 10 | 2,762.90 | 3,702.89 |
| | (vi) Other current financial assets | 11 | 37,944.56 | 31,763.83 |
| | (c) Current tax assets (net) | 14 | - | 4.39 |
| | (d) Other current assets | 13 | 31,076.02 | 18,631.09 |
| | **Sub-total** | | **3,47,116.87** | **2,43,811.90** |
| | Assets held for sale | 51 | 2,668.94 | - |
| | **Total assets** | | **8,37,138.73** | **6,87,804.56** |
| **EQUITY & LIABILITIES** | | | | |
| | **Equity** | | | |
| | (a) Equity share capital | 19 | 1,098.50 | 1,098.50 |
| | (b) Other equity | 20 | 5,50,973.35 | 4,24,414.64 |
| | (c) Non-controlling interest | 21 | - | (2,484.24) |
| | **Sub-total** | | **5,52,071.85** | **4,23,028.90** |
| | **LIABILITIES** | | | |
| **(1)** | **Non-current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 22 | 18,321.79 | 43,542.25 |
| | (ii) Lease liabilities | 43 | 3,368.07 | 127.99 |
| | (b) Provisions | 24 | 3,953.85 | 3,289.26 |
| | (c) Deferred tax liabilities (net) | 12 | 24,129.85 | 25,946.46 |
| | (d) Income tax liabilities (net) | 28 | 1,403.47 | 1,229.56 |
| | **Sub-total** | | **51,177.03** | **74,135.52** |
| **(2)** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 25 | 1,29,502.53 | 1,11,729.38 |
| | (ii) Lease liabilities | 43 | 319.86 | 171.29 |
| | (iii) Trade payables | | | |
| | a) total outstanding dues of micro enterprises and small enterprises | 26 | 808.13 | 483.48 |
| | b) total outstanding dues of creditors other than micro enterprises and small enterprises | 26 | 68,292.13 | 50,864.87 |
| | (iv) Other current financial liabilities | 23 | 22,181.04 | 16,587.62 |
| | (b) Other current liabilities | 27 | 3,162.49 | 2,687.29 |
| | (c) Provisions | 24 | 2,041.90 | 1,613.03 |
| | (d) Current tax liabilities (net) | 28 | 7,581.77 | 6,503.18 |
| | **Sub-total** | | **2,33,889.85** | **1,90,640.14** |
| | **Total equity & liabilities** | | **8,37,138.73** | **6,87,804.56** |

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

| Sr. No. | Particulars | Note No. | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|---|
| I | Revenue from operations | 29 | 5,68,466.15 | 3,95,358.85 |
| II | Other income | 30 | 17,230.27 | 16,055.39 |
| III | **Total Income (I+II)** | | **5,85,696.42** | **4,11,414.24** |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 31 | 1,84,930.78 | 1,19,573.78 |
| | Cost of raw ore, material extraction and processing cost | 32 | 2,812.71 | 2,747.48 |
| | Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products | 33 | (30,689.65) | (863.69) |
| | Power & fuel | | 95,536.96 | 67,395.89 |
| | Employee benefits expense | 34 | 32,211.24 | 26,545.68 |
| | Finance costs | 35 | 11,680.00 | 7,840.62 |
| | Depreciation and amortisation expense | 36 | 23,605.24 | 20,544.13 |
| | Other expenses | 37 | 87,134.90 | 63,110.99 |
| | **Total expenses (IV)** | | **4,07,222.18** | **3,06,894.88** |
| V | Share of loss of joint venture | | (0.52) | (0.52) |
| VI | **Profit before tax (III-IV+V)** | | **1,78,473.72** | **1,04,518.84** |
| VII | Tax expense | 38 | | |
| | (i) Current tax | | 47,829.58 | 27,401.64 |
| | (ii) Deferred tax | | (1,666.87) | (364.64) |
| | (iii) Taxation pertaining to earlier years | | 6.42 | (104.68) |
| | **Total tax expense** | | **46,169.13** | **26,932.32** |
| VIII | **Profit for the year (VI-VII)** | | **1,32,304.59** | **77,586.52** |
| IX | **Other comprehensive income** | | | |
| | A. Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of the defined benefits plans | | (184.50) | 17.37 |
| | (ii) Tax on above | | 44.83 | (4.37) |
| | B. Items that will be reclassified to profit or loss | | | |
| | (i) Exchange differences in translating the financial statements of foreign operations | | 1,644.53 | (295.30) |
| | (ii) Gains on effective portion of hedging instruments in a cash flow hedge | | (6.47) | 36.96 |
| | (iii) Tax on (ii) above | | 1.63 | (9.30) |
| | **Total other comprehensive income** | | **1,500.02** | **(254.64)** |
| X | **Total comprehensive income for the year (VIII+IX)** | | **1,33,804.61** | **77,331.88** |
| | Profit for the year attributable to: | | | |
| | - Owners of the Company | | 1,32,881.24 | 78,718.98 |
| | - Non-controlling interest | | (576.65) | (1,132.46) |
| | Other comprehensive income for the year attributable to: | | | |
| | - Owners of the Company | | 1,538.00 | (291.20) |
| | - Non-controlling interest | | (37.98) | 36.56 |
| | Total comprehensive income for the year attributable to: | | | |
| | - Owners of the Company | | 1,34,419.24 | 78,427.78 |
| | - Non-controlling interest | | (614.63) | (1,095.90) |
| | Earnings per equity share of ₹ 1 each | | | |
| | Basic and Diluted (in ₹) | 47 | 120.44 | 70.63 |

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

## A. Equity Share Capital

| Particulars | ₹ in Lakhs |
|---|---|
| **Balance as at 1st April, 2021** | **1,098.50** |
| Changes in equity share capital during the year | - |
| **Balance as at 31st March, 2022** | **1,098.50** |
| Changes in equity share capital during the year | - |
| **Balance as at 31st March, 2023** | **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, 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) |
| **Total comprehensive income for the year** | **-** | **-** | **78,731.98** | **78,731.98** | **27.66** | **(331.86)** | **(304.20)** | **78,427.78** | **(1,095.90)** | **77,331.88** |
| Interim dividend paid - see Note 19.3 | - | - | (2,197.00) | (2,197.00) | - | - | - | (2,197.00) | - | (2,197.00) |
| **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** |
| Movement during the year ended 31st March, 2023 | | | | | | | | | | |
| Profit for the year | - | - | 1,32,881.24 | 1,32,881.24 | - | - | - | 1,32,881.24 | (576.65) | 1,32,304.59 |
| Other comprehensive income for the year, net of income tax (*) | - | - | (139.67) | (139.67) | (4.84) | 1,682.51 | 1,677.67 | 1,538.00 | (37.98) | 1,500.02 |
| **Total comprehensive income for the year** | **-** | **-** | **1,32,741.57** | **1,32,741.57** | **(4.84)** | **1,682.51** | **1,677.67** | **1,34,419.24** | **(614.63)** | **1,33,804.61** |

# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(₹ 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) | | | |
| Transactions with non-controlling interests (see Note 21) | - | - | (3,315.58) | (3,315.58) | - | (150.95) | (150.95) | (3,466.53) | 3,098.87 | (367.66) |
| Interim & final dividend paid - see Note 19.3 | - | - | (4,394.00) | (4,394.00) | - | - | - | (4,394.00) | - | (4,394.00) |
| **Balance as at 31st March, 2023** | **12,547.50** | **3,20,000.00** | **2,15,584.23** | **5,48,131.73** | **-** | **2,841.62** | **2,841.62** | **5,50,973.35** | **-** | **5,50,973.35** |

(*) 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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lakhs)

| | Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| A | **Cash flow from operating activities** | | |
| | **Profit for the year** | **1,32,304.59** | **77,586.52** |
| | **Adjustments for :** | | |
| | Tax expense | 46,169.13 | 26,932.32 |
| | Depreciation and amortisation expense | 23,605.24 | 20,544.13 |
| | Gain on sale of investment property | - | (1,948.86) |
| | Gain on retirement/disposal of property, plant and equipment (net) | (263.38) | (151.53) |
| | Allowance for doubtful deposits/advances/inter-corporate deposits | 1,044.18 | 472.53 |
| | Liabilities and provisions no longer required written back | (350.89) | (209.64) |
| | Advances and other claims reversed/written off | 385.82 | 129.42 |
| | Loss of property, plant and equipment and inventory due to fire | - | 212.85 |
| | Exchange difference on translation of assets and liabilities | 1,573.47 | (52.34) |
| | Unrealised foreign exchange gain (net) | (954.36) | (806.95) |
| | Gain on fair value changes in investments classified at FVTPL (net) | (48.56) | (218.10) |
| | Mark-to-market loss on derivative financial instruments (net) | 111.54 | 108.96 |
| | Allowance for doubtful trade receivables and expected credit losses (net) | 208.64 | 474.07 |
| | Share of loss of joint venture | 0.52 | 0.52 |
| | Interest income | (6,313.63) | (8,143.03) |
| | Finance costs | 11,680.00 | 7,840.64 |
| | **Operating profit before working capital changes** | **2,09,152.31** | **1,22,771.51** |
| | **Adjustments for :** | | |
| | Increase/(decrease) in provisions | 908.96 | 481.17 |
| | Increase/(decrease) in trade payables | 17,713.89 | 9,003.20 |
| | Increase /(decrease) in other financial liabilities | 2,386.70 | 3,297.55 |
| | Increase /(decrease) in other liabilities | (835.56) | 667.43 |
| | (Increase) /decrease in loans | 38.79 | 2.71 |
| | (Increase)/decrease in inventories | (53,812.12) | (8,369.84) |
| | (Increase)/decrease in trade receivables | (31,693.05) | (10,924.67) |
| | (Increase)/decrease in other financial assets | (4,774.58) | (3,953.16) |
| | (Increase)/decrease in other assets | (18,200.69) | (15,638.57) |
| | **Cash generated from operations** | **120,884.65** | **97,337.33** |
| | Income-tax paid (net) | (46,995.65) | (23,200.09) |
| | **Net cash generated from operating activities** | **73,889.00** | **74,137.24** |
| B | **Cash flow from investing activities** | | |
| | Purchase of property, plant and equipment (including changes in capital work-in-progress and capital creditors/capital advances) | (67,496.90) | (67,401.95) |
| | Proceeds from sale/disposal of property, plant and equipment | 493.53 | 2,477.78 |
| | Proceeds from sale of investment property | - | 2,277.00 |
| | Payments for acquiring right-of-use assets | (5,214.74) | - |
| | Payments for acquiring intangible assets | (421.65) | - |
| | Purchase of other investments | (10,499.46) | (10,499.47) |
| | Redemption/sale of other investments | 12,413.63 | 17,547.99 |
| | Interest received | 3,506.49 | 885.86 |
| | Movement in other bank balances | 19,581.76 | (3,675.21) |
| | **Net cash used in investing activities** | **(47,637.34)** | **(58,388.00)** |

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|---|
| **C** | **Cash flow from financing activities** | | |
| | Transaction with non-controlling interest | (367.66) | - |
| | Proceeds from borrowings - non-current | 20,000.00 | 20,352.98 |
| | Repayment of borrowings - non-current | (54,312.63) | (18,644.38) |
| | Proceeds from/(repayment of) current borrowings (net) | 26,353.51 | (4,927.62) |
| | Payment of lease liabilities | (328.37) | (234.63) |
| | Finance costs | (13,358.22) | (8,699.96) |
| | Final and interim dividend paid | (4,394.00) | - |
| | On account of interim dividend | - | (2,197.00) |
| | **Net cash used in financing activities** | **(26,407.37)** | **(14,350.61)** |
| | **Net increase/(decrease) in cash and cash equivalents** | **(155.71)** | **1,398.63** |
| | Cash and cash equivalents as at the beginning of the year | 2,554.82 | 1,156.19 |
| | **Cash and cash equivalents as at the end of the year** | **2,399.11** | **2,554.82** |

## Changes in liabilities arising from financing activities during the year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | Current borrowings | Non-current borrowings |
|---|---|---|
| **Opening balance** | 97,025.64 | 58,245.99 |
| Cash flows | 26,353.51 | (34,312.63) |
| Interest expense | 6,129.98 | 4,345.36 |
| Interest paid | (5,929.74) | (4,518.79) |
| Foreign exchange adjustment | 488.96 | (3.96) |
| **Closing balance** | **1,24,068.35** | **23,755.97** |

## 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** |

**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.

**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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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, speciality 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).

These financial statements for the year ended 31st March, 2023 were approved for issue by the Company's Board of Directors at its meeting held on 5th May, 2023.

### 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
- 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 realised/settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realised/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 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.

The above amendments did not have any impact on these consolidated financial statements.

**b. New accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 31st March, 2023, amendments to the existing standards have been notified and these amendments are effective from 1st April, 2023. The summary of these amendments is as under :

- Amendments to Ind AS 1 Presentation of Financial Statements: The amendments require the entities to disclose their material accounting policies rather than their significant accounting policies.
- Amendments to Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors: The amendments have introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

- Amendments to Ind AS 12 Income Taxes: The amendments have narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off-setting temporary differences.

The Group does not expect the above amendments to have any significant impact on these 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 Company'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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

When the Group loses control of a subsidiary, gain or loss is recognised in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in a joint venture.

**3.2 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 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 recognised 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 recognised 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 recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group transacts with a joint venture, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the joint venture.

### 3.3 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

### 3.4 Revenue recognition

Revenue from contract with customers is recognised 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 recognised 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 exceeds one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

#### 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'.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

**Other income:**

Dividend income from investments is recognised 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 realisability of the claim amount.

### 3.5 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**a) The Group as lessor:**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Group comprise of only operating leases.

**b) The Group as lessee:**

The 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'.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 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 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 recognised 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 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 utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

## 3.10 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised 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 recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

### 3.11 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price/cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalised 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 capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

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 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 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of investment properties at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

In 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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

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 recognises 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated 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 measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### A] Financial assets

**a) Initial recognition and measurement:**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

**b) Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**c) Subsequent measurement:**

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

#### i. Financial assets measured at amortised cost:

A financial asset is measured at the amortised 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 amortised cost using the effective interest method.

The amortised 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.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

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 amortised 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 recognised 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 derecognised (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 recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises 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 amortised cost (other than trade receivables)

The Group does not have exposure to 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 recognised as loss allowance.

In case of other assets (listed as ii 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 recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised 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 recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

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 derecognised 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 derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

**3.18 Derivative financial instruments and hedge accounting**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) **Fair value hedge:**

Hedging instrument is initially recognised 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 recognised in the Consolidated Statement of Profit and Loss. Hedging instrument is recognised as a financial asset in the Consolidated 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 recognised at fair value on the date of entering into contractual obligation and is subsequently measured at amortised cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognised in the Consolidated 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.

### 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 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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 recognised 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.

**f) Recognition and measurement of provisions and contingencies:**

Provisions and liabilities are recognised 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 are 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, 2023

## 5. Property, plant and equipment

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Freehold land | 519.62 | 46.86 |
| Buildings | 28,909.66 | 27,529.17 |
| Plant and equipment | 2,65,270.06 | 2,15,854.97 |
| Furniture and fixtures | 395.73 | 271.94 |
| Vehicles | 515.73 | 597.09 |
| Office equipment | 663.03 | 435.97 |
| | **2,96,273.83** | **2,44,736.00** |

(₹ 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, 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 |
| Disposals | - | (819.92) | (3,485.12) | | (170.81) | (9.79) | (4,485.64) |
| Effect of foreign currency translation differences | - | (0.85) | (327.36) | (0.75) | - | (0.14) | (329.10) |
| **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** |
| Additions | 472.76 | 4,911.41 | 69,262.15 | 188.13 | 7.57 | 492.27 | 75,334.29 |
| Borrowing costs | - | 7.64 | 1,284.96 | - | - | - | 1,292.60 |
| Reclassified from investment property | - | 338.28 | - | - | - | - | 338.28 |
| Reclassified as asset held for sale | - | (2,799.19) | - | - | - | - | (2,799.19) |
| Disposals | - | - | (957.57) | (3.54) | (10.01) | (13.85) | (984.97) |
| Effect of foreign currency translation differences | - | 0.79 | 291.42 | 5.57 | - | 6.39 | 304.17 |
| **Balance as at 31st March, 2023** | **519.62** | **37,027.20** | **3,86,771.91** | **1,354.30** | **785.82** | **2,440.72** | **4,28,899.57** |

(₹ in Lakhs)

| Particulars | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Total |
|---|---|---|---|---|---|---|---|
| **II. Accumulated depreciation** | | | | | | | |
| **Balance as at 1st April, 2021** | **-** | **6,016.29** | **83,291.46** | **798.94** | **198.80** | **1,293.29** | **91,598.78** |
| Depreciation expense for the year | - | 1,122.76 | 18,224.03 | 94.08 | 67.58 | 233.99 | 19,742.44 |
| Eliminated on disposal of assets | - | (99.64) | (395.04) | - | (75.21) | (7.14) | (577.03) |
| 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** |
| Depreciation expense for the year | - | 1,165.05 | 21,079.81 | 67.05 | 88.93 | 266.39 | 22,667.23 |
| Reclassified from investment property | - | 43.25 | - | - | - | - | 43.25 |
| Reclassified as asset held for sale | - | (130.25) | - | - | - | - | (130.25) |
| Eliminated on disposal of assets | - | - | (727.42) | (3.54) | (10.01) | (13.85) | (754.82) |
| Effect of foreign currency translation differences | - | 0.39 | 113.48 | 2.86 | - | 5.21 | 121.94 |
| **Balance as at 31st March, 2023** | **-** | **8,117.54** | **1,21,501.85** | **958.57** | **270.09** | **1,777.69** | **1,32,625.74** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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, 2022 | 46.86 | 27,529.17 | 2,15,854.97 | 271.94 | 597.09 | 435.97 | 2,44,736.00 |
| As at 31st March, 2023 | 519.62 | 28,909.66 | 2,65,270.06 | 395.73 | 515.73 | 663.03 | 2,96,273.83 |

**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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Plant and equipment | 56,392.96 | 1,11,341.10 |
| Furniture and Fixtures | 1.41 | 2.39 |
| Vehicles | 337.28 | 493.76 |
| Office equipment | 2.01 | 2.27 |
| **Total** | **56,733.66** | **1,11,839.52** |

2) The Group has not revalued its property, plant and equipment during the year.

## 6. Capital work-in-progress

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Capital work-in-progress | 1,04,855.18 | 64,205.30 |
| Pre-operative expenditure pending allocation | 9,382.66 | 3,776.95 |
| **Total** | **1,14,237.84** | **67,982.25** |

**Particulars of pre-operative expenditure incurred during the year are as under :**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Opening Balance | 3,776.95 | - |
| **Add: Expenses incurred during the year** | | |
| Salaries and wages | 4,593.04 | 1,157.82 |
| Contribution to provident and other funds | 229.46 | 61.90 |
| Gratuity | 91.92 | 19.90 |
| Staff welfare expenses | 0.30 | 26.13 |
| Borrowing costs | 1,553.21 | 1,100.84 |
| Stores and spares consumed | 344.78 | 333.11 |
| Power & fuel | 476.10 | 548.48 |
| Insurance | 128.55 | 11.43 |
| Production labour charges | 113.09 | 89.69 |
| Factory expenses | 23.97 | 66.39 |
| Depreciation | 101.51 | - |
| Rates and taxes | 85.49 | 107.93 |
| Travelling and conveyance | 69.35 | 105.75 |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 6. Capital work-in-progress (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Legal & professional fees and expenses | 316.80 | 327.35 |
| Rent, lease rentals and hire charges | 140.55 | 52.53 |
| Miscellaneous expenses | 297.56 | 259.81 |
| | 8,565.68 | 4,269.06 |
| **Sub-total** | **12,342.63** | **4,269.06** |
| Less: Capitalised during the year | (2,959.97) | (492.11) |
| **Closing balance** | **9,382.66** | **3,776.95** |

### Capital work-in-progress (CWIP) ageing schedule as at 31st March, 2023

(₹ 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 | **91,672.61** | **20,681.89** | **1,420.59** | **462.75** | **1,14,237.84** |
| Projects temporarily suspended | - | - | - | - | **-** |

### Details of CWIP whose completion is overdue as compared to its original plan as at 31st March, 2023

(₹ in Lakhs)

| CWIP | To be completed in | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 | - | 1,050.34 | - | - | 1,050.34 |
| Project 2 | 794.57 | - | - | - | 794.57 |
| **Total** | **794.57** | **1,050.34** | **-** | **-** | **1,844.91** |

### 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** |

(*) Others comprise of various projects with individually immaterial values.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 7. Investment property

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Building | 338.18 | 643.71 |
| **Total** | **338.18** | **643.71** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **I. Cost or Deemed Cost** | |
| **Balance as at 1st April, 2021** | **1,117.08** |
| Disposal | (376.04) |
| **Balance as at 31st March, 2022** | **741.04** |
| Reclassified to Property, plant and equipment | (338.28) |
| **Balance as at 31st March, 2023** | **402.76** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **II. Accumulated depreciation** | |
| **Balance as at 1st April, 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** |
| Depreciation expense for the year | 10.50 |
| Reclassified to Property, plant and equipment | (43.25) |
| **Balance as at 31st March, 2023** | **64.58** |

(₹ in Lakhs)

| Particulars | Building |
|---|---|
| **III. Net carrying amount** | |
| **As at 31st March, 2022** | **643.71** |
| **As at 31st March, 2023** | **338.18** |

### 7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2023 and 31st March, 2022 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 Group. In the opinion of management of the holding company, he has appropriate qualifications and recent experience in the valuation of properties. For all investment properties, fair 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.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 7. Investment property (Contd.)

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, 2022 | 8,433.33 |
| **Fair value as at 31st March, 2023** | **8,067.00** |

### 7.2 Amounts recognised in profit or loss in respect of investment properties

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Rental income | 478.31 | 483.18 |
| Direct operating expenses in respect of properties that generated rental income | 181.85 | 159.20 |
| Depreciation | 10.50 | 17.59 |
| Gain on sale of investment property | - | 1,948.86 |

**Note:** The Group has not revalued its investment properties during the year.

## 8. (a) Intangible assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Carrying amount of:** | | |
| Product Development | - | - |
| Technical Know-How | 342.60 | 785.64 |
| Software | 667.54 | 0.68 |
| Mining Rights | 596.71 | 538.34 |
| | **1,606.85** | **1,324.66** |

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Mining Rights | Total |
|---|---|---|---|---|---|
| **I. Cost or Deemed Cost** | | | | | |
| **Balance as at 1st April, 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** |
| Additions | - | - | 687.33 | 155.97 | 843.30 |
| Effect of foreign currency translation differences | - | - | - | 35.23 | 35.23 |
| **Balance as at 31st March, 2023** | **695.80** | **5,205.80** | **908.35** | **1,399.92** | **8,209.87** |

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Mining Rights | Total |
|---|---|---|---|---|---|
| **II. Accumulated amortisation** | | | | | |
| **Balance as at 1st April, 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** |
| Amortisation expense for the year | - | 443.04 | 20.47 | 110.81 | 574.32 |
| Effect of foreign currency translation differences | - | - | - | 22.02 | 22.02 |
| **Balance as at 31st March, 2023** | **695.80** | **4,863.20** | **240.81** | **803.21** | **6,603.02** |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 8. (a) Intangible assets (Contd.)

(₹ in Lakhs)

| Particulars | Product Development | Technical Know-How | Software | Mining Rights | Total |
|---|---|---|---|---|---|
| **III. Net Carrying amount** | | | | | |
| Balance as at 31st March, 2022 | - | 785.64 | 0.68 | 538.34 | 1,324.66 |
| **Balance as at 31st March, 2023** | **-** | **342.60** | **667.54** | **596.71** | **1,606.85** |

**Note:** The Group has not revalued its intangible assets during the year.

## 8. (b) Intangible assets under development

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Intangible assets under development | 1,529.91 | - |
| **Total** | **1,529.91** | **-** |

### Intangible assets under development ageing schedule as at 31st March, 2023

(₹ in Lakhs)

| CWIP | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1,529.91 | - | - | - | **1,529.91** |
| Projects temporarily suspended | - | - | - | - | **-** |

### Intangible assets under development ageing schedule as at 31st March, 2022

(₹ in Lakhs)

| CWIP | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

## 9. Investments

### (a) Investments accounted for using the equity method

**Investment in Joint Venture**

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Nos. | Amounts | Nos. | Amounts |
| **Non - Current, fully paid-up** | | | | | |
| **Unquoted Investment** | | | | | |
| **Investments in Equity Instruments** | | | | | |
| Swarnim Gujarat Fluorspar Private Limited (SGFPL) | ₹ 10 | 1182500 | 86.29 | 1182500 | 86.81 |
| **Total investment in joint ventures** | | | **86.29** | | **86.81** |

**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, 2023 | As at 31st March, 2022 |
| Swarnim Gujarat Fluorspar Private Limited (SGFPL) | 25.00% | 25.00% |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 9. Investments (Contd.)

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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| The Group's share of loss | (0.52) | (0.52) |
| The Group's share of other comprehensive income | - | - |
| The Group's share of total comprehensive income | (0.52) | (0.52) |

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.

### (b) Other Investments (measured at FVTPL)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | Nos. | Amounts | Nos. | Amounts |
| Non-current investments | | | | | |
| **I. Quoted Investments (fully paid-up)** | | | | | |
| **Investments in Mutual Funds** | | | | | |
| HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth | ₹ 10 | - | - | 15000000 | 1,864.65 |
| **Total quoted Investments** | | | **-** | | **1,864.65** |
| Less: Current portion of non-current investments disclosed under current investments | | | - | | (1,864.65) |
| **Total quoted Investments** | | | **-** | | **-** |
| **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, 2022: ₹ 60.75 Lakhs) | | | | | |
| **Investments in Venture Capital Fund** | | | | | |
| Kshitij Venture Capital Fund | ₹ 121 | 250000 | 17.15 | 250000 | 18.10 |
| Less: Current portion of non-current investments disclosed under current investments | | | (17.15) | | (18.10) |
| | | | - | | - |
| ***Total Unquoted Investments*** | | | **-** | | **-** |
| ***Total non-current other investments ( I + II )*** | | | **-** | | **-** |
| ***Total non-current investments (a + b)*** | | | **86.29** | | **86.81** |
| | | | | | |
| Aggregate amount of quoted investments | | | - | | - |
| Aggregate market value of quoted investments | | | - | | - |
| Aggregate amount of unquoted investments | | | 86.29 | | 86.81 |
| Aggregate amount of impairment in value of investments | | | 60.75 | | 60.75 |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 9. Investments (Contd.)

### (c) Other Investments - Current (measured at FVTPL)

(₹ in Lakhs)

| Particulars | Face Value | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|---|
| | | 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 |
| **II. Unquoted Investments (fully paid-up)** | | | | | |
| **Investments in venture capital funds** | | | | | |
| Kshitij Venture Capital Fund | ₹ 121 | 250000 | 17.15 | 250000 | 18.10 |
| **Total Unquoted Investments** | | | **17.15** | | **18.10** |
| **Total current investments (I + II)** | | | **17.15** | | **1,882.75** |
| | | | | | |
| Aggregate amount of quoted investments | | | - | | 1,864.65 |
| Aggregate market value of quoted investments | | | - | | 1,864.65 |
| Aggregate amount of unquoted investments | | | 17.15 | | 18.10 |
| Aggregate amount of impairment in value of investments | | | - | | - |

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Summary of other investments** | | |
| Current investments | 17.15 | 1,882.75 |
| **Total** | **17.15** | **1,882.75** |
| **Category - wise other investments - as per Ind AS 109 classification:** | | |
| Investments carried at fair value through profit or loss | 17.15 | 1,882.75 |
| **Total** | **17.15** | **1,882.75** |

## 10. Loans (at amortised cost)

**(Unsecured, considered good, unless otherwise stated)**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Loan to employee | 8.13 | 42.41 |
| **Total** | **8.13** | **42.41** |
| **Current** | | |
| Inter corporate deposits to others | | |
| - Considered good | 2,725.00 | 3,660.49 |
| - Credit impaired | 1,033.75 | 292.14 |
| | **3,758.75** | **3,952.63** |
| Less: Provision for impairment | (1,033.75) | (292.14) |
| | 2,725.00 | 3,660.49 |
| Loan to employee | 37.90 | 42.40 |
| **Total** | **2,762.90** | **3,702.89** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 11. Other financial assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Security deposits | 2,152.18 | 1,114.13 |
| Non-current bank balances (from Note 18) | 92.70 | 24,345.05 |
| Derivative assets | - | 111.55 |
| **Total** | **2,244.88** | **25,570.73** |
| **Current** | | |
| Security deposits | 2,231.66 | 268.07 |
| Other receivables | | |
| - from related parties (including interest on capital advances of ₹ 22,949.97 Lakhs (as at 31st March, 2022 ₹ 18,351.25 Lakhs) - see Note 46) | 30,529.15 | 24,297.07 |
| - Insurance claims lodged - see Note 50 | 5,123.63 | 7,190.54 |
| - others | 60.12 | 8.15 |
| **Total** | **37,944.56** | **31,763.83** |

## 12. Deferred tax assets (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Deferred tax assets | 28.62 | 26.57 |
| Deferred tax liabilities | (24,129.85) | (25,946.46) |
| **Net Deferred tax liabilities** | **(24,101.23)** | **(25,919.89)** |

**Year ended 31st March, 2023**

**12.1 The major components of deferred tax assets/(liabilities) in relation to :**

(₹ in Lakhs)

| Particulars | Balance as at 1st April, 2022 | Effect of foreign currency translation differences | Recognised in profit or loss | Recognised in other comprehensive income | Balance as at 31st March, 2023 |
|---|---|---|---|---|---|
| Property, plant and equipment and intangible assets | (28,922.80) | (0.26) | (1,307.46) | - | (30,230.52) |
| Expenses allowable on payment basis | 303.18 | 0.08 | 170.32 | - | 473.58 |
| Allowance for doubtful trade receivables and expected credit losses | 287.66 | 2.33 | (12.29) | - | 277.70 |
| Effect of measuring derivative instruments at fair value | (21.61) | - | 19.98 | 1.63 | - |
| Expenses allowable in subsequent years | 262.16 | - | (131.08) | - | 131.08 |
| Gratuity and leave benefits | 1,220.23 | - | 216.45 | 44.83 | 1,481.51 |
| Other deferred tax assets (*) | 951.29 | 0.08 | 2,814.05 | - | 3,765.42 |
| **Net Deferred tax assets/(liabilities)** | **(25,919.89)** | **2.23** | **1,769.97** | **46.46** | **(24,101.23)** |

(*) Includes impact on account of deferred tax created on unrealised profit elimination from inventory, etc.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 12. Deferred tax assets (net) (Contd.)

**Year ended 31st March, 2022**

**12.2 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 and intangible assets | (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 assets/(liabilities)** | **(26,374.13)** | **0.17** | **467.74** | **(13.67)** | **(25,919.89)** |

(*) Includes impact on account of deferred tax created on unrealised profit elimination from inventory, etc.

**12.3 As at 31st March, 2023, 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 | 2019-20 | 1,973.33 | 31/03/2024 |
| Business losses of subsidiary | 2020-21 | 1,980.34 | 31/03/2025 |
| Business losses of subsidiary | 2021-22 | 796.91 | 31/03/2026 |
| Business losses of subsidiary | 2022-23 | 602.38 | 31/03/2027 |
| Unabsorbed depreciation of subsidiary | Various | 4,763.92 | 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 ₹ 25,774.39 Lakhs (as at 31st March, 2022: ₹ 14,606.37 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Capital advances | | |
| to related parties (see Note 46) | 25,410.00 | 87,780.00 |
| to others | 22,580.21 | 10,206.87 |
| Security deposits with Government authorities | 265.59 | 205.03 |
| Balances with government authorities - Balance in VAT accounts | 513.52 | 507.89 |
| Deposits towards import duties and custom bond | 9,310.93 | - |
| Prepayments | 4.93 | 217.46 |
| **Total** | **58,085.18** | **98,917.25** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 13. Other assets (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current** | | |
| Advance to suppliers | | |
| Considered good | 9,399.76 | 9,888.53 |
| Considered doubtful | 47.09 | 46.80 |
| | **9,446.85** | **9,935.33** |
| Less: Allowance for doubtful advances | (47.09) | (46.80) |
| | **9,399.76** | **9,888.53** |
| Other advances | 533.08 | 262.12 |
| Duties & taxes refund claimed | 4,854.25 | 953.19 |
| Less: Allowance for doubtful refund | (94.83) | (94.83) |
| | **4,759.42** | **858.36** |
| Deposits towards import duties | - | 855.16 |
| Balances with government authorities - Balance in GST/VAT accounts | 12,663.01 | 2,091.58 |
| Export incentives receivables | 1,454.61 | 3,065.09 |
| Prepayments | 2,266.14 | 1,610.25 |
| **Total** | **31,076.02** | **18,631.09** |

## 14. Income tax assets (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Income tax paid (net of provisions) | 2.91 | - |
| **Total** | **2.91** | **-** |
| **Current** | | |
| Current tax assets (net of provisions) | - | 4.39 |
| **Total** | **-** | **4.39** |

## 15. Inventories

**(at lower of cost and net realisable value)**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Raw materials (see note (i) below) | 40,269.21 | 24,737.42 |
| Work-in-progress | 15,928.60 | 10,446.74 |
| Finished goods | 70,171.85 | 42,456.15 |
| Stores, spares and consumables | 17,173.13 | 15,276.39 |
| Others | | |
| - Fuel | 4,129.36 | 948.36 |
| - Packing materials | 713.03 | 786.41 |
| - By products | 152.71 | 74.29 |
| **Total** | **1,48,537.89** | **94,725.76** |

**Notes:**

(i) Raw materials include material in transit of ₹ 192.97 Lakhs (as at 31st March, 2022: ₹ 103.39 Lakhs).

(ii) The cost of inventories recognised as an expense includes ₹ 698.38 Lakhs (as at 31st March, 2022: ₹ 731.49 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, 2023

## 16. Trade receivables

**(Unsecured, considered good, unless otherwise stated)**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current** | | |
| Considered good | 1,10,679.72 | 77,809.17 |
| Trade receivables which have significant increase in credit risk | 97.20 | 84.74 |
| Trade receivables - credit impaired | 978.32 | 1,021.11 |
| | **1,11,755.24** | **78,915.02** |
| Provision for expected credit loss and impairment | (1,075.52) | (1,105.85) |
| **Total** | **1,10,679.72** | **77,809.17** |

**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 Group in the receivables as identified. Receivables sold as on 31st March, 2023 are of ₹ 6,819.09 Lakhs (as at 31st March, 2022: ₹ 3,795.72 Lakhs). The Group has derecognised 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, 2023 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 | 77,013.04 | 32,757.75 | 659.67 | 113.30 | 135.96 | - | 1,10,679.72 |
| Which have significant increase in credit risk | 38.79 | 8.41 | 5.89 | 2.31 | 34.53 | 7.27 | 97.20 |
| Credit impaired | - | - | 18.49 | - | 198.98 | 760.85 | 978.32 |
| **Disputed trade receivables** | | | | | | | - |
| Considered good | - | - | - | - | - | - | - |
| Which have significant increase in credit risk | - | - | - | - | - | - | - |
| Credit impaired | - | - | - | - | - | - | - |
| **Sub-total** | **77,051.83** | **32,766.16** | **684.05** | **115.61** | **369.47** | **768.12** | **1,11,755.24** |
| Provision for expected credit loss & impairment | (38.79) | (8.41) | (24.38) | (2.31) | (233.51) | (768.12) | (1,075.52) |
| **Net Trade Receivables** | **77,013.04** | **32,757.75** | **659.67** | **113.30** | **135.96** | **-** | **1,10,679.72** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 16. Trade receivables (Contd.)

**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** |

## 17. Cash & cash equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balances with banks in current accounts | 2,392.41 | 2,548.11 |
| Cash on hand | 6.70 | 6.71 |
| **Total** | **2,399.11** | **2,554.82** |

## 18. Other bank balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance in interim dividend payable account | - | 2,197.00 |
| Balance in unclaimed dividend account | 28.66 | - |
| Bank deposits with original maturity for more than 3 months but less than 12 months | 13,666.23 | 4,355.88 |
| Bank deposits with original maturity of more than 12 months | 97.33 | 30,529.37 |
| | **13,763.56** | **34,885.25** |
| Amount disclosed under Note 11 - 'Other financial assets - non current' | (92.70) | (24,345.05) |
| **Total** | **13,699.52** | **12,737.20** |

**Note:** Other bank balances includes ₹ 117.17 Lakhs (as at 31st March, 2022: ₹ 50.92 Lakhs) margin money deposits kept as security against bank guarantees and fixed deposits of ₹ 13,250.00 Lakhs (as at 31st March, 2022: ₹ 33,059.00 Lakhs) kept as security against working capital facilities to fellow subsidiaries.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 19. Equity share capital

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Authorized** | | |
| 20,00,00,000 (31st March, 2022: 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, 2022: 10,98,50,000) equity shares of ₹ 1 each | 1,098.50 | 1,098.50 |
| **Total** | **1,098.50** | **1,098.50** |

### 19.1 Reconciliation of shares outstanding at the beginning and at the end of the year

| Particulars | Nos. | (₹ in Lakhs) |
|---|---|---|
| **As at 31st March, 2023** | | |
| 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, 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 |

### 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 final dividend of ₹ 2 per equity share for the year ended 31st March, 2022 aggregating to ₹ 2,197.00 Lakhs and interim dividend of ₹ 2 per equity share aggregating to ₹ 2,197.00 Lakhs. In the preceding year, the Company had paid ₹ 2 per equity share as an interim dividend for the year ended 31st March, 2022, aggregating to ₹ 2,197.00 Lakhs.

The Board of Directors at its meeting held on 5th May, 2023 have recommended payment of final dividend of ₹ 2 per equity share for the financial year ended 31st March, 2023 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, 2023** | | |
| Inox Leasing and Finance Limited | 5,77,91,906 | 577.92 |
| **As at 31st March, 2022** | | |
| Inox Leasing and Finance Limited | 6,02,91,906 | 602.92 |

### 19.5 Details of shareholders holding more than 5% shares in the Company

| Particulars | Nos. | holding % |
|---|---|---|
| **As at 31st March, 2023** | | |
| Inox Leasing and Finance Limited | 5,77,91,906 | 52.61% |
| Devansh Trademart LLP | 66,62,360 | 6.06% |
| Aryavardhan Trading LLP (Formerly known as Siddhapavan Trading LLP) | 55,76,440 | 5.08% |

## 19. Equity share capital (Contd.)

| 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% |
| Aryavardhan Trading LLP (Formerly known as 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.

### 19.7 Shareholdings of promoters

**Disclosure of Shareholding of promoters as at 31st March, 2023 is as follows:**

| Sr. No. | Name of the Promoter | As at 31st March, 2023 | | As at 31st March, 2022 | | % Change during the year |
|---|---|---|---|---|---|---|
| | | No. of Shares | % of holding | No. of Shares | % of holding | |
| | **Promoter** | | | | | |
| 1 | Inox Leasing and Finance Limited | 5,77,91,906 | 52.61% | 6,02,91,906 | 54.89% | (2.28%) |
| | **Promoter Group** | | | | | |
| 2 | Devansh Trademart LLP | 66,62,360 | 6.06% | 66,62,360 | 6.06% | - |
| 3 | Aryavardhan Trading LLP (Formerly known as Siddhapavan Trading LLP) | 55,76,440 | 5.08% | 55,76,440 | 5.08% | - |
| 4 | Devendra Kumar Jain | 20,100 | 0.02% | 20,100 | 0.02% | - |
| 5 | Vivek Kumar Jain | 20,100 | 0.02% | 20,100 | 0.02% | - |
| 6 | Devansh Jain | 10,000 | 0.01% | 10,000 | 0.01% | - |
| 7 | Nandita Jain | 10,000 | 0.01% | 10,000 | 0.01% | - |

**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 | Aryavardhan Trading LLP (Formerly known as 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%) |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 20. Other equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Capital reserves | 12,547.50 | 12,547.50 |
| General reserves | 3,20,000.00 | 3,20,000.00 |
| Retained earnings | 2,15,584.23 | 90,552.24 |
| Cash flow hedge reserve | - | 4.84 |
| Foreign currency translation reserve | 2,841.62 | 1,310.06 |
| **Total** | **5,50,973.35** | **4,24,414.64** |

### 20.1 Capital reserves

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| 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 Retained earnings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | 90,552.24 | 14,017.26 |
| Profit for the year attributable to owners of the Company | 1,32,881.24 | 78,718.98 |
| Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax | (139.67) | 13.00 |
| Transactions with non-controlling interests (see Note 21) | (3,315.58) | - |
| Payment of final dividend on equity shares - see Note 19.3 | (2,197.00) | - |
| Payment of interim dividend on equity shares - see Note 19.3 | (2,197.00) | (2,197.00) |
| Balance at the end of the year | **2,15,584.23** | **90,552.24** |

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 Consolidated Financial Statements
for the year ended 31st March, 2023

## 20. Other equity (Contd.)

### 20.4 Cash flow hedge reserve

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | 4.84 | (22.82) |
| Other comprehensive income for the year, net of income tax | (4.84) | 27.66 |
| Balance at the end of the year | **-** | **4.84** |

The cash flow hedge reserve represented 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.

### 20.5 Foreign currency translation reserve

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | 1,310.06 | 1,641.92 |
| Transactions with non-controlling interests (see Note 21) | (150.95) | - |
| Other comprehensive income for the year, net of income tax | 1,682.51 | (331.86) |
| Balance at the end of the year | **2,841.62** | **1,310.06** |

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.

## 21. Non-Controlling Interests

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at beginning of the year | (2,484.24) | (1,388.34) |
| Share of total comprehensive income for the year | (614.63) | (1,095.90) |
| Transactions with non-controlling interests (see Note below) | 3,098.87 | - |
| Balance at the end of the year | **-** | **(2,484.24)** |

**Transactions with non-controlling interests:**

The Group held 74.00% equity shares in its step-down subsidiary, GFL GM Flourspar SA, Morocco, through its wholly owned subsidiary, Gujarat Fluorochemicals Singapore Pte. Limited. During the year, Gujarat Fluorochemicals Singapore Pte. Limited has acquired the balance 26% of shareholding in GFL GM Fluorspar SA, Morocco for ₹ 367.66 Lakhs and GFL GM Fluorspar SA, Morocco is now wholly owned subsidiary of the Gujarat Fluorochemicals Singapore Pte. Limited. The effect on the equity attributable to the owners of the Company during the year is summarised as follows:

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 21. Non-Controlling Interests (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Carrying amount of non-controlling interests acquired | (3,098.87) | - |
| Consideration paid to non-controlling interest | (367.66) | - |
| **Excess of consideration paid recognised in other equity** | **(3,466.53)** | **-** |

There were no transactions with non-controlling interests in preceding year.

For details of non-controlling interest - see Note 48.

## 22. Non-current borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured** | | |
| **(a) Non-convertible Debentures** | | |
| 5000, Senior, Secured, Listed, Rated, Taxable, Redeemable, Non-convertible Debentures (NCDs) of ₹ 1.00 Lakh each | 5,012.80 | - |
| **(b) Term loans** | | |
| (a) From banks | | |
| - Foreign currency loans | 1,437.99 | 2,952.51 |
| - Rupee loans | 17,012.90 | 54,864.98 |
| (b) From others | | |
| - Rupee loans | 292.28 | 428.50 |
| | **18,743.17** | **58,245.99** |
| Less: Disclosed under Note 25: Current borrowings | | |
| (i) Current maturities | 5,315.25 | 14,407.42 |
| (ii) Interest accrued | 118.93 | 296.32 |
| **Total** | **18,321.79** | **43,542.25** |

**Notes:**

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For nature of securities and terms of repayment etc. - see Note 39.

## 23. Other financial liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current** | | |
| Interim dividend payable | - | 2,197.00 |
| Unclaimed dividend (*) | 28.66 | - |
| Security deposits | 508.52 | 517.63 |
| Creditors for capital expenditure | 10,910.13 | 7,101.62 |
| Derivative financial liabilities | - | 4.36 |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 23. Other financial liabilities (Contd.)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Employees dues payable | 8,609.25 | 5,592.58 |
| Premium payable on option contract | - | 21.32 |
| Other payables | 2,124.48 | 1,153.11 |
| **Total** | **22,181.04** | **16,587.62** |

(*) Amount will be credited to Investor Education and Protection Fund as and when due.

## 24. Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Non-current** | | |
| Provision for employee benefits (see Note 44) | | |
| - for Gratuity | 2,822.24 | 2,355.59 |
| - for Compensated absences | 1,131.61 | 933.67 |
| **Total** | **3,953.85** | **3,289.26** |
| **Current** | | |
| Provision for employee benefits (see Note 44) | | |
| - for Gratuity | 837.75 | 588.43 |
| - for Compensated absences | 1,204.15 | 1,024.60 |
| **Total** | **2,041.90** | **1,613.03** |

## 25. Current borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured** | | |
| **From banks** | | |
| Foreign currency loans | | |
| - Short term / working capital demand loans | 9,876.92 | 2,523.24 |
| - Packing credit / Buyers credit/Import finance | 59,769.74 | 30,961.11 |
| Rupee loans | | |
| - Short term / working capital demand loans | 53,591.53 | 63,541.29 |
| - Cash credit / overdraft | 830.16 | - |
| | **1,24,068.35** | **97,025.64** |
| Current maturities of long term borrowings (from Note 22) | 5,315.25 | 14,407.42 |
| Interest accrued of long term borrowings (from Note 22) | 118.93 | 296.32 |
| **Total** | **1,29,502.53** | **1,11,729.38** |

**Notes:**

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For nature of securities and terms of repayment etc. - see Note 39.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 26. Trade payables

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| - Total outstanding dues of micro enterprises and small enterprises (MSME) | 808.13 | 483.48 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises (MSME) | 68,292.13 | 50,864.87 |
| **Total** | **69,100.26** | **51,348.35** |

**Trade Payables ageing schedule**

### Ageing for trade payables - outstanding as at 31st March, 2023 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 | - | 791.11 | 17.02 | - | - | 808.13 |
| (ii) Others | 13,139.14 | 53,534.95 | 1,321.13 | 43.98 | 252.93 | 68,292.13 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| **Total** | **13,139.14** | **54,326.06** | **1,338.15** | **43.98** | **252.93** | **69,100.26** |

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** |

## 27. Other current liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Advances from customers | 380.98 | 572.76 |
| Statutory dues and taxes payable | 2,781.51 | 2,114.53 |
| **Total** | **3,162.49** | **2,687.29** |

## 28. Income tax liabilities (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Income tax liabilities (net of payments) | 1,403.47 | 1,229.56 |
| **Total** | **1,403.47** | **1,229.56** |

### Current tax liabilities (net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Current tax liabilities (net of payments) | 7,581.77 | 6,503.18 |
| **Total** | **7,581.77** | **6,503.18** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 29. Revenue from operations

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| (a) Revenue from contracts with customers: | | |
| Sale of products | 5,59,424.03 | 3,85,043.34 |
| (b) Other operating revenue | 9,042.12 | 10,315.51 |
| **Total** | **5,68,466.15** | **3,95,358.85** |

### 29.1 Disaggregated revenue information

For year ended 31st March, 2023

(₹ in Lakhs)

| Particulars | India | Europe | USA | Rest of the world | Total |
|---|---|---|---|---|---|
| **Revenue from contracts with customers** | | | | | |
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 1,07,195.03 | 3,318.92 | 43.72 | 3,423.89 | **1,13,981.56** |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 41,678.44 | 6,649.44 | 71,912.31 | 31,583.15 | **1,51,823.34** |
| Fluoropolymers (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 70,362.22 | 1,09,908.40 | 77,666.53 | 35,681.98 | **2,93,619.13** |
| **Total** | **2,19,235.69** | **1,19,876.76** | **1,49,622.56** | **70,689.02** | **5,59,424.03** |

For year ended 31st March, 2022

(₹ in Lakhs)

| Particulars | India | Europe | USA | Rest of the world | Total |
|---|---|---|---|---|---|
| **Revenue from contracts with customers** | | | | | |
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 97,718.45 | 124.65 | 1,374.21 | 1,698.01 | **1,00,915.32** |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 36,335.57 | 5,667.62 | 206.86 | 20,661.39 | **62,871.44** |
| Fluoropolymers (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 56,088.17 | 78,732.64 | 45,411.75 | 41,024.02 | **2,21,256.58** |
| **Total** | **1,90,142.19** | **84,524.91** | **46,992.82** | **63,383.42** | **3,85,043.34** |

### 29.2 Contract balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Trade receivables | 1,10,679.72 | 77,809.17 |
| Contract liabilities - advance from customers | 380.98 | 572.76 |

During the year ended 31st March, 2023, the Group has recognised revenue of ₹ 503.19 Lakhs (for year ended 31st March, 2022: ₹ 596.55 Lakhs) arising from opening contract liabilities.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 29. Revenue from operations (Contd.)

### 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Gross revenue | 5,60,528.45 | 3,86,042.65 |
| Less: Discounts, rebates etc. | (1,104.42) | (999.31) |
| **Net revenue recognised from contracts with customers** | **5,59,424.03** | **3,85,043.34** |

## 30. Other income

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(a) Interest Income** | | |
| (I) On financial assets using effective interest method: | | |
| - on fixed deposits with bank | 1,175.00 | 1,291.94 |
| - on Inter-corporate deposits and other loans | 10.20 | 272.50 |
| - on security deposits | 0.27 | 0.09 |
| (II) Other interest income | | |
| - on income tax refunds | - | 20.19 |
| - on capital advances | 5,109.69 | 6,583.50 |
| - other interest | 18.47 | 4.81 |
| | **6,313.63** | **8,173.03** |
| **(b) Other non-operating income** | | |
| Rental income from operating leases | 479.83 | 483.53 |
| Guarantee commission income | 1,885.88 | 1,730.36 |
| Net gain on retirement/disposal of property, plant and equipment and sale of investment property | 263.38 | 2,100.39 |
| Allowance for doubtful trade receivables written back | - | 4.18 |
| Liabilities and provisions no longer required, written back | 41.19 | 4.31 |
| Miscellaneous income | 11.81 | 430.22 |
| | **2,682.09** | **4,752.99** |
| **(c) Other gains and losses** | | |
| Net gain on investments carried at FVTPL | 48.56 | 218.10 |
| Net gain on foreign currency transactions and translation | 8,297.53 | 3,020.23 |
| Net loss on fair value changes in derivatives classified at FVTPL | (111.54) | (108.96) |
| | **8,234.55** | **3,129.37** |
| **Total** | **17,230.27** | **16,055.39** |
| **Note:** Realised gain on sale of investments (net) | 414.16 | 1,482.86 |

## 31. Cost of materials consumed

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Raw materials consumed | 1,75,235.91 | 1,10,907.69 |
| Packing materials consumed | 9,694.87 | 8,666.09 |
| **Total** | **1,84,930.78** | **1,19,573.78** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 32. Cost of raw ore, material extraction and processing cost

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Stripping Cost** | | |
| Drilling, blasting, loading and stripping cost | 122.81 | 755.17 |
| Royalty | 5.16 | 10.96 |
| **Sub-total (A)** | **127.97** | **766.13** |
| **Raw ore purchased & consumed (B)** | **1,894.03** | **873.22** |
| **Beneficiation cost** | | |
| Material cost | 350.09 | 616.14 |
| Stores, spares & consumable expenses | 52.90 | 36.03 |
| Equipment hiring charges | 175.68 | 234.73 |
| Production labour charges | 152.55 | 163.46 |
| Laboratory expenses | 12.48 | 8.10 |
| Other expenses | 47.01 | 49.67 |
| **Sub-total (C)** | **790.71** | **1,108.13** |
| **Total (A+B+C)** | **2,812.71** | **2,747.48** |

## 33. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **Opening 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** |
| **Less: Closing inventories** | | |
| Finished goods | 70,171.85 | 42,456.15 |
| Work-in-progress | 15,928.60 | 10,446.74 |
| By-products | 152.71 | 74.29 |
| | **86,253.16** | **52,977.18** |
| Effect of changes in exchange currency rates | 2,586.33 | 48.57 |
| **Increase in inventories** | **(30,689.65)** | **(863.69)** |

## 34. Employee benefits expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Salaries and wages | 29,128.58 | 24,041.56 |
| Contribution to provident and other funds | 1,415.90 | 1,271.35 |
| Gratuity | 588.59 | 549.95 |
| Staff welfare expenses | 1,078.17 | 682.82 |
| **Total** | **32,211.24** | **26,545.68** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 35. Finance costs

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(A) Interest expense** | | |
| a) Interest on financial liabilities measured at amortised cost | | |
| Interest on borrowings | 10,475.34 | 7,697.90 |
| b) Interest on lease liabilities | 242.77 | 26.17 |
| c) Interest on income tax | 182.72 | 282.00 |
| d) Other interest expenses | 513.81 | 136.49 |
| | **11,414.64** | **8,142.56** |
| **(B) Net foreign exchange loss on borrowings (considered as finance costs)** | **1,635.20** | **633.84** |
| **(C) Other borrowing costs** | **183.37** | **165.06** |
| **Sub-total (A+B+C)** | **13,233.21** | **8,941.46** |
| Less: Borrowing costs capitalised | (1,553.21) | (1,100.84) |
| **Total** | **11,680.00** | **7,840.62** |

The weighted average capitalisation rate of funds borrowed is 7.83% p.a. (previous year 6.61% p.a.)

## 36. Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Depreciation on property, plant and equipment | 22,667.23 | 19,742.44 |
| Depreciation on right-of-use assets | 353.19 | 238.10 |
| Depreciation on investment property | 10.50 | 17.59 |
| Amortisation of intangible assets | 574.32 | 546.00 |
| **Total** | **23,605.24** | **20,544.13** |

## 37. Other expenses

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Stores, spares and consumables | 13,561.20 | 10,503.53 |
| Freight | 18,579.50 | 14,405.10 |
| Insurance | 2,646.61 | 1,604.77 |
| Indirect tax expenses | 1,599.84 | 1,067.03 |
| Production labour charges | 4,707.17 | 3,236.79 |
| Processing charges | 524.32 | 595.12 |
| Rent, lease rentals and hire charges | 4,350.68 | 2,256.83 |
| Factory expenses | 3,125.51 | 2,043.89 |
| Repairs to | | |
| - Buildings | 532.34 | 619.87 |
| - Plant and equipment | 8,248.64 | 7,455.32 |
| - Others | 864.64 | 733.88 |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 37. Other expenses (Contd.)

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| | **9,645.62** | **8,809.07** |
| Directors' sitting fees | 20.00 | 27.00 |
| Commission to non-executive director | 1,891.30 | 1,058.10 |
| Rates and taxes | 214.41 | 527.73 |
| Travelling and conveyance | 3,181.40 | 1,826.32 |
| Communication expenses | 225.71 | 201.68 |
| Legal and professional fees and expenses | 6,892.18 | 5,718.17 |
| Royalty | 2,499.15 | 2,398.66 |
| Allowance for doubtful inter-corporate deposits | 1,033.75 | 292.14 |
| Allowance for doubtful trade receivables and expected credit losses | 208.64 | 478.25 |
| Corporate Social Responsibility (CSR) expenses | 1,077.45 | 522.00 |
| Commission | 73.67 | 91.31 |
| Loss by fire (see Note 50) | 41.56 | 720.67 |
| Miscellaneous expenses | 11,035.23 | 4,726.83 |
| **Total** | **87,134.90** | **63,110.99** |

**Notes:**

1. Bad debts and remission are net of provision for doubtful trade receivables adjusted of ₹ 238.98 Lakhs (previous year Nil)
2. Miscellaneous expenses includes amounts written off which is net of provision for doubtful inter-corporate deposits of ₹ 292.14 Lakhs (previous year Nil).

## 38. Tax expense

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **(a) Income tax recognised in statement of profit and loss** | | |
| **Current Tax** | | |
| In respect of current year | 47,829.58 | 27,401.64 |
| In respect of earlier years | 109.52 | (1.58) |
| | **47,939.10** | **27,400.06** |
| **Deferred Tax** | | |
| In respect of current year | (1,666.87) | (364.64) |
| In respect of earlier years | (103.10) | (103.10) |
| | **(1,769.97)** | **(467.74)** |
| | **46,169.13** | **26,932.32** |
| **(b) Income tax recognised in other comprehensive income** | | |
| Deferred tax on remeasurement of defined benefits plan | (44.83) | 4.37 |
| Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge | (1.63) | 9.30 |
| | **(46.46)** | **13.67** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

| | | |
|---|---|---|
| **Total tax expense** | **46,122.67** | **26,945.99** |

## 38. Tax expense (Contd.)

### 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, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Profit before tax | 1,78,473.72 | 1,04,518.84 |
| Income tax using the Company's domestic tax rate @ 25.168% | 44,918.27 | 26,305.30 |
| Effect of expenses that are not deductible in determining taxable profits | 719.57 | 444.04 |
| Effect of income which is taxed at special rates | (78.96) | (634.36) |
| Effect of deferred tax on losses not recognised by subsidiary companies | 357.82 | 812.90 |
| Effect of differential tax rates of foreign subsidiaries | 132.93 | 145.12 |
| Others (net) | 113.08 | (36.00) |
| | **46,162.71** | **27,037.00** |
| Taxation pertaining to earlier years | 6.42 | (104.68) |
| **Tax expense as per the Statement of Profit and Loss** | **46,169.13** | **26,932.32** |

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.

## 39. Nature of securities and terms of repayment

**I. In respect of borrowings availed by Gujarat Fluorochemicals Limited**

### 39.1 Nature of securities and terms of repayment of secured term loans are as under :

**As at 31st March, 2023**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 1 | Rupee Loan | 5,121.38 | Quarterly repayment, final maturity on 19th May, 2027 | 6M MCLR + 0.15% p.a. | (a) |
| 2 | Rupee Loan | 128.59 | Monthly repayment, final maturity on 4th January, 2025 | 8.75% p.a. | (b) |
| 3 | Rupee Loan | 162.08 | Monthly repayment, final maturity on 4th September, 2024 | 8.30% p.a. | (b) |
| 4 | Rupee Loan | 6,800.00 | Quarterly repayment, final maturity on 26th June, 2027 | Repo Rate + 2.40 % p.a. | (c) |
| 5 | Rupee Loan | 5,000.00 | Quarterly repayment, final maturity on 15th September, 2027 (First four (4) quarters are moratorium period) | 3M MCLR + 0.20% p.a. | (d) |
| 6 | Redeemable Non-Convertible Debentures | 5,000.00 | Yearly repayment, final maturity on 20th March, 2026 | 8.52% p.a. | (e) |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 39. Nature of securities and terms of repayment (Contd.)

**As at 31st March, 2022**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 1 | Rupee Loan | 6,368.14 | Quarterly repayment, final maturity on 19th May, 2027 | 6M MCLR + 0.15% p.a. | (a) |
| 2 | Rupee Loan | 152.77 | Monthly repayment, final maturity on 4th January, 2025 | 8.75% p.a. | (b) |
| 3 | Rupee Loan | 194.68 | Monthly repayment, final maturity on 4th September, 2024 | 8.30% p.a. | (b) |
| 4 | Rupee Loan | 78.39 | Monthly repayment, final maturity on 7th March, 2023 | 10.00% p.a. | (b) |
| 5 | Rupee Loan | 21,318.75 | Quarterly repayment, final maturity on 27th December, 2025 | Repo Rate + 2.75 % p.a. | (f) |
| 6 | Rupee Loan | 16,924.32 | Quarterly repayment, final maturity on 26th June, 2027 | Repo Rate + 2.40 % p.a. | (f) |
| 7 | Rupee Loan | 9,972.50 | Quarterly repayment, final maturity on 21st March, 2026 | 3M T Bill + 2.87 % p.a. | (f) |
| 8 | Foreign Currency Loan | 842.05 | Half yearly repayment, final maturity on 20th March, 2023 | Hedged at 10.55% p.a. with Call Spread Option | (g) |
| 9 | Foreign Currency Loan | 408.40 | Half yearly repayment, final maturity on 20th March, 2023 | 6M LIBOR + 4.14% p.a. | (g) |

**Notes:**

a) 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.

b) The vehicle loans are secured by way of hypothecation of vehicles.

c) The term loan is secured by way of exclusive charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant located at 12A, GIDC Dahej Industrial Estate, Taluka - Vagra, District - Bharuch - 392130, Gujarat.

d) The term loan is secured by way of first pari passu charge on specific movable fixed assets of the Company located at Dahej pertaining to CMS, CACL2 & TFE Plant located at 12/A, GIDC Dahej Industrial Estate, Taluka - Vagra, District - Bharuch – 392130, Gujarat.

e) The redeemable non-convertible debentures are secured by way of an exclusive first Charge by hypothecation of movable assets 14 MW Wind Power Project at Mahidad and AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village-Ranjit nagar 389380, Taluka-Ghoghamba, District Panchmahal, Gujarat. The carrying value of the assets hypothecated is ₹ 8,801.31 Lakhs as at 31st March, 2023.

f) The term loans were 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 12/A, GIDC Dahej Industrial Estate, Taluka-Vagra District-Bharuch – 392130, Gujarat.

g) The foreign currency term loan was 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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, 2023**

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 1 | Foreign Currency Loan-Import Finance | 1,555.47 | Repayment range from 3rd April, 2023 to 6th April, 2023 | Interest range from 6M SOFR + 1.30% to 6M SOFR + 1.35% |
| 2 | Foreign Currency Loan-Import Finance | 5,145.54 | Repayment range from 6th June, 2023 to 31st August, 2023 | Interest range from 6M SOFR + 0.60% to 6M SOFR + 1.10% |
| 3 | Foreign Currency Loan-Import Finance | 3,011.59 | Repayment on 9th June, 2023 | Interest range from 6M SOFR + 0.50% |
| 4 | Foreign Currency Loan-Import Finance | 5,706.31 | Repayment range from 21st April, 2023 to 18th August, 2023 | Interest range from 6M SOFR + 0.45% to 6M SOFR + 0.70% |
| 5 | Foreign Currency Loan-Import Finance | 2,265.52 | Repayment range from 19th May, 2023 to 24th July, 2023 | Interest range from 6M SOFR + 0.80% to 6M SOFR + 1.05% |
| 6 | Foreign Currency Loan - Packing Credit | 24,829.65 | Repayment range from 24th May, 2023 to 25th September, 2023 | Interest range from 6M EURIBOR + 0.53% to 6M EURIBOR + 0.55% |
| 7 | Foreign Currency Loan - Packing Credit | 10,682.75 | Repayment range from 18th June, 2023 to 1st September, 2023 | Interest range from 6M SOFR + 0.48% to 6M SOFR + 0.60% |
| 8 | Foreign Currency Loan - Packing Credit | 1,163.19 | Repayment on 6th April, 2023 | 3.10% p.a. |
| 9 | Foreign Currency Loan - Packing Credit | 4,108.75 | Repayment range from 15th June, 2023 to 19th July, 2023 | Interest range from 1M SOFR + 0.60% to 1M SOFR + 0.83% (1M SOFR Reset Every 1 M) |
| 10 | Foreign Currency Loan - WCL FCY | 9,861.00 | Repayment range from 1st September, 2023 to 26th September, 2023 | Interest range from 5.90% p.a. to 5.95% p.a. |
| 11 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 6th May, 2023 | 1M T Bill + 1.32% (1M T Bill Reset every 1M) |
| 12 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 17th June, 2023 | 1M T Bill + 1.12% (1M T Bill Reset every 1 M) |
| 13 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 2nd April, 2023 | Repo Rate + 1.35% |
| 14 | Rupee Loan - working capital Demand Loan | 3,000.00 | Bullet repayment on 4th April, 2023 | Repo Rate + 1.35% |
| 15 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 19th April, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 16 | Rupee Loan - working capital Demand Loan | 2,500.00 | Bullet repayment on 6th May, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 17 | Rupee Loan - Working Capital Demand Loan | 2,000.00 | Bullet repayment on 9th May, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 18 | Rupee Loan - Working Capital Demand Loan | 2,500.00 | Bullet repayment on 9th August, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 19 | Rupee Loan - Working Capital Demand Loan | 2,500.00 | Bullet repayment on 8th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 20 | Rupee Loan - Working Capital Demand Loan | 2,500.00 | Bullet repayment on 8th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 21 | Rupee Loan - Working Capital Demand Loan | 2,500.00 | Bullet repayment on 27th September, 2023 | 6M T Bill + 1.25% (6M T Bill reset every 3 M) |
| 22 | Rupee Loan - Working Capital Demand Loan | 2,500.00 | Bullet repayment on 4th August, 2023 | 7.70% p.a. |
| 23 | Rupee Loan - Working Capital Demand Loan | 2,200.00 | Bullet repayment on 11th August, 2023 | 7.80% p.a. |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 39. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 24 | Rupee Loan - Working Capital Demand Loan | 1,000.00 | Bullet repayment on 29th July, 2023 | Repo Rate + 1.35% |
| 25 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 5th June, 2023 | 3M T Bill + 1.38% (3M T Bill reset every 3 M) |
| 26 | Rupee Loan -Short Term Loan | 3,000.00 | Bullet repayment on 7th June, 2023 | 3M T Bill + 1.38% (3M T Bill reset every 3 M) |
| 27 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 13th June, 2023 | 3M T Bill + 1.43% (3M T Bill reset every 3 M) |
| 28 | Rupee Loan -Short Term Loan | 2,000.00 | Bullet repayment on 15th June, 2023 | 3M T Bill + 1.43% (3M T Bill reset every 3 M) |
| 29 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 6th May, 2023 | Repo Rate + 1.40% (Repo Rate reset every 1 M) |
| 30 | Rupee Loan -Short Term Loan | 2,500.00 | Bullet repayment on 29th May, 2023 | Repo Rate + 1.35% (Repo Rate reset every 1 M) |
| 31 | Rupee Loan -Short Term Loan | 3,000.00 | Bullet repayment on 12th April, 2023 | Repo Rate + 1.10% (Repo Rate reset every 3 M) |
| 32 | Rupee Loan -Short Term Loan | 739.70 | Bullet repayment on 30th June, 2023 | 6M MCLR + 0.90% |
| 33 | Rupee Loan -Short Term Loan | 54.90 | Bullet repayment on 4th July, 2023 | 6M MCLR + 0.90% |
| 34 | Rupee Loan - Cash Credit | 235.94 | Daily working capital Limit / cash Credit | 6M MCLR |
| 35 | Rupee Loan - Cash Credit | 484.85 | Daily working capital Limit / cash Credit | 6M MCLR |
| 36 | Rupee Loan - Cash Credit | 109.37 | Daily working capital Limit / cash Credit | 3M MCLR |

**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 6M 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% |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 39. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 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) |
| 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) |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 39. Nature of securities and terms of repayment (Contd.)

| Sr. No. | Loan Type | Amount Outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 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, 2023

## 39. Nature of securities and terms of repayment (Contd.)

### II. In respect of borrowings availed by GFL GM Fluorspar SA

**39.3 Nature of securities and terms of repayment of secured non-current borrowing is as under :**

**As at 31st March, 2023**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest | Security Note |
|---|---|---|---|---|---|
| 1 | External Commercial Borrowing | 1,437.99 | 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 & future and irrevocable Corporate Guarantee of holding company.

**As at 31st March, 2022**

| Sr. No. | Loan Type | 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 & future and irrevocable Corporate Guarantee of holding company.

### III. In respect of borrowings availed by GFCL EV Products Limited

**39.4 The terms of repayment of unsecured loans is as under :**

**As at 31st March, 2023**

| Sr. No. | Loan Type | Amount outstanding (₹ in Lakhs) | Terms of Repayment | Rate of Interest |
|---|---|---|---|---|
| 1 | Foreign Currency Loan- Import Finance | 1,109.36 | Repayment on 24th April, 2023 | Interest range from 6M SOFR + 1% spread |

**39.5** See Note 52(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, 2023

## 40. Contingent liabilities

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 1) | **In respect of Gujarat Fluorochemicals Limited** | | |
| a | **In respect of Income Tax matters -** | | |
| i) | Demand on account of additions 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 | 1,819.19 |
| ii) | Demand on account of additions made in assessment order for A.Y. 2018-19 on benchmarking of investment in foreign subsidiaries, disallowance of deduction u/s 80-IA, etc. | 2,192.19 | - |
| iii) | Penalty u/s 271AA(1) for failure to keep/maintain information and documents in respect of international transactions for A.Y. 2018-19. | 1,464.82 | - |
| iv) | Demand on account of addition made in assessment order for A.Y. 2015-16 on depreciation charged at higher rate on windmills. | - | 26.83 |
| | **Total of Income tax matters** | **5,476.20** | **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. | 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. | 2,669.32 | 2,682.06 |
| | **Total of Excise Duty matters** | **3,600.20** | **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 |
| iii) | Demand due to failure to produce/late submission of Export obligation certificates. Matter is pending before Deputy Commissioner of Customs for examining the export obligation discharge certificate submitted. | 1,240.12 | - |
| iv) | Demands for which the Company had received show cause notice for wrong classification for import of flanges (part of wind operated electricity generator). The Company has filed reply in this regard. | 55.63 | - |
| | **Total of Custom Duty matters** | **2,679.69** | **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 form-C. | 57.56 | 64.20 |
| | The Company has filed appeals before appropriate appellate authorities against the said orders. | | |
| | **Total of Sales Tax matters** | **112.89** | **119.53** |
| e | **In respect of GST matters** | | |
| i) | Show cause notice for short payment of GST. | 23.43 | - |
| ii) | Show cause notice for penalty for short payment of GST on import services. | 16.96 | - |
| | **Total of GST matters** | **40.39** | **-** |
| | **Total Contingent Liability in respect of taxation matters** | **11,909.37** | **6,962.43** |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

### 40. Contingent liabilities (Contd.)

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| h | **In respect of Other matters** | | |
| i) | Details of corporate guarantees given to banks and financial institutions for loans taken by a step down subsidiary and fellow subsidiaries and working capital facilities of the Company used by fellow subsidiaries. | 1,73,047.69 | 1,82,550.00 |
| | **Total Contingent Liability in respect of Other matters** | **1,73,047.69** | **1,82,550.00** |

In respect of above Excise duty, Custom duty and Sales tax matters, the Company has paid an amount of ₹ 263.31 Lakhs (as at 31st March, 2022: ₹ 163.45 Lakhs) and not charged to Statement of Profit and Loss.

(₹ in Lakhs)

| Sr. No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| 2) | **In respect of Gujarat Fluorochemicals Americas LLC** | | |
| a | **In respect of other matters** | | |
| | In the earlier year, the US Department of Commerce (US DOC) had imposed provisional Anti Dumping Duty (ADD) & Countervailing Duty (CVD) on Granular PTFE Resin imported by the Company from the holding Company. During the current year, the Company has received the order reducing the provisional duty rates. The total amount of duties is ₹ 6,106.32 Lakhs (previous year ₹ 855.16 Lakhs). This amount is paid by way of deposit and included in "Deposits towards import duties and custom bond" in Note 13 'Other assets'. Further, the amount of actual duty payable, if any, will be determined on the final review by US DOC which is generally scheduled after 18 months of imposition of provisional levy. Any difference between the deposit and actual liability will be accounted appropriately on receipt of final determination by US DOC. The Company had filed an appeal against the said levy before United States Court of International Trade. In respect of this matter, no provision is considered necessary as the Company expects significant relief and final liability, if any, will not be significant. There will be no further cash outflow since the entire amount is already deposited with the authorities. | **6,106.32** | **855.16** |
| 3) | **In respect of GFL GM Fluorspar SA** | | |
| a | **Claim against the Company not acknowledged as debt** | | |
| | The party from whom the Company had purchased mining licence in earlier year had claimed VAT towards consideration paid for transfer of said licence. The Company had filed an appeal at appropriate level. During the current year, the claim has been settled. An amount of Nil (31st March, 2022: ₹ 159.16 Lakhs) held in escrow with the bank was 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 consolidated financial statements in the period in which the Code comes into effect.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 41. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 68,277.23 Lakhs (as at 31st March, 2022: ₹ 19,928.08 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 Bulk Chemicals, Fluorochemicals & Fluoropolymers. 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.

### 42.1 Breakup of revenue from operations

#### a) Product-wise breakup

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| **a) Sale of products** | | |
| Bulk Chemicals (Caustic Soda, Chloroform, Methylene Di Chloride, Carbon Tetrachloride (CTC) etc.) | 1,13,981.56 | 1,00,915.32 |
| Fluorochemicals (Fluorospeciality and Refrigerants etc.) | 1,51,823.34 | 62,871.44 |
| Fluoropolymers (PTFE, Micro Powders, PVDF, FEP, FKM, PPA etc.) | 2,93,619.13 | 2,21,256.58 |
| | **5,59,424.03** | **3,85,043.34** |
| **b) Other operating revenue** | | |
| Export incentives | 5,984.37 | 4,370.19 |
| Sale of scrap | 1,470.72 | 838.30 |
| Insurance claim (see Note 50) | - | 2,788.73 |
| Carbon credits | 275.50 | 437.46 |
| Others | 1,311.53 | 1,880.83 |
| | **9,042.12** | **10,315.51** |
| **Total revenue from operations** | **5,68,466.15** | **3,95,358.85** |

#### b) Geographical breakup

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| India | 2,27,933.58 | 1,99,983.09 |
| Europe | 1,19,878.79 | 84,538.25 |
| USA | 1,49,898.06 | 47,430.28 |
| Rest of the world | 70,755.72 | 63,407.23 |
| **Total** | **5,68,466.15** | **3,95,358.85** |

### 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 2022-2023 and 2021-2022.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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 plant & equipment 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 and Equipment | Buildings | Total |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **Balance as at 1st April, 2021** | **4,460.55** | **284.35** | **739.09** | **5,483.99** |
| 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** |
| Additions for the year | 4,892.06 | 450.62 | 3,349.06 | 8,691.74 |
| Disposal | - | - | (442.16) | (442.16) |
| Add: Effect of foreign currency translation differences (gain)/loss | - | 2.89 | 117.05 | 119.94 |
| **Balance as at 31st March, 2023** | **9,352.61** | **615.51** | **3,628.22** | **13,596.34** |
| **Accumulated depreciation** | | | | |
| **Balance as at 1st April, 2021** | **101.14** | **154.74** | **322.33** | **578.21** |
| 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** |
| Depreciation expense for the year | 62.88 | 66.06 | 325.76 | 454.70 |
| Eliminated on disposal of assets | - | - | (351.25) | (351.25) |
| Add: Effect of foreign currency translation differences (gain)/loss | - | 0.92 | 17.12 | 18.04 |
| **Balance as at 31st March, 2023** | **214.59** | **132.75** | **338.70** | **686.04** |

(₹ in Lakhs)

| Particulars | Land-leasehold | Plant and Equipment | Buildings | Total |
|---|---|---|---|---|
| As at 31st March, 2022 | 4,308.84 | 96.23 | 257.20 | 4,662.27 |
| **As at 31st March, 2023** | **9,138.02** | **482.76** | **3,289.52** | **12,910.30** |

**Note:** The Group has not revalued its right-of-use assets during the year.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 43. Leases (Contd.)

### ii. Movement in lease liability during year ended

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance at the beginning of the year** | **299.28** | **507.88** |
| Addition during the year | 3,555.73 | - |
| Deletion during the year | (90.91) | - |
| Interest on lease liabilities | 242.77 | 26.17 |
| Payment of lease liabilities | (328.37) | (234.63) |
| Effect of foreign currency translation differences (gain)/loss (net) | 9.43 | (0.14) |
| **Balance at the end of the year** | **3,687.93** | **299.28** |

### iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Maturity analysis - contractual undiscounted cash flows | | |
| Less than one year | 597.14 | 184.31 |
| One to five years | 2,053.52 | 131.10 |
| More than five years | 4,676.88 | - |
| **Total undiscounted lease liabilities** | **7,327.54** | **315.41** |

### iv. Amounts recognised in statement of profit and loss

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Interest on lease liabilities | 242.77 | 26.17 |
| Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases | 420.24 | 523.49 |

### v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Total cash outflow for leases | 328.37 | 234.63 |

### 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Less than one year | 346.56 | 63.84 |
| One to five years | 895.28 | - |
| **Total** | **1,241.84** | **63.84** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 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 ₹ 1,154.53 Lakhs (as at 31st March, 2022: ₹ 999.31 Lakhs) is recognised as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss and ₹ 229.46 Lakhs (as at 31st March, 2022: ₹ 61.90 Lakhs) 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, 2023 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Opening defined benefit obligation** | 2,944.02 | 2,624.14 |
| Current service cost | 470.02 | 394.30 |
| Interest cost | 210.49 | 175.55 |
| Actuarial gains/(losses) on obligation: | | |
| a) arising from changes in financial assumptions | (58.46) | (102.20) |
| b) arising from experience adjustments | 242.96 | 84.83 |
| Benefits paid | (149.04) | (232.60) |
| **Present value of defined benefit obligation as at year end** | **3,659.99** | **2,944.02** |

#### (ii) Components of amount recognised in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Current service cost | 470.02 | 394.30 |
| Interest cost | 210.49 | 175.55 |
| Less: amount included in pre-operative expenses | (91.92) | (19.90) |
| **Amount recognised in profit & loss** | **588.59** | **549.95** |
| Actuarial gains/(losses): | | |
| a) arising from changes in financial assumptions | (58.46) | (102.20) |
| b) arising from experience adjustments | 242.96 | 84.83 |
| **Amount recognised in other comprehensive income** | **184.50** | **(17.37)** |
| **Total** | **773.09** | **532.58** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 44. Employee benefits (Contd.)

### (iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Discount rate | 7.38% | 7.15% |
| 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| if discount rate increased by 1% | (248.04) | (213.18) |
| if discount rate decreased by 1% | 274.26 | 229.88 |
| if salary escalation rate increased by 1% | 267.30 | 226.91 |
| if salary escalation rate decreased by 1% | (250.20) | (212.50) |

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 recognised in the balance sheet.

### (v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Expected outflow in 1st Year | 837.74 | 588.43 |
| Expected outflow in 2nd Year | 267.99 | 191.39 |
| Expected outflow in 3rd Year | 222.16 | 213.05 |
| Expected outflow in 4th Year | 230.09 | 171.73 |
| Expected outflow in 5th Year | 193.39 | 182.18 |
| Expected outflow in 6th to 10th Year | 1,908.60 | 1,597.22 |

The average duration of the defined benefit plan obligation at the end of the reporting period is in the range of 12.98 to 14.55 years (as at 31st March, 2022: 11.32 to 12.79 years )

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 44. Employee benefits (Contd.)

### (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, 2023 based on actuarial valuation carried out by using Projected Unit Credit Method resulted in increase in liability by ₹ 299.14 Lakhs (as at 31st March, 2022: ₹ 115.63 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Discount rate | 7.38% | 7.15% |
| 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 optimisation 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| Total debt | 1,47,824.32 | 1,55,271.63 |
| Cash & bank balance | (2,795.50) | (4,330.15) |
| Net debt | **1,45,028.82** | **1,50,941.48** |
| Total equity | **5,52,071.85** | **4,23,028.90** |
| Net debt to equity Ratio (in times) | **0.26** | **0.36** |

**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 liabilities.

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 and unclaimed dividend account).

## 45. Financial instruments (Contd.)

### 45.2 Categories of financial instruments

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **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 |
| (ii) Investments in venture capital funds | 17.15 | 18.10 |
| (b) Derivative instruments designated as Fair value hedge in hedge accounting | - | 111.55 |
| **Sub-total** | **17.15** | **1,994.30** |
| **Measured at amortised cost** | | |
| (a) Cash and bank balances | 16,191.33 | 39,637.07 |
| (b) Other financial assets at amortised cost | | |
| (i) Trade receivables | 1,10,679.72 | 77,809.17 |
| (ii) Loans | 2,771.03 | 3,745.30 |
| (iii) Others | 40,096.74 | 32,877.96 |
| **Sub-total** | **1,69,738.82** | **1,54,069.50** |
| **Total financial assets** | **1,69,755.97** | **1,56,063.80** |
| **b) Financial liabilities** | | |
| **Measured at amortised cost** | | |
| (a) Borrowings | 1,47,824.32 | 1,55,271.63 |
| (b) Lease liabilities | 3,687.93 | 299.28 |
| (c) Trade payables | 69,100.26 | 51,348.35 |
| (d) Other financial liabilities | 22,181.04 | 16,583.26 |
| **Sub-total** | **2,42,793.55** | **2,23,502.52** |
| **Measured at fair value through other comprehensive income (FVTOCI)** | | |
| Derivative instruments designated as cash flow hedge accounting relationship | - | 4.36 |
| **Sub-total** | **-** | **4.36** |
| **Total Financial liabilities** | **2,42,793.55** | **2,23,506.88** |

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

### 45.3 Financial risk management

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables, other payables and lease liabilities.

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 minimise 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 risk management policies approved by the Board of Directors of the holding company, which provide written principles on foreign exchange risk, interest rate risk, credit

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 45. Financial instruments (Contd.)

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. The Group has taken all necessary actions to mitigate the financial risks identified on the basis of information and situation present.

### 45.4 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and other price risk. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

### 45.5 Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. 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 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 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, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Liabilities** | | |
| USD | 57,103.85 | 22,506.45 |
| Euro | 27,744.03 | 20,039.48 |
| Others | 17.74 | 0.47 |
| **Assets** | | |
| USD | 74,281.54 | 24,676.04 |
| Euro | 29,849.20 | 15,098.91 |
| AED | 534.67 | - |

#### 45.5.1 Foreign Currency Sensitivity Analysis

The Group is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Group.

A 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. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 45. Financial instruments (Contd.)

(₹ in Lakhs)

| USD impact (net of taxes) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Impact on profit or loss for the year | 1,285.44 | 162.36 |
| Impact on total equity as at the end of the reporting period | 1,285.44 | 162.36 |

(₹ in Lakhs)

| Euro impact (net of taxes) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Impact on profit or loss for the year | 157.53 | 369.71 |
| Impact on total equity as at the end of the reporting period | 157.53 | 369.71 |

### 45.5.2 Forward Foreign Exchange Contracts

The Group had entered 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, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| **Fair value hedges** | | | | | | | | | |
| Principal only swaps (POS) contracts (Financial assets) | USD | - | 75.79 | - | 11.11 | - | 842.06 | - | 111.55 |

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 through the impact of rate changes on interest-bearing liabilities. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely. 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 minimise 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. As at the year end, there are no foreign currency long-term borrowings. Bank overdraft/cash credit facility and certain short-term rupee loans and short-term foreign currency borrowings carry a floating 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 financial assets i.e., bank fixed deposits are at a fixed rate of interest.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 45. Financial instruments (Contd.)

### 45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to floating interest rates for non-current borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. For floating rate borrowings, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit/(loss) for the year ended 31st March, 2023 would decrease/increase by ₹ 58.75 Lakhs (net of tax) (for the year ended 31st March, 2022 decrease/increase by ₹ 199.56 Lakhs (net of tax)). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### 45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

**Details of Interest Rate Swap Contracts outstanding at the end of reporting period:**

(₹ in Lakhs)

| Interest Rate Swap Contracts outstanding | Average Contracted Fixed Interest Rate % | | Notional Principal Value | | Fair value derivative assets / (liabilities) | |
|---|---|---|---|---|---|---|
| | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 | As at 31st March, 2023 | As at 31st March, 2022 |
| ICICI BANK | - | 10.55% | - | 842.06 | - | (4.36) |
| **1 to 5 years** | | | **-** | **842.06** | **-** | **(4.36)** |
| **Total** | | | **-** | **842.06** | **-** | **(4.36)** |
| **Balance in the cash flow hedge reserve (net of tax)** | | | | | **-** | **4.84** |

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 Company does not have any quoted equity instrument and mutual funds as at end of the reporting period. Further, investment in joint venture is held for strategic rather than trading purposes and the Group does not actively trade this investments. 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, balances with banks, loans and other receivables.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 45. Financial instruments (Contd.)

### 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.

**Movement in the expected credit loss allowance**

(₹ in Lakhs)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance at the beginning of the year | 84.74 | 91.94 |
| Movement in expected credit loss allowance | 12.46 | (7.20) |
| **Balance at the end of the year** | **97.20** | **84.74** |

### 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 party. 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 holding 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 45. Financial instruments (Contd.)

(₹ in Lakhs)

| Particulars | Less than 1 year | 1 to 5 years | 5 years and above | Total |
|---|---|---|---|---|
| **As at 31st March, 2023** | | | | |
| Borrowings | 1,29,502.53 | 18,321.79 | - | 1,47,824.32 |
| Trade payables | 69,100.26 | - | - | 69,100.26 |
| Security deposits | 508.52 | - | - | 508.52 |
| Other payables | 21,672.52 | - | - | 21,672.52 |
| **Total** | **2,20,783.83** | **18,321.79** | **-** | **2,39,105.62** |
| **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** |

Particulars of contractual maturities in respect of lease liabilities is as per Note 43.

## 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, 2023 | 31st March, 2022 | | | | |
| 1. Principal only swaps designated in hedge accounting relationships (Note 11) | Assets - Nil and Liabilities - Nil | Assets - ₹ 111.55 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 - Nil | Assets - Nil and Liabilities ₹ 4.36 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)) | Nil | Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 1,864.65 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 ₹ 17.15 Lakhs | Investments in units of Venture capital fund: aggregate fair value of ₹ 18.10 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, 2023

## 46. Related party disclosures

**(A) Where control exists:**

### Ultimate controlling party

Mr. V. K. Jain (w.e.f. 8th November, 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 controlling party)

Mr. Sanath Kumar Muppirala

Mr. Sanjay Borwankar (upto 31st October, 2022)

Mr. Niraj Agnihotri (w.e.f. 1st July, 2021)

Mr. Jay Shah (w.e.f. 1st November, 2022)

**b) Non-executive directors**

Mr. D. K. Jain

Mr. Shailendra Swarup

Mr. Shanti Prashad Jain

Mr. Chandra Prakash Jain

Mr. Om Prakash Lohia

Ms. Vanita Bhargava

### Fellow subsidiaries and their associates

GFL Limited (upto 21st September, 2021 and subsequently reclassified)

Inox Leisure Limited (upto 21st September, 2021 and subsequently reclassified)

Inox Wind Energy Limited

Inox Wind Limited

Waft Renergy Private Limited

Resco Global Wind Service Private Limited

Inox Green Energy Services Limited (earlier known as Inox Wind Infrastructure Services Limited)

Haroda Wind Energy Private Limited

Khatiyu Wind Energy Private Limited

Vigodi Wind Energy Private Limited

Vasuprada Renewables Private Limited

Suswind Power Private Limited

Vibhav Energy Private Limited

Wind Four Renergy Private Limited

Ripudaman Urja 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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 46. Related party disclosures (Contd.)

### Associates of Inox Green Energy Services Limited

Wind One Renergy Private Limited (upto 7th October, 2022)

Wind Five Renergy Private Limited (upto 7th October, 2022)

Wind Two Renergy Private Limited (upto 30th July, 2022)

Wind Three Renergy Private Limited (upto 7th October, 2022)

### Enterprises over which a Key Management Personnel, or his relatives, have control/significant influence

GFL Limited (w.e.f. 21st September, 2021)

Inox Leisure Limited (w.e.f. 21st September, 2021 and upto 31st December, 2022)

Devansh Gases Private Limited

Refron Valves Private Limited

Devansh Trademart LLP

Rajni Farms Private Limited

Inox India Private Limited

Aryavardhan Trading LLP
(Earlier known as Siddhapavan Trading LLP)

Inox Air Products Private Limited

Siddho Mal Trading LLP

Inox Chemicals LLP

Swarup & Company

### Entity having significant influence in a subsidiary

Global Mines SARL, Morocco (upto 5th March, 2023)

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 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 | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **A) Transactions during the year** | | | | | | | | |
| **Sale of goods** | | | | | | | | |
| Inox Air Products Private Limited | | | | | **0.67** | 0.61 | **0.67** | 0.61 |
| Refron Valves Limited | | | | | **0.12** | - | **0.12** | - |
| Inox Wind Limited | **-** | 117.45 | | | | | **-** | 117.45 |
| **Total** | **-** | **117.45** | | | **0.79** | **0.61** | **0.79** | **118.06** |
| **Miscellaneous Income** | | | | | | | | |
| Inox Green Energy Services Limited | **2.50** | - | | | | | **2.50** | - |
| **Total** | **2.50** | **-** | | | | | **2.50** | **-** |
| **Purchase of assets** | | | | | | | | |
| Inox India Private Limited | | | | | **163.00** | 83.00 | **163.00** | 83.00 |
| Inox Air Products Private Limited | | | | | **41.57** | - | **41.57** | - |
| **Total** | | | | | **204.57** | 83.00 | **204.57** | 83.00 |
| **Purchase of goods** | | | | | | | | |
| Inox Air Products Private Limited | | | | | **2,539.51** | 1,807.00 | **2,539.51** | 1,807.00 |
| Inox India Private Limited | | | | | **2,202.77** | 2,311.62 | **2,202.77** | 2,311.62 |
| Refron Valves Private Limited | | | | | **-** | 0.10 | **-** | 0.10 |
| **Total** | | | | | **4,742.28** | 4,118.72 | **4,742.28** | 4,118.72 |
| **Purchase of services** | | | | | | | | |
| Inox Air Products Private Limited | | | | | **3.05** | - | **3.05** | - |
| **Total** | | | | | **3.05** | **-** | **3.05** | **-** |
| **Purchase of movie tickets** | | | | | | | | |
| Inox Leisure Limited | | | | | **14.28** | - | **14.28** | - |
| **Total** | | | | | **14.28** | **-** | **14.28** | **-** |

## 46. Related party disclosures (Contd.)

(₹ in Lakhs)

| Particulars | Fellow Subsidiary Companies and their Associates | | Key Management Personnel | | Enterprises over which KMP or his relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Capital advances received back** | | | | | | | | |
| Inox Wind Limited | **50,519.70** | - | | | | | **50,519.70** | - |
| Resco Global Wind Service Private Limited | **11,850.30** | - | | | | | **11,850.30** | - |
| **Total** | **62,370.00** | **-** | | | | | **62,370.00** | **-** |
| **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 Wind Limited | **4,133.54** | 5,327.33 | | | | | **4,133.54** | 5,327.33 |
| Resco Global Wind Service Private Limited | **976.15** | 1,256.17 | | | | | **976.15** | 1,256.17 |
| **Total** | **5,109.69** | 6,583.50 | | | | | **5,109.69** | 6,583.50 |
| **Guarantees/securities given** | | | | | | | | |
| Inox Green Energy Services Limited | **20,916.00** | 38,434.00 | | | | | **20,916.00** | 38,434.00 |
| Inox Wind Limited | **45,792.88** | 61,641.00 | | | | | **45,792.88** | 61,641.00 |
| Resco Global Wind Service Private Limited | **86,253.00** | 39,473.00 | | | | | **86,253.00** | 39,473.00 |
| **Total** | **1,52,961.88** | 1,39,548.00 | | | | | **1,52,961.88** | 1,39,548.00 |
| **Guarantees/securities extinguished/exposure reduced** | | | | | | | | |
| Inox Green Energy Services Limited | **62,984.75** | 48,601.00 | | | | | **62,984.75** | 48,601.00 |
| Inox Wind Limited | **43,183.44** | 30,387.00 | | | | | **43,183.44** | 30,387.00 |
| Resco Global Wind Service Private Limited | **56,296.00** | - | | | | | **56,296.00** | - |
| **Total** | **1,62,464.19** | 78,988.00 | | | | | **1,62,464.19** | 78,988.00 |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 46. Related party disclosures (Contd.)

(₹ in Lakhs)

| Particulars | Fellow Subsidiary Companies and their Associates | | Key Management Personnel | | Enterprises over which KMP or his relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **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 | | | | | **-** | 522.00 |
| Mr. D. K. Jain | | | **11.97** | - | | | **11.97** | - |
| **Total** | **-** | 522.00 | **11.97** | - | **7.32** | 7.32 | **19.29** | 529.32 |
| **Reimbursement of expenses (received)/ payments made on behalf by the Company** | | | | | | | | |
| Inox Wind Limited | **46.14** | 15.25 | | | | | **46.14** | 15.25 |
| Inox Air Products Private Limited | | | | | **3.35** | 4.72 | **3.35** | 4.72 |
| Inox Green Energy Services Limited | **183.52** | 308.94 | | | | | **183.52** | 308.94 |
| **Total** | **229.66** | 324.19 | | | **3.35** | 4.72 | **233.01** | 328.91 |
| **Guarantee commission income** | | | | | | | | |
| Inox Green Energy Services Limited | **468.89** | 693.52 | | | | | **468.89** | 693.52 |
| Inox Wind Limited | **982.89** | 935.53 | | | | | **982.89** | 935.53 |
| Resco Global Wind Service Private Limited | **434.10** | 101.30 | | | | | **434.10** | 101.30 |
| **Total** | **1,885.88** | 1,730.35 | | | | | **1,885.88** | 1,730.35 |
| **Rent received** | | | | | | | | |
| Inox Air Products Private Limited | | | | | **8.72** | 20.92 | **8.72** | 20.92 |
| Inox Wind Limited | **72.39** | 72.39 | | | | | **72.39** | 72.39 |
| Inox Green Energy Services Limited | **12.02** | 3.01 | | | | | **12.02** | 3.01 |
| Others | **3.61** | 3.83 | | | **-** | 0.36 | **3.61** | 4.19 |
| **Total** | **88.02** | 79.23 | | | **8.72** | 21.28 | **96.74** | 100.51 |

## 46. Related party disclosures (Contd.)

(₹ in Lakhs)

| Particulars | Fellow Subsidiary Companies and their Associates | | Key Management Personnel | | Enterprises over which KMP or his relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| **Rent paid** | | | | | | | | |
| Devansh Gases Private Limited | | | | | **33.00** | 24.00 | **33.00** | 24.00 |
| Mr. D. K. Jain | | | **62.26** | - | | | **62.26** | - |
| **Total** | | | **62.26** | - | **33.00** | 24.00 | **95.26** | 24.00 |
| **O&M charges & lease rents paid** | | | | | | | | |
| Inox Air Products Private Limited | | | | | **234.46** | 216.27 | **234.46** | 216.27 |
| Inox Green Energy Services Limited | **569.96** | 539.85 | | | | | **569.96** | 539.85 |
| **Total** | **569.96** | 539.85 | | | **234.46** | 216.27 | **804.42** | 756.12 |
| **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 |
| **Professional fees paid** | | | | | | | | |
| Swarup & Co. | | | | | **50.00** | 8.97 | **50.00** | 8.97 |
| **Total** | | | | | **50.00** | 8.97 | **50.00** | 8.97 |

The above amounts are exclusive of duties and taxes, wherever applicable.

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 46. Related party disclosures (Contd.)

**Particulars of amounts outstanding as at 31st March, 2023**

(₹ in Lakhs)

| Particulars | Fellow subsidiary companies and their associates | | Enterprises over which KMP or their relatives have control/ significant influence | | Total | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Amounts payable | | | | | | |
| **Trade/other payable** | | | | | | |
| Inox India Private Limited | | | **524.53** | 273.56 | **524.53** | 273.56 |
| Inox Air Products Private Limited | | | **381.28** | 494.03 | **381.28** | 494.03 |
| Inox Green Energy Services Limited | **243.62** | 384.39 | | | **243.62** | 384.39 |
| Inox Wind Limited | **-** | 459.12 | | | **-** | 459.12 |
| **Total** | **243.62** | 843.51 | **905.81** | 767.59 | **1,149.43** | 1,611.10 |
| Amounts receivable | | | | | | |
| **a) Trade/other receivables** | | | | | | |
| Inox Leisure Limited | | | **-** | 30.48 | **-** | 30.48 |
| Inox Green Energy Services Limited | **1028.64** | 575.71 | | | **1,028.64** | 575.71 |
| Inox Air Products Private Limited | | | **-** | 0.45 | **-** | 0.45 |
| GFL Limited | | | **-** | 156.67 | **-** | 156.67 |
| Inox Wind Limited | **23,122.79** | 18,578.42 | | | **23,122.79** | 18,578.42 |
| Inox Wind Energy Limited | **33.91** | 33.13 | | | **33.91** | 33.13 |
| Resco Global Wind Service Private Limited | **6,324.47** | 4,941.20 | | | **6,324.47** | 4,941.20 |
| Others | **19.34** | 20.27 | | | **19.34** | 20.27 |
| **Total** | **30,529.15** | 24,148.73 | **-** | 187.60 | **30,529.15** | 24,336.33 |
| **b) Advances for purchase of assets** | | | | | | |
| Inox Wind Limited | **20,511.32** | 71,031.02 | | | **20,511.32** | 71,031.02 |
| Resco Global Wind Service Private Limited | **4,898.68** | 16,748.98 | | | **4,898.68** | 16,748.98 |
| **Total** | **25,410.00** | 87,780.00 | | | **25,410.00** | 87,780.00 |
| **c) Guarantees/securities** | | | | | | |
| Inox Green Energy Services Limited | **14,060.25** | 56,129.00 | | | **14,060.25** | 56,129.00 |
| Inox Wind Limited | **89,557.44** | 86,948.00 | | | **89,557.44** | 86,948.00 |
| Resco Global Wind Service Private Limited | **69,430.00** | 39,473.00 | | | **69,430.00** | 39,473.00 |
| **Total** | **1,73,047.69** | 1,82,550.00 | | | **1,73,047.69** | 1,82,550.00 |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 46. Related party disclosures (Contd.)

**Particulars of amounts outstanding as at 31st March, 2023, in case of entity having significant influence in a subsidiary**

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| Global Mines SARL, Morocco | | |
| Trade payables | - | 57.13 |
| Trade receivables | - | 67.14 |

**Compensation of Key Management Personnel for the year ended 31st March, 2023**

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| (i) Remuneration paid - | | |
| Mr. V. K. Jain | 4,275.85 | 2,333.25 |
| Mr. D. K. Jain | 1,891.30 | 1,058.10 |
| Mr. Sanath Kumar Muppirala | 129.37 | 115.31 |
| Mr. Sanjay Borwankar | 69.08 | 99.69 |
| Mr. Niraj Kishore Agnihotri | 151.85 | 81.32 |
| Mr. Jay Shah | 35.75 | - |
| **Total** | **6,553.20** | **3,687.67** |
| (ii) Director sitting fees paid | **20.00** | **27.00** |

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 ₹ 36.26 Lakhs (previous year ₹ 30.36 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, 2023 and 31st March, 2022 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) During the previous 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.

## 47. Earnings Per Share

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Profit for the year (₹ in Lakhs) | 1,32,304.59 | 77,586.52 |
| 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 ₹) | 120.44 | 70.63 |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 48. Non controlling interest

**Details of non wholly owned subsidiary:**

(₹ in Lakhs)

| Particulars | Year ended 31st March, 2023 | Year ended 31st March, 2022 |
|---|---|---|
| Name of subsidiary | - | GFL GM Fluorspar SA |
| Place of incorporation and principal place of business | - | Morocco |
| Proportion of ownership interest and voting rights held by non-controlling interest | - | 26.00% |
| Accumulated non-controlling interest | - | (2,484.24) |

**Notes:**

1. During the year, the Group through its wholly owned subsidiary Gujarat Fluorochemicals Singapore Pte. Limited, acquired the balance 26% of shareholding in GFL GM Fluorspar SA, Morocco for ₹ 367.66 Lakhs and GFL GM Fluorspar, Morocco is now wholly owned subsidiary of the Gujarat Fluorochemicals Singapore Pte. Limited.

2. The above non-controlling interest was 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 Company | |
|---|---|---|---|---|
| | | | 31st March, 2023 | 31st March, 2022 |
| 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 8th December, 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% | 100.00% |
| GFCL Solar and Green Hydrogen Products Limited (*) (incorporated on 8th December, 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% | 100.00% |
| Gujarat Fluorochemicals FZE (*) (incorporated on 5th December, 2021) | In the process of setting up a plant for manufacturing of HFC blends of R410a and R407c refrigerants. | Dubai | 100.00% | 100.00% |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 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 Company | |
|---|---|---|---|---|
| | | | 31st March, 2023 | 31st March, 2022 |
| GFL GM Flourspar SA | Exploration of fluorspar mines and sale of resultant fluorspar. | Morocco | 100.00% | 74.00% |

During the year, the Holding company through its wholly owned subsidiary Gujarat Fluorochemicals Singapore Pte. Limited, acquired the balance 26% of shareholding in GFL GM Fluorspar SA, Morocco for ₹ 367.66 Lakhs and GFL GM Fluorspars, Morocco is now wholly owned subsidiary of the Gujarat Fluorochemicals Singapore Pte. Limited.

(#) 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.

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 financial year of the above entities is 1st April to 31st March.

(*) 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 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 damaged facilities and also for loss of profits due to business interruption. The Company, on the basis of valid insurance contracts, had lodged claims with the Insurance Company. The survey and loss assessment by the Insurance Company is currently ongoing.

During the previous year ended 31st March, 2022, the Company had derecognised the net book value of the damaged assets (including property, plant and equipment and inventories) of ₹ 4,256.98 Lakhs and expenses/loss pertaining to this incident (including estimated compulsory deductible by Insurance Company) amounting to ₹ 720.67 Lakhs had been expensed out. The Company had also recognised ₹ 2,788.73 Lakhs towards loss of profits due to business interruption. During the year, out of the total insurance claim lodged of ₹ 7,021.30 Lakhs (net of compulsory and other deductibles), the Company has received interim payment of ₹ 1,897.67 Lakhs from the Insurance Company and the balance amount of ₹ 5,123.63 Lakhs is included in "Other current financial assets" in the balance sheet. Differences, if any, will be recognised upon the final settlement of such claim.

### 51. Assets held for sale

Asset held for sale is in respect of an office building, which is expected to be sold within the period of 12 months.

### 52. 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.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

## 52. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

**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.

**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)

**(i) Details of struck-off Companies with whom the Company has transaction during the year or outstanding balances:**

| Sr. No. | Name of Struck-Off Company | Nature of transactions with struck-off Company | Balance as at 31st March, 2023 (₹ in Lakhs) | Balance as at 31st March, 2022 (₹ in Lakhs) | Relationship with the Struck off Company |
|---|---|---|---|---|---|
| 1 | Dreams Broking Private Limited | Unclaimed dividend | * | - | None |
| 2 | Kamla Holdings Private Limited | Unclaimed dividend | 0.24 | - | None |
| 3 | Meghna Finance and Investment Private Limited | Unclaimed dividend | 0.14 | - | None |

(*) amount less than ₹ 0.01 Lakh

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 52. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013 (Contd.)

**(ii) Below struck off companies are shareholders holding equity shares 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 | Kamla Holdings Private Limited | Shares held by struck off company | None |
| 3 | Meghna Finance and Investment Private Limited | Shares held by struck off company | None |

## 53. Disclosure of additional information as required by the Schedule III

### (a) As at end for the year ended 31st March, 2023

| 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 compreh -ensive income | Amount (₹ in Lakhs) | As % of consolidated total compreh-ensive income | Amount (₹in Lakhs) |
| **Parent** | | | | | | | | |
| **Gujarat Fluorochemicals Limited** | 100.13% | 5,52,764.74 | 102.46% | 1,35,560.53 | (9.21%) | (138.14) | 101.21% | 1,35,422.39 |
| **Subsidiaries (Group's share)** | | | | | | | | |
| **Indian subsidiaries** | | | | | | | | |
| GFCL EV Products Limited | 7.06% | 38,983.53 | (0.21%) | (274.23) | (0.42%) | (6.37) | (0.21%) | (280.60) |
| GFCL Solar and Green Hydrogen Products Limited | * | (12.11) | * | (11.41) | - | - | * | (11.41) |
| **Foreign subsidiaries** | | | | | | | | |
| GFL GmbH | 1.54% | 8,515.28 | 1.89% | 2,502.10 | 41.65% | 624.81 | 2.34% | 3,126.91 |
| GFL LLC, USA | 2.22% | 12,233.13 | 2.69% | 3,554.63 | 52.27% | 784.04 | 3.24% | 4,338.67 |
| GFL Singapore | 3.43% | 18,952.54 | 0.28% | 371.96 | 90.47% | 1,357.11 | 1.29% | 1,729.07 |
| GFL GM Morocco | 0.72% | 3,950.04 | (1.69%) | (2,230.18) | (14.88%) | (223.14) | (1.83%) | (2,453.32) |
| Gujarat Fluorochemicals FZE | 0.26% | 1,419.84 | (0.04%) | (48.27) | 0.62% | 9.24 | (0.03%) | (39.03) |
| Minority Interest in all subsidiaries | 0.00% | - | (0.44%) | (576.65) | (2.53%) | (37.98) | (0.46%) | (614.63) |

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

### 53. Disclosure of additional information as required by the Schedule III (Contd.)

| 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 compreh-ensive income | Amount (₹ in Lakhs) | As % of consolidated total compreh-ensive income | Amount (₹in Lakhs) |
| **Joint Ventures (Investments as per equity method)** | | | | | | | | |
| **Indian Joint Venture** | | | | | | | | |
| Swarnim Gujarat Flourspar Private Limited | 0.02% | 86.29 | * | (0.52) | - | - | * | (0.52) |
| **Intercompany eliminations** | | | | | | | | |
| Consolidation eliminations/ adjustments | (15.38%) | (84,821.43) | (4.94%) | (6,543.37) | (57.97%) | (869.55) | (5.55%) | (7,412.92) |
| **Total** | **100.00%** | **5,52,071.85** | **100.00%** | **1,32,304.59** | **100.00%** | **1,500.02** | **100.00%** | **1,33,804.61** |

(*) less than 0.01%

**(b) As at end 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 compreh-ensive income | Amount (₹ in Lakhs) | As % of consolidated total compreh-ensive income | Amount (₹ in Lakhs) |
| **Parent** | | | | | | | | |
| **Gujarat Fluorochemicals Limited** | 99.69% | 4,2,1,736.35 | 99.80% | 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 |

# Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

## 53. Disclosure of additional information as required by the Schedule III (Contd.)

| 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 compreh-ensive income | Amount (₹ in Lakhs) | As % of consolidated total compreh-ensive income | Amount (₹ in Lakhs) |
| 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)** | | | | | | | | |
| 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%

**The accompanying notes are an integral part of 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: 5th May, 2023

**For GUJARAT FLUOROCHEMICALS LIMITED**

**D. K. JAIN**
Chairman
DIN: 00029782
Place: Noida

**V. K. JAIN**
Managing Director
DIN: 00029968
Place: Noida

**MANOJ AGRAWAL**
Chief Financial Officer
Place: Noida
Dated: 5th May, 2023

**B. V. DESAI**
Company Secretary
Place: Vadodara

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| **General disclosures** | | | |
| **GRI 2: General Disclosures 2021** | 2-1 Organisational details | Narrative: About the report | 04 |
| | | Narrative: Our Presence | 14 |
| | | BRSR: Section A | 144 |
| | | Management Discussion and Analysis Report | 84 |
| | 2-2 Entities included in the organisation's sustainability reporting | Narrative: A Glimpse into INOXGFL Group | 08 |
| | | BRSR: Section A | 144 |
| | 2-3 Reporting period, frequency and contact point | Narrative: About the report | 04 |
| | | BRSR: Section A | 144 |
| | 2-4 Restatements of information | NIL | - |
| | 2-5 External assurance | Narrative: About the report | 04 |
| | 2-6 Activities, value chain and other business relationships | Narrative: A Glimpse into INOXGFL Group | 04 |
| | | BRSR: Section A | 144 |
| | | Management Discussion and Analysis Report | 84 |
| | 2-7 Employees | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section A | 144 |
| | 2-8 Workers who are not employees | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section A | 144 |
| | 2-9 Governance structure and composition | Narrative: Robust Governance Practices: Board of Directors | 72 |
| | | BRSR: Section A | 144 |
| | | Corporate Governance Report | 124 |
| | 2-10 Nomination and selection of the highest governance body | Board's Report | 116 |
| | 2-11 Chair of the highest governance body | Board's Report | 116 |
| | | Corporate Governance Report | 124 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Board's Report | 116 |
| | | Corporate Governance Report | 124 |
| | 2-13 Delegation of responsibility for managing impacts | Board's Report | 116 |
| | | Corporate Governance Report | 124 |
| | 2-14 Role of the highest governance body in sustainability reporting | BRSR: Section B | 151 |
| | 2-15 Conflicts of interest | BRSR: Section C: Principle 1 | 154 |
| | 2-16 Communication of critical concerns | Narrative: Fostering a relation of trust and encouraging engagement | 32 |
| | | BRSR: Section A | 144 |
| | 2-17 Collective knowledge of the highest governance body | Board's Report | 116 |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| | 2-18 Evaluation of the performance of the highest governance body | Board's Report | 116 |
| | 2-19 Remuneration policies | Board's Report | 116 |
| | | Corporate Governance Report | 124 |
| | 2-20 Process to determine remuneration | Board's Report | 116 |
| | | Corporate Governance Report | 124 |
| | 2-21 Annual total compensation ratio | BRSR: Section C: Principle 5 | 169 |
| | 2-22 Statement on sustainable development strategy | Narrative: Message from our Managing Director | 18 |
| | 2-23 Policy commitments | Narrative: The Chemistry of Sustainable Growth | 06 |
| | | BRSR: Section B | 151 |
| | 2-24 Embedding policy commitments | BRSR: Section B | 151 |
| | 2-25 Processes to remediate negative impacts | BRSR: Section A | 144 |
| | 2-26 Mechanisms for seeking advice and raising concerns | BRSR: Section A | 144 |
| | 2-27 Compliance with laws and regulations | Narrative: Unlocking brilliance with our intellectual capital | 48 |
| | | BRSR: Section B | 151 |
| | 2-28 Membership associations | BRSR: Section C: Principle 7 | 182 |
| | 2-29 Approach to stakeholder engagement | Narrative: Fostering a relation of trust and encouraging engagement | 32 |
| | | BRSR: Section C: Principle 4 | 167 |
| | 2-30 Collective bargaining agreements | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| **Material topics** | | | |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| | 3-2 List of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| | | BRSR: Section A | 144 |
| **Market presence** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 202: Market Presence 2016** | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | BRSR: Section C: Principle 5 | 169 |
| | 202-2 Proportion of senior management hired from the local community | All senior management personnel of the Company are from India | - |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| **Indirect economic impacts** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| | 203-2 Significant indirect economic impacts | Narrative: Navigating uncertainties through our prudence and preparedness | 36 |
| | | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| **Procurement practices** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 204: Procurement Practices 2016** | 204-1 Proportion of spending on local suppliers | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| | | BRSR: Section C: Principle 8 | 184 |
| **Anti-corruption** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 205: Anti-corruption 2016** | 205-1 Operations assessed for risks related to corruption | BRSR: Section C: Principle 1 | 154 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Narrative: Robust Governance Practices | 72 |
| | | BRSR: Section C: Principle 1 | 154 |
| | 205-3 Confirmed incidents of corruption and actions taken | BRSR: Section C: Principle 1 | 154 |
| **Anti-competitive behavior** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 206: Anti-competitive Behavior 2016** | 206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices | Narrative: Robust Governance Practices | 72 |
| | | BRSR: Section C: Principle 1 | 154 |
| **Energy** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organisation | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 302-2 Energy consumption outside of the organisation | The Company has not computed Energy consumption outside of the organisation during the reporting period. | - |
| | 302-3 Energy intensity | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 302-4 Reduction of energy consumption | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 302-5 Reductions in energy requirements of products and services | The Company has not computed Energy consumption outside of the organisation during the reporting period. | - |
| **Emissions** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 305-3 Other indirect (Scope 3) GHG emissions | The Company has not computed Scope 3 emissions for the reporting period. | - |
| | 305-4 GHG emissions intensity | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| | 305-5 Reduction of GHG emissions | The Company has computed Reduction of GHG emissions for the reporting period. | 11 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | The Company has not computed ODS emissions for the reporting period. | - |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Narrative: Restoring the balance with our natural capital | 68 |
| | | BRSR: Section C: Principle 6 | 174 |
| **Employment** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | Narrative: Glancing through the brilliance of our performance | 10 |
| | | BRSR: Section A | 144 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | BRSR: Section C: Principle 3 | 159 |
| | 401-3 Parental leave | BRSR: Section C: Principle 3 | 159 |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| **Labor/management relations** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 402: Labor/Management Relations 2016** | 402-1 Minimum notice periods regarding operational changes | Narrative: Harnessing our potential through our Human Capital | 52 |
| **Occupational health and safety** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-2 Hazard identification, risk assessment and incident investigation | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-3 Occupational health services | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-4 Worker participation, consultation and communication on occupational health and safety | Narrative: Harnessing our potential through our Human Capital | 52 |
| | 403-5 Worker training on occupational health and safety | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-6 Promotion of worker health | Narrative: Harnessing our potential through our Human Capital | 52 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-8 Workers covered by an occupational health and safety management system | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-9 Work related injuries | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 403-10 Work related ill health | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| **Training and education** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee | Narrative: Harnessing our potential through our Human Capital | 52 |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | BRSR: Section C: Principle 3 | 159 |
| **Diversity and equal opportunity** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | Narrative: Robust Governance Practices | 72 |
| | | BRSR: Section A | 144 |
| | | BRSR: Section C: Principle 3 | 159 |
| | 405-2 Ratio of basic salary and remuneration of women to men | BRSR: Section C: Principle 5 | 169 |
| **Non-discrimination** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | Narrative: Robust Governance Practices | 72 |
| | | BRSR: Section C: Principle 5 | 169 |
| **Freedom of association and collective bargaining** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 407: Freedom of Association and Collective Bargaining 2016** | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Narrative: Harnessing our potential through our Human Capital | 52 |
| **Child labor** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 408: Child Labor 2016** | 408-1 Operations and suppliers at significant risk for incidents of child labor | BRSR: Section C: Principle 5 | 169 |
| **Forced or compulsory labor** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 409: Forced or Compulsory Labor 2016** | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | BRSR: Section C: Principle 5 | 169 |

# Annexure I - GRI Index

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | PAGE NO. |
|---|---|---|---|
| **Rights of indigenous peoples** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 411: Rights of Indigenous Peoples 2016** | 411-1 Incidents of violations involving rights of indigenous people | BRSR: Section C: Principle 5. There were no incidents of violations involving rights of indigenous people in the reporting period. | 169 |
| **Local communities** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments and development programs | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | Narrative: Unlocking brilliance with our intellectual capital | 48 |
| | | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Narrative: Harnessing our potential through our Human Capital | 52 |
| | | Narrative: Unlocking brilliance with our intellectual capital | 48 |
| | | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| **Public policy** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 415: Public Policy 2016** | 415-1 Political contributions | Narrative: Robust Governance Practices | 72 |
| **Customer health and safety** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 416: Customer Health and Safety 2016** | 416-1 Assessment of the health and safety impacts of product and service categories | Narrative: Unlocking brilliance with our intellectual capital | 48 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | BRSR: Section C: Principle 9 | 186 |
| **Customer privacy** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Narrative: Shaping our priorities and identifying our focus areas | 30 |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Narrative: Unlocking brilliance with our intellectual capital | 48 |
| | | Narrative: Nurturing shared purpose and prosperity through our social and relationship capital | 62 |
| | | BRSR: Section C: Principle 9 | 186 |

# Assurance Statement

EY
Building a better working world

Ernst & Young Associates LLP
5th Floor, Block B-2
Nirlon Knowledge Park
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Goregaon (E), Mumbai - 400063, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 3000
ey.com

## Independent Assurance Statement

**To,**
**The Management and Board of Directors**
Gujarat Fluorochemicals Limited,
2nd Floor, ABS Towers, Old Padra Road,
Vadodara, Gujarat, 390007

**Scope**

We have been engaged by Gujarat Fluorochemicals Limited to perform a Limited Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000), hereafter referred to as the engagement, for Gujarat Fluorochemicals Limited's ESG disclosures in Integrated Annual Report FY 2022-23 (the "Subject Matter") for the period from 1st April 2022 to 31st March 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

**Criteria applied by Gujarat Fluorochemicals Limited**

In preparing the ESG disclosures in Integrated Annual Report FY 2022-23, Gujarat Fluorochemicals Limited applied the International Integrated Reporting Council (IIRC Framework) and Global Reporting Initiative (GRI) Standards. These Criteria were specifically designed for the Integrated Annual Report FY 2022-23; As a result, the subject matter information may not be suitable for another purpose.

**Gujarat Fluorochemicals Limited's Responsibilities**

Gujarat Fluorochemicals Limited's management is responsible for selecting the Criteria, and for presenting the ESG disclosures in Integrated Annual Report FY 2022-23 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

**EY's Responsibilities**

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'). The terms of reference for this engagement as agreed with Gujarat Fluorochemicals Limited. The Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Ernst & Young Associates LLP is a Limited Liability Partnership with LLP identity No. AAB-4321
Regd. Office : 6th Floor, Worldmark – 1, Asset Area 11, Hospitality District, Indira Gandhi International Airport, New Delhi – 110037, India.

# Assurance Statement

Building a better working world

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

**Our Independence and Quality Control**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Description of procedures performed.**

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the integrated report and related information and applying analytical and other appropriate procedures

Our procedures included:

- Conducted interviews with select personnel and corporate teams to understand the process for collecting, collating, and reporting the subject matter as per Global Reporting Initiative (GRI) Standards;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data through consultations with the site team and sustainability team;
- Review of relevant data, on a selective test basis through consultations (Site Visit) at the selected site Dahej, Gujarat,
- Review of data on a sample basis, at the above-mentioned locations, pertaining to the following disclosures of the GRI Standards:
    - Environmental Topics: Energy (2016): 302-1; Water and Effluents (2018): 303-3, 303-4, 303-5; Emissions (2016): 305-1, 305-2, 305-7; Waste (2020): 306-3,306-4, 306-5.
    - Social Topics: Employment (2016): 401-1, 401-2, 401-3; Labor/Management Relation (2016): 402-1; Occupational Health and Safety (2018): 403-9; Training and Education (2016): 404-1, 404-2, 404-3: Local Communities (2016): 413-1.

# Assurance Statement

Building a better working world

- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in the collection, transcription, and aggregation processes followed.
- Review of selected qualitative statements in various sections of the Integrated Annual Report.

We also performed such other procedures as we considered necessary in the circumstances

**Emphasis of matter**

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on the economic and financial performance of the Company
- Data, statements, and claims already available in the public domain through Annual Report, Sustainability Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim, or future intention provided by the Company
- The Company's compliance with regulations, acts, and guidelines with respect to various regulatory agencies and other legal matters

**Our Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to ESG disclosures in Integrated Annual Report FY 2022-23 for the period from 01st April 2022 to 31st March 2023, in order for it to be in accordance with the Criteria.

**Restricted use:** This report is intended solely for the information and use of Gujarat Fluorochemicals Limited and is not intended to be and should not be used by anyone other than Gujarat Fluorochemicals Limited.

**For and on behalf of Ernst & Young Associates LLP**

Chaitanya Kalia
02/09/2023
Mumbai, India

# NOTES

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GUJARAT FLUOROCHEMICALS
VALUE THROUGH GREEN CHEMISTRY

**Gujarat Fluorochemicals Limited**
Integrated Annual Report 2022-23
(CIN L24304GJ2018PLC105479)