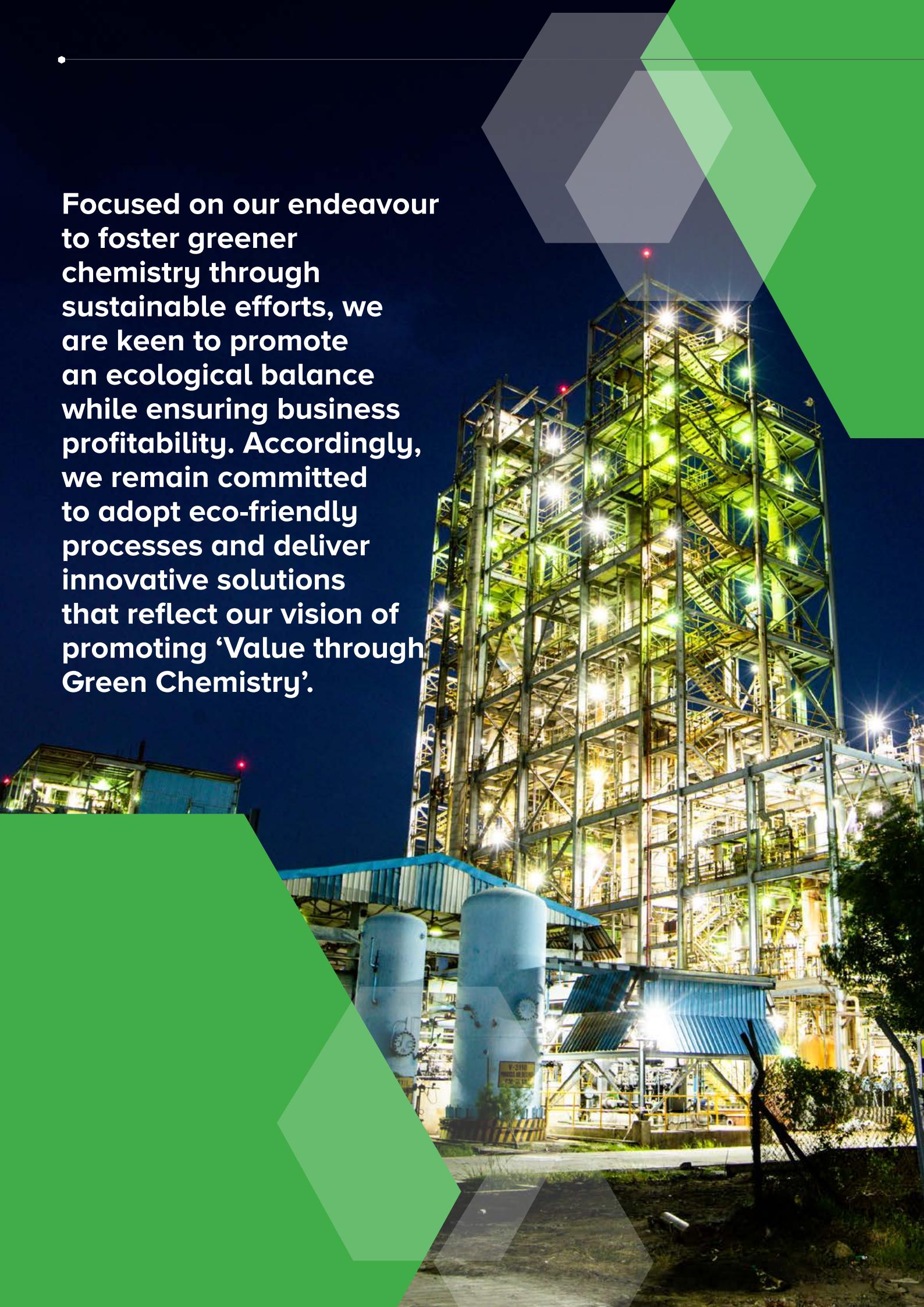




**Better
Chemistry.
Sustainable
Tomorrow.**

Gujarat Fluorochemicals Limited (GFL)
Integrated Annual Report 2020-21

Focused on our endeavour to foster greener chemistry through sustainable efforts, we are keen to promote an ecological balance while ensuring business profitability. Accordingly, we remain committed to adopt eco-friendly processes and deliver innovative solutions that reflect our vision of promoting ‘Value through Green Chemistry’.



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The chemical industry shoulders an enormous obligation to be safe and equitable – for people and the planet. At the same time, it is imperative to remain economically stable and viable. At GFL, we seek to strengthen our manufacturing processes and derive exceptional solutions through constant research and development. It not only empowers us to carry forward the baton of green chemistry, but also enables us to create value accretive products that are readily accepted in the market.

At the core of GFL's deep drive to be a sustainable entity lies a commitment to reduce costs, deliver efficient products, improve profits and minimise impact on the environment. Integrating sustainability across the organisation, we are making way for a sustainable tomorrow.

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Corporate Information

Board of Directors

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Shailendra Swarup
Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Mr. Om Prakash Lohia
Independent Director

Mr. Chandra Prakash Jain
Independent Director

Ms. Vanita Bhargava
Independent Director

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

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

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

Board Level Committees

Audit Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shailendra Swarup
Independent Director

Ms. Vanita Bhargava
Independent Director

Nomination and Remuneration Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Devendra Kumar Jain
Non-Independent Director

Mr. Om Prakash Lohia
Independent Director

Stakeholders' Relationship Committee

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Corporate Social Responsibility Committee

Mr. Shanti Prashad Jain
Chairman and Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Devendra Kumar Jain
Non-Independent Director

Risk Management Committee

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director

Committee of Directors for Operations

Mr. Devendra Kumar Jain
Chairman and Non-Independent Director

Mr. Vivek Jain
Managing Director and Non-Independent Director

Mr. Shanti Prashad Jain
Independent Director



Key Managerial Personnel

Mr. Vivek Jain
Managing Director

Mr. Manoj Agrawal
Chief Financial Officer

Mr. Bhavin Desai
Company Secretary

Bankers

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

Locations

Registered Office

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

Corporate Office

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

Vadodara Office

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

Gujarat Fluorochemicals Americas LLC

1212 Corporate Dr., Suite-540, Irving,
TX 75038, USA

Gujarat Fluorochemicals, GmbH

Regus Centre Watermark 14th Floor
Überseeallee 10, 20457 Hamburg,
Germany

GFL GM Fluorspar SA

435, Boulevard IBN Tachefine, 3rd floor,
Casablanca, Morocco

Ranjitnagar Plant

Survey Number 16/3, 26 and 27, Village
Ranjitnagar- 389380, Taluka Ghoghambha,
District Panchmahal, State Gujarat

Dahej Plant A

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

Dahej Plant B

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

Auditors

Statutory Auditor

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

Cost Auditor

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

Secretarial Auditor

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

About This Report

We are pleased to present our second Integrated Annual Report for FY21. It also serves as the UNGC Communication on Progress Report for the FY21. Our Integrated Report is the primary communication to all the Stakeholders and aimed at providing a balanced and accurate reflection of our strategy, performance, opportunities and future outlook in relation to material, financial, economic, social and governance issues.



Reporting principle

The Integrated Report 2020-21 adheres to the principles and requirements of the IIRC's International Integrated Reporting <IR> Framework. The Report is prepared in accordance with the Seven Guiding Principles as required by the IR Framework covering the Eight Content Elements. The Details of the same are given below:

Guiding Principles (GP)	Relatedness within the Report	Page No.
GP-1: Strategic focus and future orientation	The report provides an insight into our strategy and how we are creating value in the short, medium and long term, and its linkage to the capitals.	Across the report
GP-2: Connectivity of information	The information in the report reflects the interlinkages, interrelatedness and dependencies between the factors that affect our ability to create value over time.	Across the report
GP-3 Stakeholder Relationships	Through this report, we have highlighted the nature and quality of our relationships with the key stakeholders, including how and to what extent we understand, takes into account and responds to their needs and interests.	034-037
GP-4: Materiality	The report highlights the matters that substantively affect our ability to create value over the short, medium and long term.	032-033
GP-5: Conciseness	The report is kept concise while covering all the material and strategic information.	Across the report
GP-6: Reliability and Completeness	The report covers all material matters, both positive and negative, in a balanced way and the key figures have been assured by the management and third part consultant.	Across the report
GP-7: Consistency and Comparability	All the facts and figures stated in the report are consistent with our previous integrated and annual reports.	Across the report

Content Elements (CE)	Relatedness within the Report	Page No.
CE-1: Organizational overview and external environment	Covered in ' About GFL and Economic Landscape ' section.	010-011, 026-029
CE-2: Governance	Covered in ' Good Governance - Being transparent and accountable ' chapter.	050-057
CE-3: Business Model	Covered in ' Value Creation Philosophy ' chapter.	022-023
CE-4: Risks and Opportunities	Covered in ' Risk Management ' chapter.	044-047
CE-5: Strategy and Resource Allocation	Covered in ' Strategically driving growth ' chapter and six capitals.	040-043
CE-6: Performance	Highlights of Financial and non-financial KPIs within six capital and in other sections of the report.	014-015
CE-7: Outlook	Opportunities and Uncertainties, strategies, performance and external environment under which business operate has been addressed under appropriate headings in the report.	058, 064, 070, 076, 114,134
CE-8: Basis of Presentation	Highlighted in 'About the Report' section.	04-06

Moreover, the report also acts as our Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It is also serves as our Communication on Progress (CoP) for United Nations Global Compact (UNG) Advanced covering the Ten Principles in each of the four areas (human rights, labour, environment, anti-corruption).

Other standards we adopted

In this report, we have also strived to line it in accordance with various internationally recognised frameworks and guidelines including:

- Global Reporting Initiative (GRI) standards
- National Voluntary Guidelines (NVG) on Social, Environmental and Economic responsibilities of the business
- United Nations Global Compact
- AA1000 Accountability Principles 2018
- Sustainability Accounting Standards Board (SASB)
- Organisation for Economic Co-operation and Development (OECD)

Further, the financial and statutory information in this report is in compliance with the requirements of:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Report Boundary

Our Integrated Report is a description of where we impact and thus define our Reporting Boundaries. While setting our Reporting Boundaries we have taken into account economic, environmental and social impacts which results from the operations inside the Company structure as well as from activities outside the organization. Though we endeavour to form a clear boundary for reporting across all our matrices, we do report on developments, impacts and data outside our reporting boundary where these are highly material to the business and its sustainable development performance.

As such, outside of the organisation refers to our suppliers, where we do not own the assets and do not directly engage or employ the workforce, and where we do not operate the asset under a contractual obligation. Within the organisation refers to all operations and entities in which the group has a controlling interest and which are under our management, in terms of a contractual obligation. In this statement, by control we mean we own the assets and engage or employ the workforce. By significant influence we mean we operate the asset under a contractual obligation to the owners.

Our reporting boundaries across the Capitals are as per the table below

Capitals	Within India					Outside India			
	Office	Corporate Office	Manufacturing Unit			GFL Singapore Pte Ltd.	GFL Americas LLC, USA	GFL GmbH, Germany	GFL GM Fluorspar SA
			Vadodara	Noida	Ranjinagar	Dahej - A	Dahej - B		
Financial Capital	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Intellectual Capital	Yes	Yes	Yes	Yes	Insignificant Impact	Insignificant Impact	Yes	Yes	GFL is holding interest in GFL GM Fluorspar SA through its subsidiary GFL Singapore Pte. Ltd.
Manufactured Capital	No Manufacturing activity	No Manufacturing activity	Yes	Yes	In project stage	No Manufacturing activity	No Manufacturing activity	No Manufacturing activity	
Social & Relationship Capital	Yes	Yes	Yes	Yes	Covered by Dahej A	Insignificant Impact	Yes	Yes	
Human Capital	Yes	Yes	Yes	Yes	Very few employee	Insignificant Impact	Yes	Yes	
Natural Capital	Yes	Yes	Yes	Yes	Insignificant Impact	Insignificant Impact	Yes	Yes	

Further, Information is consolidated and reported as Integrated Annual Report which also gives the Financial Statements for assets under our control. Consolidated Financial Statements cover GFL, GFL Singapore Pte Ltd., GFL Americas LLC - USA, GFL GmbH, Germany and GFL GM Fluorspar SA and the Standalone Financial Statement covers GFL only.

Reporting Period

The Annual Report considers the primary reporting period as April 01, 2020 to March 31, 2021. However, some sections of the report represent facts and figures of previous years to provide a comprehensive view to the readers – and especially anyone whose success is dependent on GFL, such as our customers, employees, investors and other stakeholders.

Assurance

To ensure the integrity of facts and information, the Management have reviewed the Integrated Report. Certain key performance indicators in the integrated report have been independently assured by Ernst & Young Associates LLP, as depicted in the assurance statement. Further, the Statutory Auditors, M/s Patankar & Associates, Chartered Accountants, Pune, have provided assurance on the Financial Statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

Stakeholder Feedback

We welcome and appreciate any constructive input and feedback from Stakeholders

Email: bvdesai@gfl.co.in & kallolchakraborty@gfl.co.in.
Mail: ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007, State Gujarat
Website: www.gfl.co.in

Our Capitals



Financial Capital



Intellectual Capital



Manufactured Capital



Social & Relationship Capital



Human Capital



Natural Capital

Our Stakeholders



Investors / Shareholders



Employees



Customers



Suppliers and Business Partners



Community



Regulatory and Government Bodies



Industry Bodies



Educational Institutes



Media



AMERICAN GLASS CO.

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About GFL

One of the leading chemical producers in the world, Gujarat Fluorochemicals Limited (GFL) continues to deliver value through green chemistry, for more than three decades.

GFL's diverse presence strengthens the Company's market position and lends a competitive edge to its operations. With a balanced and diversified portfolio, the Company continues to address the need for sustainability. Our commitment to deliver sustainable solutions empowers us to drive operational efficiency and develop unique products that fulfil the requirements of varied end-users.

Our offerings:



Fluoropolymers

We are one of the leading producers of Fluoropolymers in the world, manufacturing and marketing a range of Fluoropolymers and Fluoro elastomers.



Fluorospecialities

Through this segment, we offer a range of eco-friendly products that addresses the growing needs of global agrochemical and pharmaceutical industries.



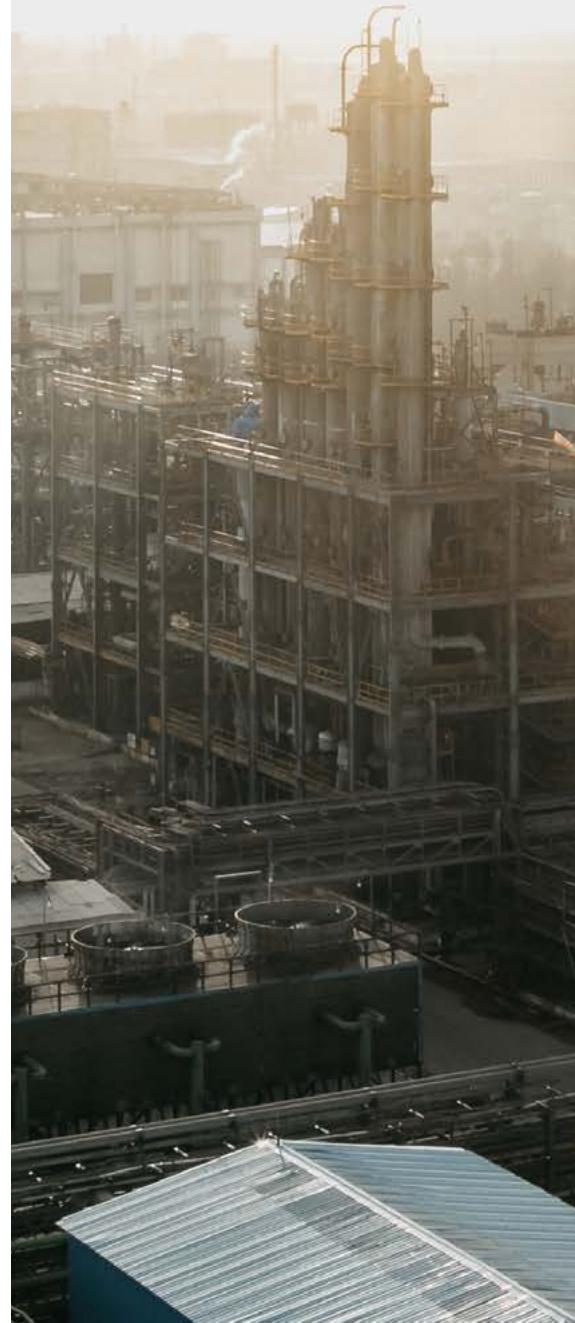
Chemicals

We are a leading producer of industrial chemicals that are used in varied applications.



Refrigerants

We are the largest manufacturer of HCFC 22 in India and the preferred supplier for leading OEMs and service partners globally.



**Vision**

What we aspire to do

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

Mission

How we do it

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

Our Credo

What we believe

- **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 Presence

Expanding further





Corporate
Overview

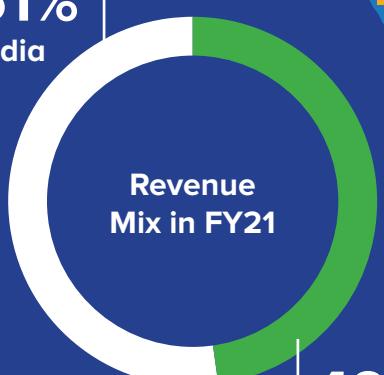
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2220+

Employees across
the globe

51%
India



49%
Export

Our Capitals



Financial Capital

Our financial capital comprises a balanced and effective mix of debt and equity fund, internal accruals and retained earnings. We endeavour to maximise stakeholder value by effectively deploying funds to expand operations and ensure long-term sustainability.

2,852

Economic value distributed
(₹ in Crore)

361

Economic value retained
(₹ in Crore)



Manufactured Capital

It comprises tangible and intangible assets such as state-of-the-art manufacturing facilities, laboratories, warehouses, logistics facilities and other physical assets that enable us to manufacture and deliver eco-friendly, innovative and superior quality products and solutions.

3

State-of-the art manufacturing facilities across the globe

20+

Industries served

Backward and Vertically

Integrated manufacturing facilities



Intellectual Capital

Our Intellectual capital encompasses our technical know-how, experience, research and development capabilities. Our advanced information technology capacities and digital platforms also form an integral part of our operations and empower us to develop sustainable technology, eco-friendly and innovative products and increase our market share.

15

Patents filed

25

New products launched



Human Capital

The dedication, commitment and resilience of our employees enable us to thrive amidst challenges. It is our human capital that allows us to fulfil organisational endeavours and ensure excellence. GFL, therefore, remains focused on creating an open, inclusive, fair and diverse work environment that allows its people to thrive and prosper.

218

Spent as
employee benefit
expenditure
(₹ in Crore)

1

Monthly attrition rate
(in %)

26,419

Man hours of training
provided



Social and Relationship Capital

Our success depends upon our ability to build lasting and mutually beneficial relationships with stakeholders including customers, suppliers, shareholders, investors and communities.

18,794

People reached
through our CSR
initiatives

97.65

Customer satisfaction
score for Delivery
service & Sales
support

10.65

of high-risk high value
suppliers covered by
ISO20400 through
self-assessment
(in %)



Natural Capital

We utilise various renewable and non-renewable resources including energy, water and land in our day-to-day operations. With rising concerns about resource scarcity and climate change, we remain committed to ensure efficient utilisation of resources to significantly reduce our environmental footprints.

22

YoY reduction
in Scope 2
emissions
(in %)

11

YoY increase in the use
of renewable energy
(in %)

Braving Covid-19

The Covid-19 pandemic wreaked havoc across the world. It not only resulted in unprecedented loss of lives and livelihoods, but also had severe economic implications. At GFL, we proactively responded to the crisis and undertook measures to extend our support and ensure the safety of our people as well as other stakeholders. We have also created a Pandemic Response Team with internal medical experts who had offered continuous assistance.



Employee

Being a people centric Company, we prioritise the health and well-being of our employees and their families. We initiated remote working for employees and followed safety protocols at our manufacturing units. From re-commissioning facilities, adopting rigorous cleaning routines to stocking essentials such as masks and sanitizers and implementing social distancing at the workplace, we strictly adopted measures that helped to curb infections within the organisation.

Many of our employees too tested positive. We stayed in touch with our people and their families to provide adequate support, whenever necessary. GFL had also undertaken contact-tracing measures to identify colleagues who had interacted with the infected people and made appropriate quarantine arrangements for them. To enable employees to work from home, GFL rapidly mobilized laptops and desktops, with access to secure virtual networks, to create a seamless remote working environment.

Further, we virtually connected with our global workforce, enabling them to share concerns or discuss issues. It also allowed employees to self-declare their health status. With cautious optimism, we planned ahead of time, carefully monitoring advisories and adapting policies to meet the local guidelines implemented in different areas.

GFL had undertaken following initiatives for its employees:

Regularly circulated health advisory emails and SMS

Dedicated campaigns to create awareness about the virus and implement safety protocols

Provided over the call assistance

Continuous monitoring and counselling of Covid positive employee with the help of our medical, HR and EHS team. This helped our employees to remain motivated.

Organised vaccination drive for employees and contract workmen

Provided PPE kits and sufficient masks and sanitizers for all employees



Community

Along with employees' health and well-being, we were also cognisant about our responsibilities towards communities in which we operate. During a particularly challenging period, we undertook the following initiatives to extend support to people in need.

Community awareness programs

We organised Covid-19 awareness programmes in and around our plants at Dahej and Ranjitnagar. Our employees conducted door-to-door visits to create awareness about Covid-19 and the precautionary measures necessary to prevent infections within the community. We also distributed masks, hand sanitizers and booklets with necessary information about the viral infection. We formed village task forces comprising of 8 to 12 adults and youth to propagate knowledge about COVID-19 and to ensure strict vigilance in villages. It helped to significantly control Covid infections in the villages.

30+

Awareness programs conducted

1,450

People benefitted

10,600+

Hand sanitizers distributed

Production of Masks

While the whole world was fighting the deadly Coronavirus, some women from Ranjitnagar came forward to lend a helping hand to the community. With the support of GFL, Ranjitnagar, around 15 women worked round the clock to produce nearly 20,000 face masks. These masks were delivered to government authorities, local villagers, GFL employees, the police department, health service providers and panchayat committee members.

20,000+

Face masks made and distributed



Braving Covid-19

Fumigation / Sanitzations

We undertook frequent fumigation/disinfection drives, with sodium hypochlorite, in nearby villages and government offices to prevent further infections. More than 90 villages continue to be benefitted by this unique initiative.

90+

Villages covered

25+

Government offices sanitised



Providing medical supplies and support to hospitals

We supplied medicines to the community health centre to ensure timely and uninterrupted treatment. We also donated ventilators to Civil Hospital in Bharuch, provided oxygen cylinders to COVID-19 Centre in Tajpura, delivered equipment for supply of POTACRYO oxygen at Civil Hospital, Godhra and conducted training programs to prevent fires caused due to oxygen leakage.

50+

Covid patients benefitted

16,500 units

Immunity boosting homoeopathy medicine supplied



Ration and food packet distribution

GFL stood in solidarity with the marginalised and vulnerable sections of society. We distributed dry ration and food packets to migrant labours. We also supported the Central Kitchen established by District Administration of Jolwa village, Dahej by preparing food and essential supplies to labourers and people in nearby villagers.

16,500

Ration kits distributed

Appreciation and rewards

Our initiatives were applauded by the local communities and appreciated by many institutions and agencies.



Appreciation letters from the District Administration, Panchmahal



Covid Warrior recognition for Dr. Sunil Bhatt, Head HR - Dahej



Customers, Suppliers and Business Partners

We also extended support to our customers, business partners and suppliers during these challenging times. We had undertaken the following measures:

Continuous collaboration and support for suppliers, vendors and logistics providers to ensure smooth operations

Advance payment made to suppliers for raw materials

Extended credit options to customers

Maintained adequate inventory to ensure uninterrupted production and supply of products

Timely supply of important materials to customers amid the Covid crisis

Way forward

Companies across sectors must rely on concerted effort to accelerate their digital journey, to adapt to the needs of a ‘new normal’ and support remote working. The focus now shifts towards strengthening core operations, to develop stronger infrastructure for supporting robust cyber security, intelligent automation and cloud capabilities.

At GFL, we are prepared to successfully navigate through the crisis as well as help our clients and stakeholders to recover swiftly. We have been harnessing the power of technology and the expertise of our people to resolve our clients’ most pressing problems quickly and efficiently.

We are grateful to our employees across the world for their diligence during this stressful period and we are proud of the results they have delivered for our customers. While continuing to safeguard the health of our employees, support our customers and be a conscientious member of the community, GFL aspires to earn the loyalty of its stakeholders and retain the faith bestowed in it. We seek to emerge stronger, together as we look forward to a promising future.

MD's Message

Dear Stakeholders,

The last fiscal year introduced us to unforeseen challenges. While the Coronavirus pandemic caused an unparalleled public health catastrophe, it severely affected lives and plunged the global economy into a recession.



Despite the debilitated economic sentiments across the globe, the Company continued to sustain its strong performance on the back of sound strategy, cost-saving initiatives and streamlined manufactured capital. Our business continues to be influenced by a number of global variables and emerging trends, ranging from environmental concerns to changing customer preferences. It, therefore, becomes imperative for us to reinvent our methods and augur prudent adoption of new technology to sustain a competitive edge and deliver exceptional value to our stakeholders.

Taking into consideration our competence in Fluorine Chemistry and vertical integration of natural minerals into Fluoropolymers, we are presently amongst the leading producers of Fluoropolymers, Fluorospecialties, Refrigerants, and Chemicals used in diverse segments. We are focused on ensuring complete customer satisfaction through consistency in product quality, on-time delivery, and effective communication.

With rising cases of Covid-19 in India, our business was somewhat affected. Prices dropped due to a direct consequence of demand slowdown. Besides, lack of manpower resulted in insufficient capacity utilization. As lockdowns started to be lifted, we resumed operations and revenues started to flow in. Resting on our intellectual capital and manufactured capital, we aspire to keep on developing a range of Fluoro Specialty Chemicals that can be used in agricultural and pharmaceutical applications. We have also developed new grades of Fluoropolymers to enhance its

use in existing as well as emerging new age greener applications. Our diversified product portfolio enabled us to resiliently tide through the Covid crisis.

Consolidated Financial Performance

During the year under review, revenue from operations grew 1.73% YoY to ₹ 2,651 crore, from ₹ 2,606 crore in the previous year. Further, EBITDA stood at ₹ 638 crore in FY21 as compared to ₹ 553 crore in FY20, registering a growth of 15.37% YoY. Our PAT (before taxation pertaining to earlier years) increased from ₹ 178 crore in FY20 to ₹ 361 crore in FY21. We are also working to reduce our debt and our debt-equity ratio for the year remained 0.33 times, and interest coverage ratio showed an impressive growth of 5.28 times.

We expect to keep the momentum of our financial performance intact, aided by larger operational cash flows and working capital efficiency.

Strategies

We endeavour to create sustainable value through our business. We, therefore, pledge to promote 'Value through Green chemistry' with the creation of innovative and eco-friendly products, and a firm focus on operational excellence and sustainability. Guided by strong intellectual capabilities and new-age technology, our facilities can efficiently handle new product development and meet the growing demand for different types of chemicals.

With our core competence in the chemical sector for over 30 years and cost-competitive operations, we

seamlessly integrate our strategies to retain our leadership in major business segments. Furthermore, our emphasis on value-accretive products enable us to retain our competitive edge against popular products from China. Therefore, leveraging our key strengths, we are delighted to deepen our presence in both domestic and international markets.

Sustainability

Our sustainability goals are intertwined with our operations and it exemplifies our commitment and responsibility towards our stakeholders. To reduce ecological footprints, we have initiated rainwater harvesting projects, tree plantation, and implementation of a sustainable procurement strategy.

As the signatories of the UN Global Compact and SBTi, we support the UN Sustainability Development Goals (UNSDGs).

In continuation to our commitment made last year, we have implemented a complete system for responsible care - a voluntary initiative of the chemical industry for continuous improvement in areas of environmental protection, health and safety (EHS). Based on the core principle of responsible care, we have strictly acted on pollution prevention, process safety, distribution, employee health and safety, community awareness and emergency response, product stewardship and security. We have been provisionally awarded with the responsible care certification, valid for one year. This year we aim for a full-fledged audit with three years validity.

Our interpretation of sustainability also encompasses our commitment

towards our human capital. We believe, employee engagement paves the path for building a culture of openness, integrity and empowerment. To meet these objectives, we organize training programs for employees, allowing them to improve and upgrade skill sets. It also enables us to nurture a motivated workforce that plays a pivotal role in ensuring organizational sustainability.

Moving ahead

Given the current capacity utilization, the Company's performance in the next fiscal year is projected to be driven by higher capacity utilization in the PTFE, New Fluoropolymers, and Fluoro Specialty Chemicals sectors. Growth in high-margin categories is anticipated to augment the Company's margins in the near-term. Looking ahead, we are optimistic about brighter days and continue to leverage our expertise to deliver exceptional outcomes for our stakeholders.

I wish to express my regards and appreciation for all our Stakeholders including my fellow Board Members, management team, employees, customers and partners, for their continuous support. I am certain that with our continued dedication and efforts, GFL is positioned to grow and create sustainable value for all.

Thanks and regards,

Vivek Jain

Managing Director



Value Creation Philosophy

Input

Financial Capital

3,479	11
Networth (₹ in crore)	Shareholders' funds (₹ in crore)

Manufactured Capital

3,083	3
Gross Block (₹ in crore)	State-of-the-art manufacturing facilities

Intellectual Capital

94	1	1
Technically skilled professional in R&D team	State-of-the-art R&D facilities	Application development Centre (GFRC)

Human Capital

2220+	26,419	332
Total employees	Man hours of training provided (in hours)	New recruits

Social and Relationship Capital

750+	11.57	18,997
Customers	Spent towards CSR activities (₹ in crore)	Shareholders

Natural Capital

4,417	2,77,134
Water Withdrawn (in ML)	Energy Purchased (in MWh)

Process

Risks



Stakeholder Expectations



Internal Perspective



Our Strengths



Strategic focus areas

Strategic actions	Sustainability	Operational excellence	Technology and digital platforms	Product portfolio	Customer satisfaction	Financial Performance	People Practices
<ul style="list-style-type: none"> Setting stringent target to reduce environment footprints across our operations Ensuring sustainable practices across our supply chain 	<ul style="list-style-type: none"> Strengthening manufacturing and R&D infrastructure Inventory management Increasing operational efficiency and productivity 	<ul style="list-style-type: none"> Development of green technologies Adoption of technological driven process and digital platforms 	<ul style="list-style-type: none"> Building strong product portfolio 	<ul style="list-style-type: none"> Gaining insight about need and expectation of customers Ensuring responsible sales & marketing Superior quality products 	<ul style="list-style-type: none"> Discipline and strategic investment decision Sustained growth in revenue and cost optimisation Strong liquidity position 	<ul style="list-style-type: none"> Ensuring occupational health, safety and well-being of employees Attract, develop, retain talent Uphold and respect human rights, equality and non-discrimination Drive social accountability and responsibility across value chain 	

Value creation process



Output

2,651
Revenue from operation
(₹ in crore)

0.33
Debt Equity Ratio
(Consolidated basis)

20+
Industries served

4
Offices across the globe

44
Trademark Registered

15
Patents filed

1%
Attrition rate

218
Spent on employee
remuneration and
benefits (₹ in crore)

94
Customer Satisfaction
score for quality of
products

121
Contributed to exchequer
(₹ in crore)

10%
Reduction in Scope 1 and 2
GHG emission

8.7%
YoY reduction in coal
consumption

616
Cash generated from operations
(₹ in crore)

638
EBITDA (₹ in crore)

750+
Sales and distribution centers

25
New products launched

7,780
Hours of EHS Training

100%
Employees completed
medical health check up

18,794
People benefitted
from our CSR
activities

11%
Increase in use of
renewable energy

Outcomes

- Constant and sustained growth in revenue and profitability
- Strong balance sheet and liquidity position
- Long-term value creation for shareholders through increased returns



- Increased operational efficiency
- Production of quality products with minimum lead time
- State-of-the-art machineries and equipment



- Innovation of new, one-of-its kind and eco-friendly products
- Development of sustainable and eco-friendly technology and processes
- Building strong brand value and recall



- Increased retention rate
- Safe, inclusive and open work environment
- Engagement, diverse and committed workforce



- Sustained and consistent value creation for stakeholders
- Upliftment of the communities in which we operate



- Reduced environmental footprints.
- Efforts to alleviate the impact of climate change
- Ensured resource efficiency and waste minimisation



Macro- economic landscape



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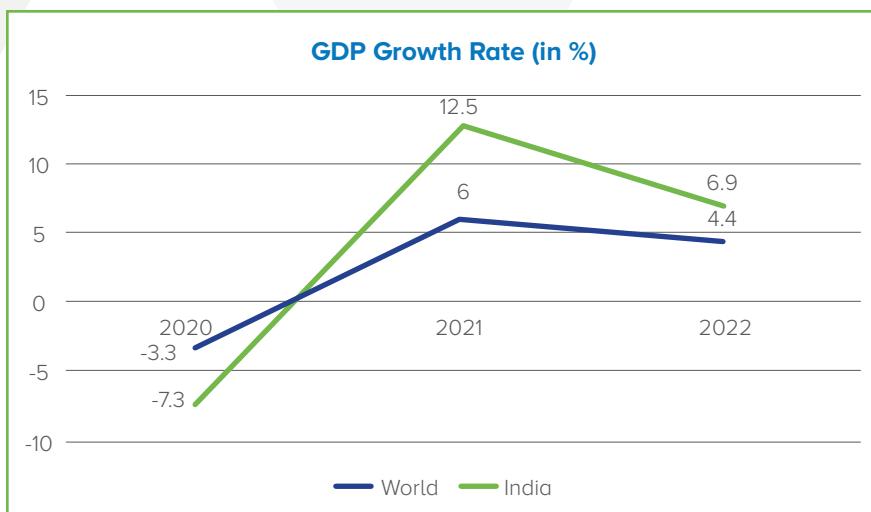
Economic Landscape

GDP growth

The global economy contracted 3.3%¹ in 2020 due to a global health crisis and attendant economic upheavals in its aftermath. Lockdowns were enforced in almost all the nations to curb the spread of the virus. The Indian economy too was adversely impacted and the pandemic compounded the woes of a slowing economy during the fiscal year 2019-20.

The Indian economy contracted by 7.3%² during the fiscal 2020-21. However, policy action and government interventions aimed at providing liquidity to cushion the downward economic spiral. While the central banks introduced favourable monetary policy, advanced economies like that of the US offered near zero interest rates as the governments proffered their citizens with fiscal stimulus.

While it helped economic recovery, indicated by upward revision in IMF's global growth forecast of 6.0%¹¹ in 2021 in its April 2021 outlook, the vaccination-based euphoria has been marred by rising infections along with the emergence of newer strains of the Coronavirus. As a result, economic uncertainty still looms large.



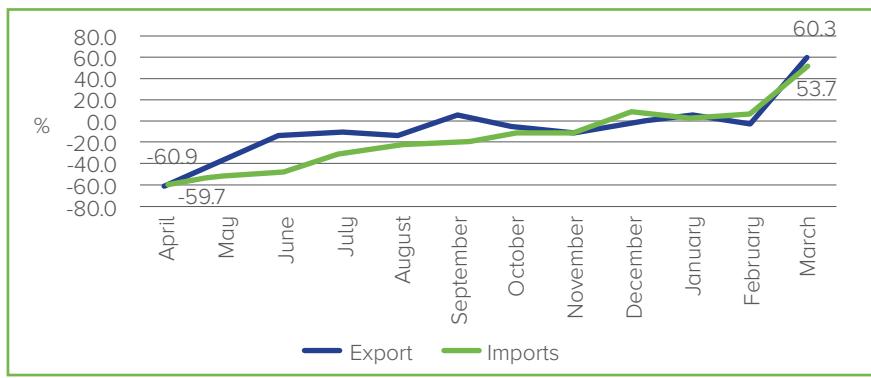
(Source: IMF World Economic Outlook 2021, April 2021)

Foreign Trade

Merchandise exports from India de-grew by 7.3% to USD 290.6 billion in FY21, while imports contracted by 18% to USD 389.2 billion during the same period. Consequently, the trade deficit in FY21 moderated to USD 98.6 billion compared with USD 161 billion in FY20. The decline in foreign trade was a result of the pandemic driven global trade restrictions which improved gradually with easing

restrictions and uptick in global demand. Among the major export items, positive growth of 18% was registered in the drugs and pharmaceuticals segment and 0.5% in chemical products, which stood at USD 22.2 billion at the end of FY21. The import of organic and inorganic chemical products contracted by 3.7% to USD 19.9 during FY21.³

Growth in Merchandise Exports and Imports (y-o-y)



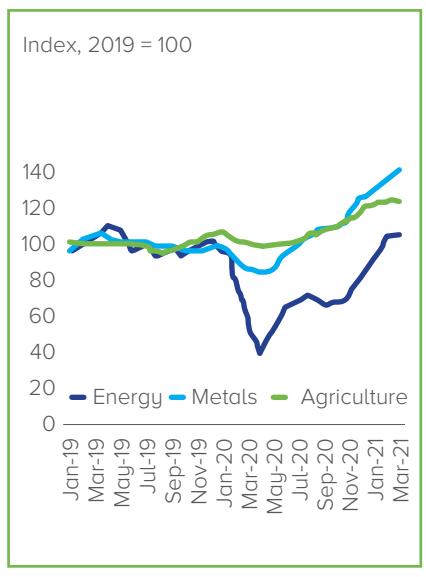
Source: CMIE

¹IMF WEO April 2021 | ²CSO , MoSPI | ³Care Ratings

Commodities

The global commodities market, having endured recessionary trends during the first half of the year, has been increasing. As of April 2021, most of the commodity prices have exceeded their pre-pandemic levels with metals approaching super cycle stage. The increase in price was driven by normalization in economic activities aided by expansionary fiscal and monetary policies in advanced economies. While rise in global energy prices was broad based, natural gas prices rose by one third, quarter on quarter, during Q3FY21, most likely due to the cold weather conditions in larger markets of the US, Europe, Asia and particularly Japan. Coal prices rose 30% quarterly, with prices nearly twice as that of August 2020, largely due to supply disruptions. Energy prices are now estimated to depend on the evolving economic environment and speed of vaccination.⁴

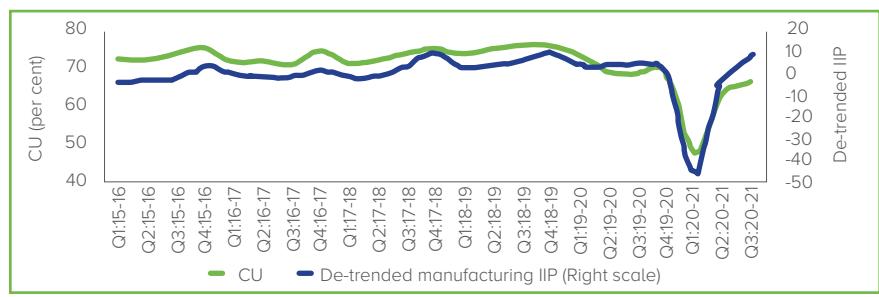
Commodity price Indexes (monthly)



Capacity Utilization

Capacity utilization, an indicator for assessing demand and investments in the economy, declined in fiscal 2020-21 when compared to an already declining trend observed since FY19. The capacity utilization, which increased to 69.9% in Q4FY20 due to policy incentives, dipped to 47.3% at the beginning of FY21, due to near absence of domestic activity during the lockdown. The indicator improved subsequently with sequential growth of 63.3% in Q2 and 66.6% in Q3 of FY21. The increase was led by a spurt in economic activities after the relaxation of lockdown restrictions and growth of new orders. Sales, along with inventory, declined in Q1FY21 but, gradually new orders picked up towards the latter half of the financial year. The orders, however, moderated towards the end of the third quarter, owing to a surge in the previous quarter, moderating capacity utilization in Q3FY21.⁵

Capacity Utilization (CU) and de-trended IIP (Manufacturing)

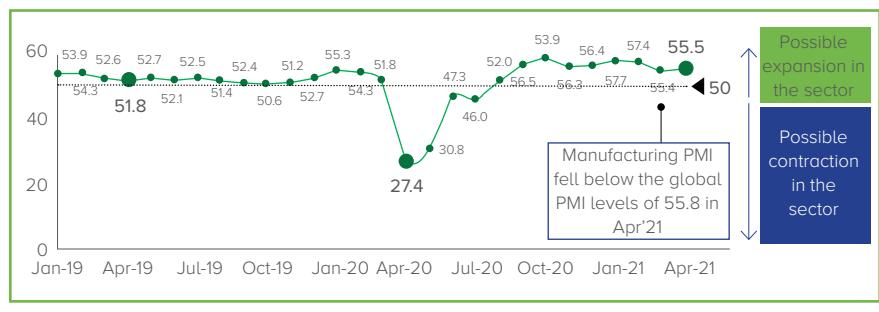


Source: RBI

PMI

The Manufacturing sector has been hovering near the expansion zone since the economy began to unlock after the April-June quarter, albeit with restrictions. The trend has continued to improve through the fiscal year 2020-21, with uptick in economic activities and recovering demand. The Indian PMI have been above the global level, during FY21, despite a sharp fall in March 2021 to 55.4, from 57.5 in February. Firms increased their production and input buying in line with another upturn in sales, but employment decreased due to Covid 19 restrictions and absence of capacity pressures in March 2021. Moreover, companies limited price adjustments despite rise in input costs to maintain competitiveness. Consequently, production, new orders and import buying expanded at a slower pace towards the end of fiscal year 2020-21.

India Manufacturing PMI (>= 50 implies improvement since previous month)



⁴World Bank – Commodity Market Outlook April 2021 | ⁵RBI OBICUS 52nd round released April 2021

Trends that shape our operations

Geopolitical developments

Political instability in different parts of the world have been a cause of concern for the chemical industry. With restrictions on supply chains and economic instability, customers that carry out cross border trade may be at a disadvantageous position.

It is significant for intercontinental trade particularly for those with access to advantageous position in feedstock procurement or access to cheap labour. The cost of assets associated with investments made so in this regard such as in greenfield assets or cross border mergers and acquisitions may vary depending upon the nature of trade policies. Many chemical companies are dependent on customers that ship their products from continent to continent and this may require some deep thinking over the issue.

Sustainability concerns

Economic activities around the world continue to have a devastating effect on the natural environment. With growing concerns about ecological sustainability, businesses and nations have realised their responsibility to build a better future. The chemical industry is particularly vulnerable to threats posed by hazardous materials. Any product that is deemed to have a negative impact on the environment naturally witnesses reduced demand. Moreover, the chemical industry is a major producer of effluents that are harmful for a circular economy. To put a leash on such activities, regulatory controls are being modified around the world and the chemical industry is therefore, constantly adapting its processes to meet new environmental regulations.

Technology

Technology adoption in the chemical industry is comparatively lower, mostly due to the presence of lesser number of suppliers for any given product and its high-capacity utilization. However, new technologies offer numerous benefits to aid commercial productivity in the chemical industry. It not only allows them to leverage the power of analytics for decision making, it also helps to predict market trends. Critical information about product price, inventory, sales etc. can be gathered with the help of data analytics. Similarly, Artificial Intelligence (AI) can be deployed for improving the quality and performance of products, especially specialty products.

Per capita annual CO₂ emissions
(2017, tonnes per year, xx = in % of global emissions)



Source: McKinsey



Mergers and Acquisitions

According to a report⁶, many companies in the chemical industry are trying to prioritize its core business and therefore, consolidating assets. To meet this objective, high value mergers and acquisitions have become common. The Indian chemical industry has also emerged as an attractive investment destination, mainly on account of the high returns offered to shareholders. Scaling up operations through consolidation also favours Indian firms as it provides them a significant competitive advantage.

Total return to shareholders (Index, 100 = December 31, 2006)



Source: McKinsey

Shifting Global Supply chain

The chemical industry in China is undergoing structural changes owing to strict environmental norms, tighter financing and consolidation. However, these shifts could adversely impact the supply chain of companies relying on China to procure chemicals. Furthermore, global firms have been scouting for an alternative to China, in the post-pandemic era, to source and manufacture products. Owing to its strategic geographic location, India could create an opportunity for its chemical industry in specific value chains and segments, in the near term, through policy intervention. Moreover, with global manufacturing firms moving to India, the demand for Indian raw materials including chemicals are anticipated to grow further.

GFL's Response

The above trends have been imposing challenges as well as providing opportunities for us to grow and expand our operations. Owing to our diverse presents across regions and industries, slowdown in one region or sector does not have any major impact on our operations. Further, we are constantly investing in sustainable technologies, products and processes which enables us to reduce our environmental footprints as well as reduce our cost significantly and increase our efficiency. With companies de-risking themselves from China and finding alternative, India stands at a strong position to cater the increased demand. We, at GFL, are well-equipped to cater to the increased demand and further expand our operations.

⁶McKinsey: Indian chemical industry 2020

Materiality and Stakeholder Engagement



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Materiality Assessment

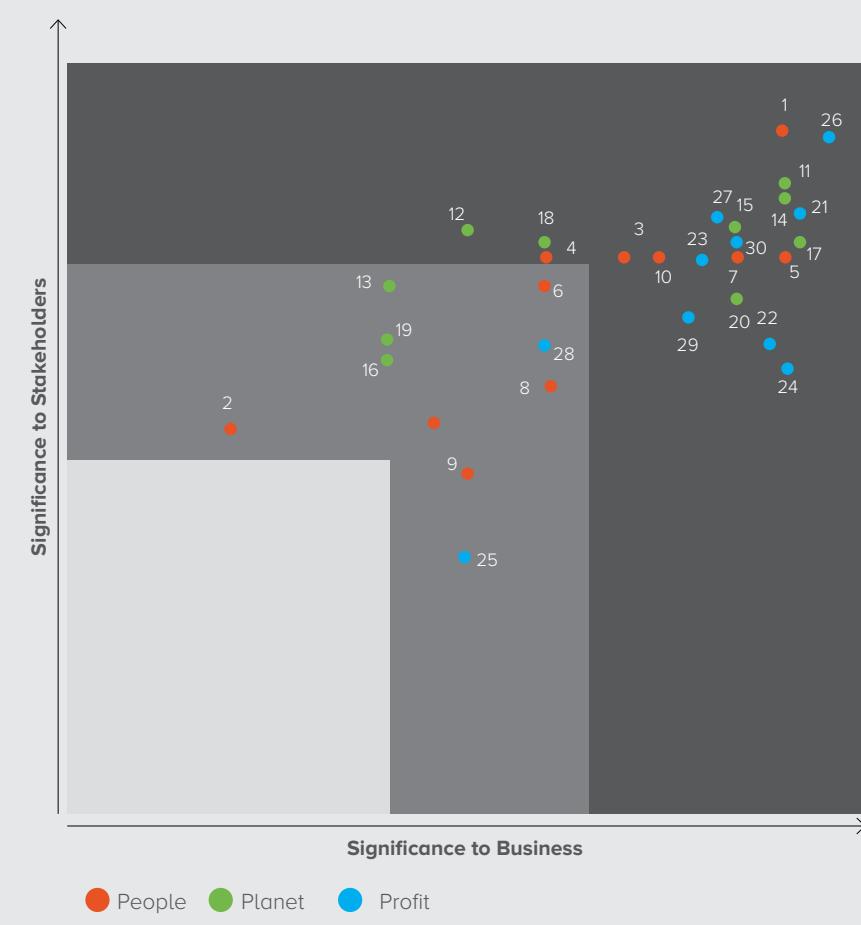
At GFL, we believe, it is imperative to adequately adapt to change, to foster growth and development. To pursue profit with purpose, we rely on strategic frameworks that empower us to explore business prospects, create value for stakeholders and balance our liquidity position. Thus, we constantly Strive to understand the needs of our stakeholders and asses issues that impact our operations and our ability to maximise value creation.

In line with our endeavour to identify issues that are material to our growth, we conducted a materiality assessment survey. It aimed to recognise topics that play a pivotal role in fulfilling the strategic endeavours of GFL, encompassing the 3Ps – People, Planet and Profit.

Our Approach

- Identification of key internal and external stakeholder groups;
- Review of Indian and global sustainability reporting frameworks, principles and sectoral issues to arrive at major sustainability topics relevant to GFL (categorized under People, Planet and Profit);
- Development of an objective questionnaire designed to uniformly capture stakeholder views to ascertain priority of each topic;
- Provide access to an online materiality survey to about 230 individual stakeholders;
- Statistical analysis of survey responses to identify and prioritize material issues.

Material Matrix



**● People**

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

● Planet

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

● Profit

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

Key Material Topics Identified

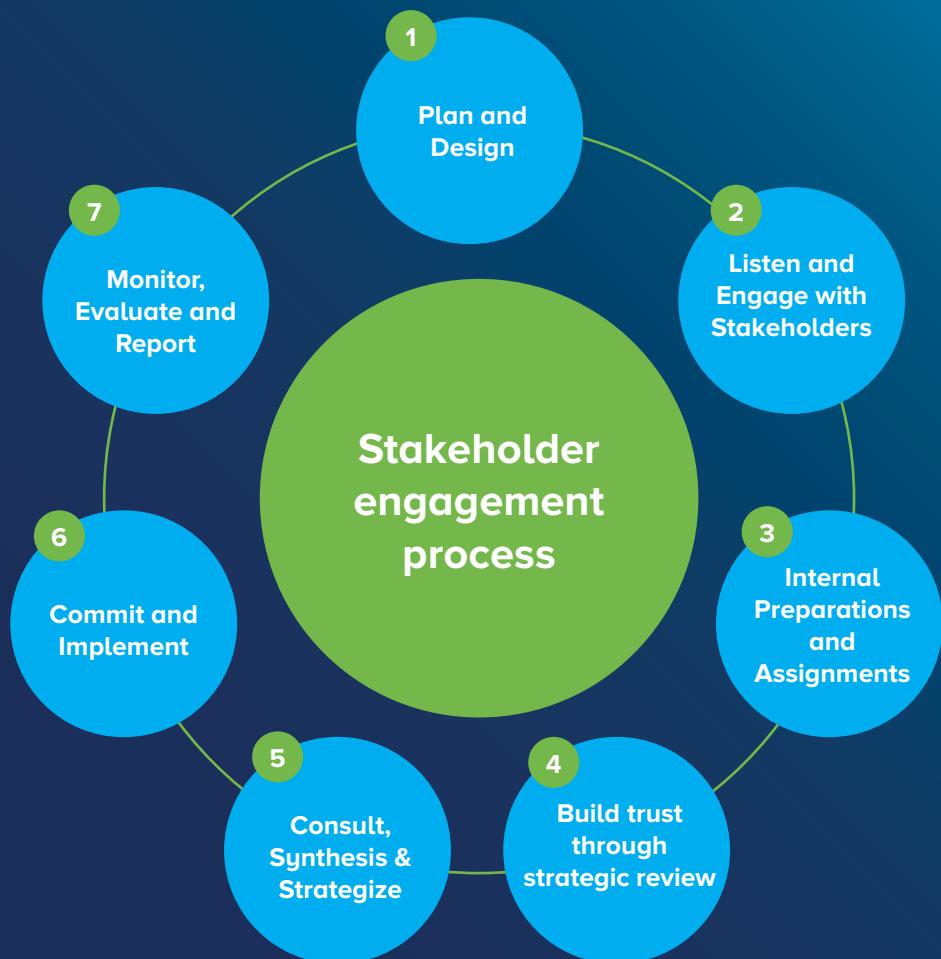
The following material topics were identified as important to business and stakeholders:

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

Stakeholder Engagement

At GFL, we believe that constant and effective stakeholder engagement is fundamental to the success of our business. Thus, we strive to build meaningful relationships with stakeholders, on the foundations of trust, respect and transparency.

We, therefore seek to engage with our stakeholders regularly, address concerns and keep them informed about organisational decisions. Our stakeholder engagement framework ensures timely communication of accurate and relevant information and interaction with each stakeholder. We have also constituted a Stakeholder Relationship Committee to specifically look into investor complaints and resolve issues faced by our stakeholders.





Shareholders & Investors	Customers	Suppliers
<p>Value Proposition</p> <ul style="list-style-type: none"> Constant return on investment and capital employed Growth and expansion in customer base, geographical footprints and financial performance 	<p>Value Proposition</p> <ul style="list-style-type: none"> Partnering for growth Differentiated products and services Engineering support Strong Brand value Timely delivery Maintain quality of products Competitive price 	<p>Value Proposition</p> <ul style="list-style-type: none"> Building capabilities through skill development Opportunities to innovate Development opportunity Secure operations
<p>Expectations and Concerns</p> <ul style="list-style-type: none"> Transparency Profitability Growth and expansion Operational and resource efficiency 	<p>Expectations and Concerns</p> <ul style="list-style-type: none"> Safety and data privacy Ethical business practices Eco-friendly products and solutions Superior quality products and services 	<p>Expectations and Concerns</p> <ul style="list-style-type: none"> Access to new markets Fair margins Revenue growth Long-term partnerships Resource efficiency
<p>How we engage</p> <ul style="list-style-type: none"> Annual General meetings (AGM) Press conferences Updates on Company website Investor/analyst meetings 	<p>How we engage</p> <ul style="list-style-type: none"> Website Periodic market research Customer meets Customer visits Conferences Trade fair 	<p>How we engage</p> <ul style="list-style-type: none"> Supplier development initiatives Online/offline workshops Annual suppliers' meet (online/offline) Supplier feedback surveys On-boarding process
<p>SDGs addressed</p>	<p>SDGs addressed</p>	<p>SDGs addressed</p>
<p>Capital Linkage</p>	<p>Capital Linkage</p>	<p>Capital Linkage</p>

Stakeholder Engagement

Employees	Community	Regulatory and Government Bodies
Value Proposition <ul style="list-style-type: none"> Good relations Fair wages Opportunity for learning and growth Safety and wellbeing 	Value Proposition <ul style="list-style-type: none"> Significant and enduring effect on communities in close proximity to our operating locations 	Value Proposition <ul style="list-style-type: none"> Advocacy towards shaping policies for the future
Expectations and Concerns <ul style="list-style-type: none"> Safety and job security Employee wellbeing Positive and open workplace Capability building, development and enhancement of skills Career growth opportunity 	Expectations and Concerns <ul style="list-style-type: none"> Livelihood opportunities New technologies and smart solutions Reduced environmental footprint Community development Preservation of culture and heritage 	Expectations and Concerns <ul style="list-style-type: none"> Timely compliance with law and regulations Transparent and open operations Adherence to environmental laws Timely payment of taxes Support to various schemes of central and state governments
How we engage <ul style="list-style-type: none"> Training and performance management HR forums Focused group discussions Employee engagement events Regular updates through email communication Employee satisfaction surveys 	How we engage <ul style="list-style-type: none"> Interactions during implementation of CSR projects Interviews with local community representatives Public Hearing CSR Cell engagement with community Community Development Newsletter 	How we engage <ul style="list-style-type: none"> Meetings, presentations and networking in different forums Regular visits Annual and quarterly compliance reports.
SDGs addressed	SDGs addressed	SDGs addressed
Capital Linkage	Capital Linkage	Capital Linkage



Industry Bodies and Media	Educational Institutions
<p>Value Proposition</p> <ul style="list-style-type: none"> ◆ Sharing best practices ◆ Initiate ideas to enhance overall industry experience 	<p>Value Proposition</p> <ul style="list-style-type: none"> ◆ Research and Development opportunities ◆ Future talent contribution
<p>Expectations and Concerns</p> <ul style="list-style-type: none"> ◆ Transparency ◆ Benchmarking against standards ◆ Long-term partnerships 	<p>Expectations and Concerns</p> <ul style="list-style-type: none"> ◆ Job creation ◆ Enhance skill building
<p>How we engage</p> <ul style="list-style-type: none"> ◆ Press conferences and media events ◆ Published articles and newsletters ◆ Online meetings and interviews 	<p>How we engage</p> <ul style="list-style-type: none"> ◆ Frequent campus visits and engagement programs ◆ Senior management lectures
<p>SDGs addressed</p> 	<p>SDGs addressed</p>   
<p>Capital Linkage</p> 	<p>Capital Linkage</p>  

Strategy and Risk Management



Strategically driving growth

We are committed to derive exceptional outcomes through strategic actions. To fulfil organisational goals, we demarcate areas of interest, set stringent targets and define actions that help to comply with our objectives. With periodic reviews, we measure the progress of our endeavours and keep ourselves attuned to the needs of the organisation, thereby ensuring lasting value creation for stakeholders across the vertical.

Sustainability

Strategic objective

At GFL, we remain committed to strike a balance between sustainability and performance. We consider it our responsibility to incorporate concepts of green chemistry in the design of our products, adopt green technologies and reduce our environmental footprint. We believe in going beyond compliance targets to extend our commitment, knowledge and influence to drive responsible behaviour across our value chain.

Our actions

- Setting stringent targets to reduce environmental footprints across our operations
- Ensuring sustainable practices across our supply chain

Progress made in FY 21 vs FY 20

FY 21

- Facilitated transition of customers to PTFE micropowders, manufactured with advanced technology that do not use irradiation
- Significant investment towards the development of sustainable manufacturing technologies such as Direct polymerization and Thermo-mechanical process
- Increased consumption of renewable resources
- 78.66% of our vendors belong to the Low risk Low value category

FY 20

- To promote biodiversity, trees have been planted in nearby villages and in areas around our manufacturing units to develop a green belt

Material issue addressed



Emissions,
effluents
& waste



Energy
efficiency



Water
consumption



Climate
change

Capital Linkage



Operational excellence

Strategic objective

Our goal is to attain operational excellence by leveraging the strength of our people, processes and technologies. We strongly focus on predictive and preventive maintenance & repairing systems, to ensure lower downtime, uninterrupted production and reduced chances of a breakdown. It allows us to remain agile and cost effective, fortifying our capabilities to capitalise on growth opportunities.

Our actions

- Strengthening manufacturing and R&D infrastructure
- Inventory management
- Increasing operational efficiency and productivity

Progress made in FY 21 vs FY 20

FY 21

- Reduction of down time in major plants
- Continuous investment towards O&M activities

FY 20

- Reduction in Plant Downtime by more than 14%

Material issue addressed

Growth and continuity

Profitability and Shareholder Value

Capital Linkage



Technology and digital platforms

Strategic objective

Our endeavour is to adopt state-of-the-art digital platforms and develop green technologies that enable us to increase our operational efficiency, aid faster and accurate decision making and enhance our productivity. Our in-house R&D team constantly works towards the development of green technologies and the implementation of AI/IoT based technologies in our manufacturing units.

Our actions

- Development of green technologies
- Adoption of technology driven processes and digital platforms

Progress made in FY 21 vs FY 20

FY 21

- During the lockdown, we swiftly adopted the work-from-home model, utilising our strong IT infrastructure
- Developed eco-friendly processes

FY 20

- Continued to focus on deploying sustainable technologies across our operations
- Adoption of newer model of SAP to further strengthen our processes
- ₹ 3.88 crore invested for R&D of indigenous technology that can be used for producing newer grades of fluoropolymers and eco-friendly polymerisation aids

Material issue addressed

Opportunities in clean technology

Capital Linkage



Strategically driving growth

Economies of scale and Product portfolio

Strategic objective

We constantly aim to expand the scale of our operations and cater to a diverse customer base. We also aim to build multipurpose and vertically integrated facilities that are capable of producing a wide range of products for our customers and produce superior quality and cost-effective products for captive consumption.

Our actions

- Building strong product portfolio
- Capacity expansion

Progress made in FY 21 vs FY 20

FY 21

- 15 new molecules in Fluoro speciality business
- Due to increasing consumer demand, we have planned an investment of ~₹ 480 crore at the 120 acre Dahej B site, located at a distance of about 9 km from the existing Dahej A site. We aim to deliver fluorine chemistry products including PTFE Micropowders, FKM, ISAN, PPA, BTC, KF, VDF and PVDF.

FY 20

- Investments for building 3 new multipurpose plants, enabling us to increase the manufacturing capacity.

Material issue addressed

Product development

Growth and continuity

Capital Linkage



Customer satisfaction

Strategic objective

We constantly remain in touch with our customers through various platforms to understand changing dynamics in the downstream industries and develop products and technologies that are unique, innovative, cost-effective and exceed expectations. We also provide them technical support and address their queries in a timely and effective manner.

Our actions

- Gaining insight about the needs and expectations of customers
- Ensuring responsible sales & marketing
- Superior quality products

Progress made in FY 21 vs FY 20

FY 21

- Implemented 'salesforce.com' – our customer relationship management software to address customer queries efficiently
- 94 - customer satisfaction score for quality of the products
- 91.50 - customer satisfaction score for quality of technical support

FY 20

- 98 - Overall customer satisfaction score

Material issue addressed

Customer satisfaction

Capital Linkage



Financial Performance

Strategic objective	Our actions	Progress made in FY 21 vs FY 20	
		FY 21	FY 20
We strive to undertake disciplined investment decisions that enable us to create value for our stakeholders and expand our operations further. We also seek to maintain a strong liquidity position to withstand challenges and capitalise on emerging opportunities. Moreover, our forward and backward integrated operations enable us to significantly optimise cost and improve our margins.	<ul style="list-style-type: none"> ● Disciplined and strategic investments ● Sustained growth in revenue and cost optimisation ● Strong liquidity position 	<ul style="list-style-type: none"> ● ₹ 2,651 crore Revenue from operations ● 12.17% RoCE ● ₹ 2,852 crore Direct Economic Value Generated ● ₹ 12 crore cash and cash equivalent 	<ul style="list-style-type: none"> ● ₹ 2,606 crore Revenue from operations ● 10.36% RoCE ● ₹ 2,823 crore Economic Value Generated ● ₹ 17 crore cash and cash equivalent

Material issue addressed

Growth and continuity

Profitability and Shareholder Value

Capital Linkage



People practices

Strategic objective	Our actions	Progress made in FY 21 vs FY 20	
		FY 21	FY 20
It is our continuous endeavour to attract the right talent, support them in developing the right capabilities and skills, and encourage them with a conducive working culture. We engage regularly with our employees and consider their health, safety and well-being our utmost priority.	<ul style="list-style-type: none"> ● Ensuring occupational health, safety and well-being of employees ● Attract, develop, retain talent ● Uphold and respect human rights, equality and non-discrimination ● Drive social accountability and responsibility across the value chain 	<ul style="list-style-type: none"> ● 332 new employees hired across all levels ● 97.50% Coverage of Group Medical Insurance ● 535 Employees promoted 	<ul style="list-style-type: none"> ● 643 new employees hired across all levels ● 97.10% Coverage of Group Medical Insurance

Material issue addressed

Occupational Health and Safety

Employment practices

Human rights

Talent development and training

Employment creation and skill development

Capital Linkage



Risk Management

We are committed to proactively manage risks and opportunities arising from our day to day operations. To ensure responsible operations, the Board of Directors actively mitigate risks. Our Enterprise Risk Management (ERM) framework also enables us to undertake a holistic view of risks inherent to our strategy, business and operations. It also empowers us to efficiently plan for the future and take decisions that are beneficial for organisational growth.



The key risks identified and actions taken to mitigate the same are as follows:

Macroeconomic and market risk

Our operations are impacted by various macroeconomic factors, incidents and trends. Factors including, but not limited to, geo-political uncertainties, supply risks and the Covid-19 pandemic caused severe disruptions to our operations and supply chain. Further, demand for our products were impacted by lockdowns imposed in various countries. It led to a decrease in demand, curtailed movement and significantly increased logistic cost. Changes in the technological landscape and consumer preferences might also have an adverse impact on our operations.

Mitigation Strategy

At GFL, we have developed sound business policies, practices and strategies that empower us to overcome challenges. The outbreak of Covid-19 caused temporary disruptions but, our prudent planning and efficient strategies enabled us to swiftly adopt the 'new normal' and resume operations at our manufacturing facilities. Our management continued to make strategic interventions that empowered us to minimise impact on operations. We also undertook various measures to ensure the health, safety and wellbeing of our employees and the community at large.

Capital Impacted



Material topic addressed

- Growth and continuity
- Business risk mitigation
- Good governance practices



Customer satisfaction

Our operations are largely dependent on our ability to fulfil diverse customer needs. Inability to completely understand customer requirements may impact our brand value, customer retention capabilities and revenues. Regulatory or compliance issues may also arise due to our inefficiency to meet customer demands. Thus, our success depends on our ability to consistently deliver innovative and value-added products.

Mitigation Strategy

We continue to bolster our research and development initiatives to develop new products and technologies and improve existing solutions. With our innovative and eco-friendly products, we have successfully met customer demands. During the year under review, we strengthened our social media presence and undertook innovative marketing techniques to connect with our clients. Besides, we are constantly shaping strategies to serve customers better and it has enabled us to stay ahead of competition.

Capital Impacted



Material topic addressed

- Product development
- Customer satisfaction

Sustainability and Environmental risk

Our operations may pose a risk to the environment due to excessive consumption of natural resources. Harmful emissions or hazardous discharge from our operations may also threaten the ecosystem. Inability to reduce our environmental footprint might impact brand value, affect customer loyalty and result in financial losses.

Mitigation Strategy

At GFL, environmental sustainability goes way beyond statutory obligations. To ensure adherence to stipulated norms, we aspire to maintain the highest standards of Environment and Sustainability performance. Our ESG policy is regularly monitored and modified to suit evolving requirements. Besides, all our manufacturing units are ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety management system) certified. We also conduct compliance audits on a regular basis to identify risks and develop effective mitigation strategies. In FY21, we have not recorded any environmental non-compliance issue. To uphold our commitment to care for the environment, we undertake capital expenditure to ensure process improvements and upgrades that abide by environmental policies.

We are one of the few companies in India that comply with ISO 20400 – Sustainable Procurement Management Standards and ISO 26000 – Social Responsibility Management Standards. With an endeavour to achieve excellence in EHS, we have adopted a top down approach that solicits an active participation of employees.

Capital Impacted



Material topic addressed

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

People risk

Our success depends on our ability to attract and retain qualified candidates who can utilise their skills to create value for our customers and strategically empower us to achieve goals. To survive in a competitive environment, it is also necessary to regularly upgrade skills and knowledge. Inability to retain talented professionals or inadequate opportunities for training employees may affect our business prospects.

Mitigation Strategy

We recruit talented individuals from top educational institutions around the country, based on their inherent skills and competency. Further, we encourage internal promotion and cross-functional movement to provide greater exposure to our employees. We also organise various training and development programs, covering functional, behavioural and technical aspects to improve the professional capacities of our workforce. During the year under review, we conducted virtual training sessions and organised employee engagement initiatives to enhance productivity and improve efficiency.

Capital Impacted



Material topic addressed

- Employment practices
- Human rights
- Talent development and training
- Employment creation and skill development

Occupational, health and safety risk

The outbreak of Covid-19 posed significant risk to the health and well-being of people. Similarly, exposure to hazardous chemicals may affect the workforce. Inability to manage such risks may impact operational capabilities. Moreover, inability to ensure the health and well-being of our employees and contractual workers might impact our brand image and financial performance.

Mitigation Strategy

The health and safety of our employees remain a top priority and a critical factor in maintaining business continuity. We initiated measures to keep our people safe during and after the pandemic. We monitored employees regularly to check symptoms of Covid infection, provided immunity boosters to workers, distributed masks and sanitizers at the workplace and maintained social distancing protocols across our areas of operation. Additionally, we setup mass Covid-19 testing facility and organised vaccination camps at our sites. We also conducted safety mock drills, provided PPE kits to our employees and encouraged reporting of near miss incidents at the workplace. This has enabled us to further strengthen our safety culture.

Capital Impacted



Material topic addressed

- Occupational Health and Safety
- Employment practices



Financial Risk

We are exposed to funding and liquidity risks due to foreign exchange fluctuation, interest rate and non-recovery/ delays in recovery of outstanding dues. This might have an adverse impact on our financial position and our ability to sustain margins. Further, failure to create sufficient reserves for unforeseen contingencies and/or compliance to regulatory norms may adversely affect our business.

Mitigation Strategy

We resort to effective financial control and treasury management systems that enable us to manage liquidity and funding requirements. Further, trade receivables in foreign currency creates a natural hedge for payment of raw material imports, short-term working capital finance, long term loans and CAPEX requirements. We also constantly undertake cost optimisation measures across the organisation to increase our profitability and improve margins.

Capital Impacted



Material topic addressed

- Growth and continuity
- Profitability and Shareholder Value

Information / Cyber security

Cyber security risks may arise from internal as well as external stakeholders. Failure to protect sensitive and confidential data may have a material impact on our reputation and the trust of our stakeholders.

Mitigation Strategy

We have built a robust information technology system to ensure no breach or loss of confidential data. It provides comprehensive protection from cyber threat and our IT infrastructure is ISO 27001 (Information Security Management) certified. We also conduct IT security audits at regular intervals and our IT infrastructure is governed by the IT Security Policy. We also conduct vulnerability assessment and penetration testing audits to ensure the security of our Unified Threat Management (UTM)/ Firewall switches and anti-virus programs.

Moreover, we provide adequate training to employees to minimise cyber security threats.

Capital Impacted



Material topic addressed

- Business risk mitigation

Regulatory, governance and compliance risk

GFL has a diverse global presence and the legal, political and economic environment in different countries vary considerably. Therefore, our operations are subject to numerous laws and regulations in the domestic as well as international markets, exposing us to regulatory risks. Further, the risk of corruption may also threaten our operations if we fail to maintain the accountability and integrity of our business operations.

Mitigation Strategy

To address compliance related risks, we have formed a team comprising of experienced professionals. We also undertake third party assistance to ensure adherence to regulatory frameworks. Further, we proactively aim to prevent corruption, bribery and malpractices in all forms. Our anti-corruption guidelines are constantly reviewed and encompasses all operations within the organisation. We also organise programmes to improve employee understanding of our Code of Conduct (CoC). Non-compliance to the

CoC is treated as a breach of ethical conduct and is considered a serious offence.

Capital Impacted



Material topic addressed

- Anti-corruption
- Good governance practices

Governance



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Good Governance

Being transparent and accountable

GFL believes, good corporate governance lays the foundation for stronger performances. Our leaders, therefore, depend on transparency, accountability and ethical conduct to strengthen relations with internal as well as external stakeholders – to build the groundwork for a sustainable organisation.

We strive to adhere to the highest level of corporate governance and manage our affairs in a fair, honest, ethical, transparent and legally compliant manner. We are committed to the prevention, deterrence and detection of fraud, bribery and all other forms of corrupt business practices across our operations and comply with all applicable laws and regulations.

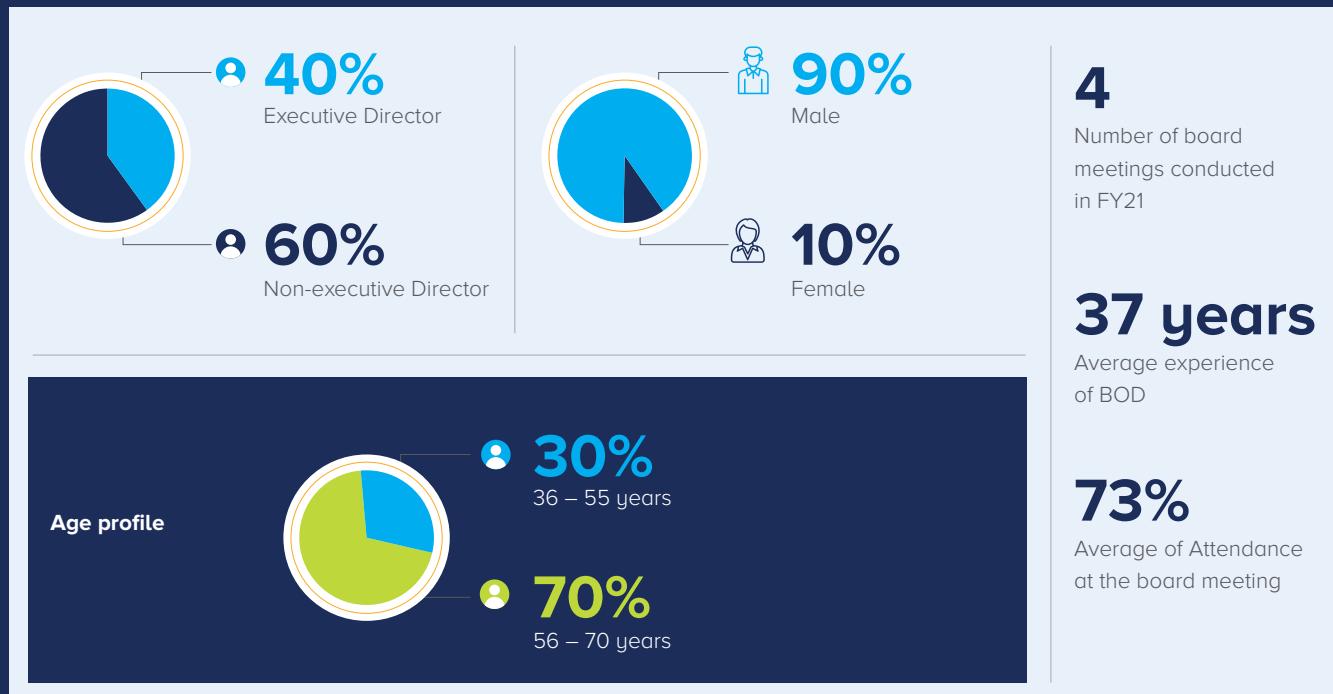
Our commitment is further reiterated with the signing of the UNGC, ensuring that our Social Responsibility systems and procedures are in consonance with the ISO 26000 standards. We are also an ISO 37001 (Anti-bribery Management Systems) certified Company.

Our Board of Directors

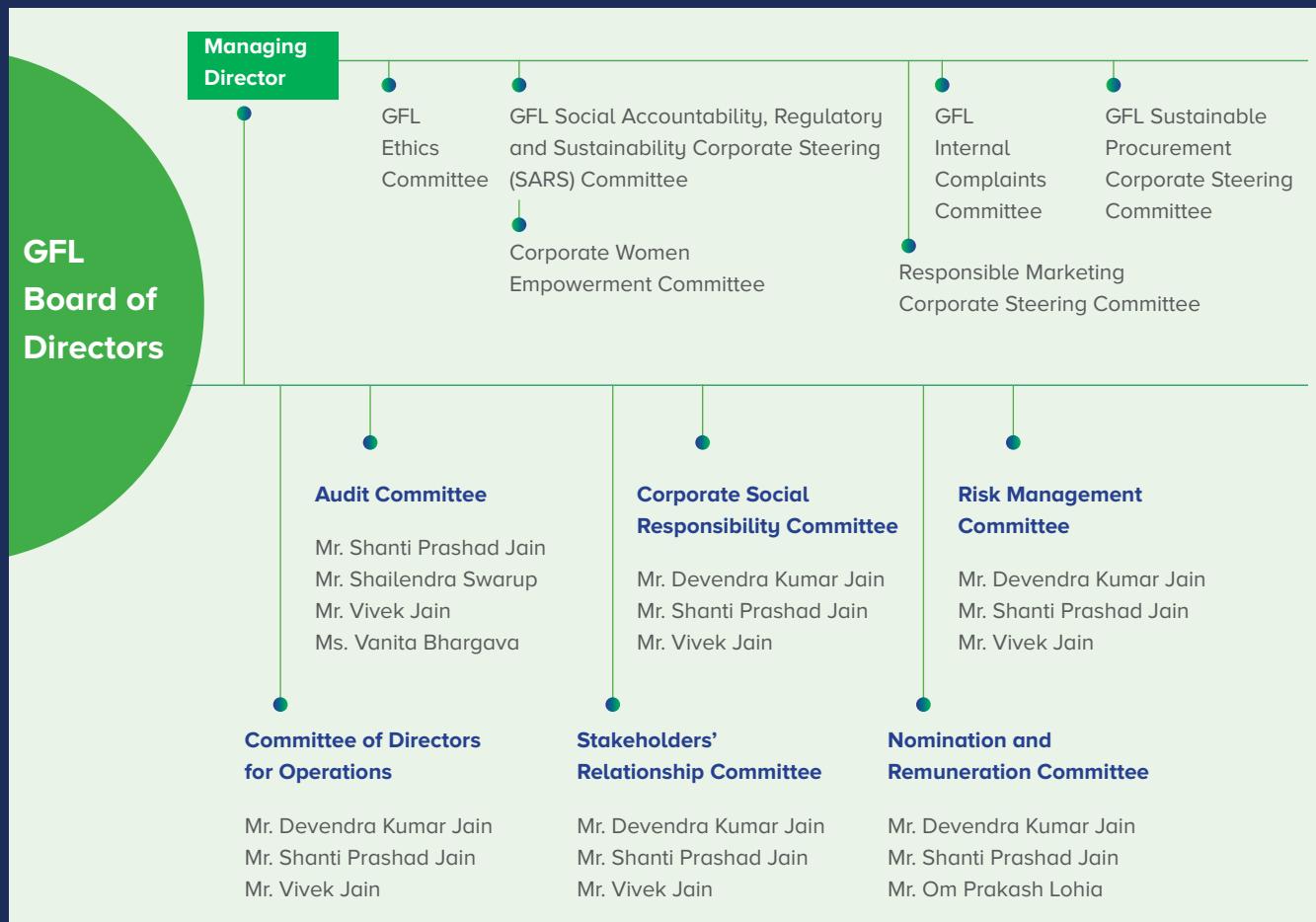
The Board of Directors are responsible for providing strategic direction to the Company and they set the tone for ethical and effective leadership. They bring with them independent, informed and effective judgment on material decisions. They also ensure that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced in our way of doing business.

The board predominantly influences three areas of organisation - its vision, strategies and values that shape the culture of the organisation. This enables GFL to capitalise on growing market opportunities as an ethical, decisive and responsible corporate entity that is keen to embrace and promote a value-accretive governance framework.

Skills and Competencies



Governance framework



[For more details on the roles & responsibilities of the committees please refer Corporate Governance Report for the FY21]

Profile of Board of Directors



Mr. Devendra Kumar Jain	Mr. Shanti Prashad Jain	Mr. Vivek Kumar Jain	Mr. Shailendra Swarup	Mr. Om Prakash Lohia
Chairman	Independent Director	Managing Director	Independent Director	Independent Director
Mr Devendra Kumar Jain is a graduate in History (Hons.) from St. Stephens College, Delhi. He possesses over 61 years of experience in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was made an Honorary Member of the Civil Division in the Order of the British Empire, by Her Majesty, the Queen of England. Mr. Devendra Kumar Jain has been a member of the Indian National Committee of the International Chamber of Commerce and has been an Associate Member of the World Economic Forum, Geneva, Switzerland and is a member of the Indian delegation to the Davos symposium on several occasions in the past.	Mr. Shanti Prashad Jain is a leading Chartered Accountant and practicing since 1963. He has specialized in taxation matters of various reputed companies and banks.	Mr. Vivek Kumar Jain is a graduate of Commerce from St Stephens College Delhi and also has a post graduate degree in Business Administration from the Indian Institute of Management Ahmedabad. He has over 43 years of rich business experience in setting up and managing several businesses. Mr. Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL), since its inception.	Mr. Shailendra Swarup is a law graduate and a Senior Advocate. He is a practicing lawyer in the High Court and Supreme Court of India, at New Delhi. He has around 45 years of experience in handling various legal matters. He is also on the Board of several professionally managed companies. Mr. Swarup was a member of the Task Force on Corporate Governance, constituted by the confederation of Indian Industry under the Chairmanship of Mr. Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr. AS Ganguly.	Mr. Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He is a commerce graduate from Kolkata University and after graduation, he joined the family textile business, which gave him management exposure in all disciplines of business management. Mr. Lohia has been awarded Udyog Ratna award by the Madhya Pradesh Government in 2005.



Mr. Chandra Prakash Jain	Ms Vanita Bhargava	Mr. Sanath Kumar Mupiralla	Mr. Sanjay Borwankar	Mr. Niraj Agnihotri
Independent Director	Independent Director	Whole-time Director	Whole-time Director	Additional and Whole Time Director
Mr. Chandra Prakash Jain is a Chartered Accountant and is former Chairman and Managing Director of NTPC Limited. He was also the Chairman of the Standing Conference of Public Enterprises (SCOPE) for the period 2003-05. He has been a past member of Standing Technical Advisory Committee of the Reserve Bank of India, Audit Advisory Board of the Comptroller & Auditor General of India. He has in the past headed the Confederation of Indian Industries (CII's) National Committee on Energy. He is also a Member of Advisory Board of Axis Infrastructure Fund.	Ms Vanita Bhargava is a Commerce and Law graduate of Delhi University and partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms Vanita Bhargava has 18 years' of experience as practicing advocate at Supreme Court, High Court, Company Law Board, National Green Tribunal, Mining Tribunal, Consumer Forums and its Appellate Authorities. Her Representative areas include Dispute Resolution, Domestic Tax, Environment, Indirect Tax, Infrastructure, Energy and Natural Resources, International Tax, Technology, Media and Telecom, Shareholder Dispute, Domestic and International Arbitration.	Mr. Sanathkumar Muppirala is Chemical Engineer and has over 34 years' experience in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & commissioning.	Mr. Sanjay Sudhakar Borwankar is a Chemical Engineer and MBA and has over 26 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.	Mr. Niraj Kishore Agnihotri has done his Bachelor's in Chemical Engineering from HBTI, Kanpur. He has over 30 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning. In his last assignment, he was associated with Glenmark Pharmaceuticals Limited. His prior assignments were with United Sprits Limited., Nitrex Chemicals India Limited and United Phosphorus Limited.

Being transparent and accountable

Compliance with rules and regulations

Our operations span across 4+ countries worldwide. It is, therefore, essential to ensure complete compliance with applicable rules and regulations. Laws pertaining to economic, social and environmental aspects differ from country to country. We, therefore, remain vigilant about changing rules and regulations, with a firm focus on adhering to acceptable laws in different parts of the world. GFL has not received any non-compliance case during the reporting period.

Summary of the Fines and Penalty

Laws	Particulars	2018- 2019	2019 - 2020	2020 - 2021
Company Laws	Total Monetary value of significant fines	Nil	Nil	Nil
	Total number of non-monetary sanctions	Nil	Nil	Nil
Finance and Business Laws	Total Monetary value of significant fines	Nil	₹ 21,60,481	Nil
	Total number of non-monetary sanctions	Nil	Nil	Nil
Commercial Laws	Total Monetary value of significant fines	Nil	Nil	Nil
	Total number of non-monetary sanctions	Nil	Nil	Nil
Labour Laws	Total Monetary value of significant fines	Nil	Nil	Nil
	Total number of non-monetary sanctions	Nil	Nil	Nil
EHS Laws	Total Monetary value of significant fines	Nil	Nil	Nil
	Total number of non-monetary sanctions	Nil	Nil	Nil

Note: It may noted that none of the fine and penalties did not have or will not have any effect on business continuity of GFL

Key Policies & practices

At GFL, we have a 'Zero Tolerance' approach to all forms of fraudulent acts. We encourage integrity and honesty while dealing with all employees, customers, suppliers and other stakeholders. We remain committed to support the government, law enforcement and international agencies to prevent any financial discrepancy.

Our Fair Business Policy Framework

Key polices



Guideline on Prevention of Corruption & Bribery



Guideline on Code of Conduct



Guideline on Prevention of Fraud



Guideline on Conflict of Interest



Guideline on Whistle-blower



Code of Conduct and Sustainable Procurement Policy for Suppliers/Vendors and Service Providers

Stakeholders covered



Employees



Vendors



Management



Other business partners



Customers



Building blocks of our Fair Business Practice system

Detailed procedures:

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

Responsibility:

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

Communication to Stakeholders:

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

Consequence management:

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

Monitoring and continuous improvement:

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

Corruption and bribery

As part of our internal risk assessment, we have conducted rigorous corruption and bribery risk assessment.

Function	Location	Number of Processes	Number of processes covered under Risk Assessment for Bribery, Corruption and Unfair Business Processes	% compliance
Operations	Dahej, Ranjitnagar	14	10	71
Human Resources	Noida, Dahej, Ranjitnagar	12	10	83
Commercial	Noida, Dahej, Ranjitnagar	12	05	42
Safety, Health and Environment	Dahej, Ranjitnagar	8	05	63
Responsible Sales & Marketing	Noida, Dahej, Ranjitnagar	10	10	100
Finance & Accounts	Noida, Dahej, Ranjitnagar	10	10	100
Legal & Secretarial	Noida, Dahej, Ranjitnagar	2	2	100

Being transparent and accountable

Code of conduct

At GFL, we have created a Code of Conduct (CoC) to comply with the highest standards of ethics and values, along with applicable laws and regulations. The CoC encourages each and every Director & officer of the Company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Any instance of non-compliance of any of the provisions of CoC is treated as a breach of ethical conduct and is viewed seriously by the Company.

Whistle-blower Policy

We also have a Whistle-blower Policy that helps to reinforce the CoC. It encourages each Director and Officer of the Company to take positive actions that are not only commensurate with the Company's beliefs but, are also perceived to be so. This policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization.

Our Governance Mechanism

We actively monitor and review our governance structures, practices and processes from time to time, to ensure adoption and implementation of best practices. Our governance framework extends beyond regulatory and legislative requirements. Our Board of Directors are accountable to shareholders and other stakeholders. They are also responsible for formulating and implementing sound corporate governance practices across organisational verticals. The Ethics Committee ensures the formulation, implementation and review of the Fair Business Practices Policy across the Company.

Training and Communication

To communicate the basic facets of our corporate governance policy, we make governance body members, employees, business partners and other stakeholders to sign a declaration after reading and understanding the rules followed at GFL. It also enables compliance with accepted norms and rules. The guidelines are also included in the Employee Handbook and is available at all Company locations. Our anti-bribery, corruption and fair business practice policies are also communicated within the organisation through banners, posters and flyers.

100%

of governance body members, employees, business partners and other stakeholders communicated and trained on anti-corruption policy adopted by us

Political Donations and Lobbying

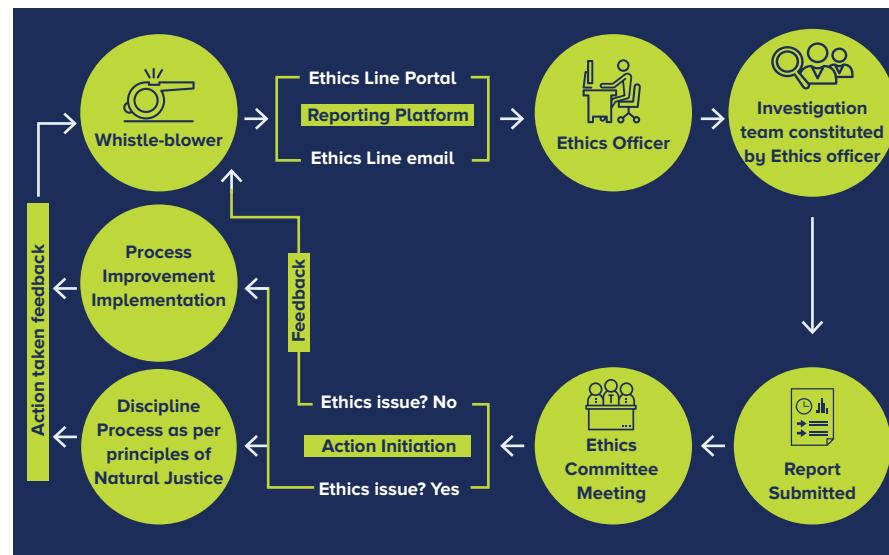
GFL is an apolitical organisation and we do not advocate government policies. No Political donations, was given as per Section 182 of the Indian Companies Act, 2013.

No Lobbying activities are done. However, on certain occasions we have sought the assistance of local or central authorities. It included the following:

- Ministerial level Dialogue with senior bureaucrats
- Dialogue with senior Statutory Authority

Our corporate governance policy prohibits us from offering gifts to government ministers, bureaucrats and statutory authorities. Our anti-bribery and anti-corruption guidelines prevent us from indulging in such acts. Therefore, lobbying activities are closely monitored by the Ethics Committee.

Governance Mechanism to Address Concerns about Ethics, Protection to Whistle Blowers and 'Right to Refuse'



Maintaining clear channels of communication

Our employees are provided platforms to raise alarms about breach of Fair Business Practices Policy. We have made these policies an integral part of our way of life at GFL and has, therefore, become a prime responsibility of everyone acting on behalf of our Company. We encourage employees to identify and report instances of corruption, bribery, fraud, etc. as part of the 'Spot on – Value Champion' spontaneous recognition process. We not only encourage our employees to speak out but, also empower them to follow these policies, raise concerns, ask questions and always make the right choice.

Employees can report violations or concerns through a digital platform, 'Ethics Line'. Concerns are reported only to the Ethics Officer to maintain strict confidentiality. It is the duty of the Ethics Officer to investigate and report back to the whistle blower. Furthermore, employees as well as other stakeholders can write to ethicsline@gfl.co.in to report any incident anonymously.

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

Incident Reporting

We have embedded the principle of ethics and integrity across the organisation through continuous communication of fair business practices, procedures and policies, regular training and education of employees, strong vigil and systems implementation. During

FY21, we received Four complaints from our investors, related to loss of shares, issue of duplicate shares etc. and the complaints were resolved by the end of the year.

Complaints resolved under Fair Business Practices for FY21.

Particulars	Code of Conduct	Ethics Monitoring Committee (Ethics Online Redressal Grievance System)	Whistle Blower Policy	Grand Total
Employee	2	6	2	10
Code of Conduct	2			2
Force/Bonded Labour Prohibition		3		3
Protection of Human Rights		2		2
Whistle Blower			2	2
Equal Employment Opportunity		1		1
Non Payment of Wages		1		1
Vendor	1			1
Violation of GFL Code of Conduct	1			1
Community			1	1
Complaint against Employee			1	1
Grand Total	3	7	3	13

All the above complaints were investigated by an independent team and resolved. In most cases the complaints were unfounded and response given to the complainant to their satisfaction

Investor's complaints resolved for FY21.

Nos. of investor complaint/s pending at the beginning of the year	Nil
Nos. of investors complaint/s received during year	04
Nos. of investors complaint/s disposed of during the year	04
Nos. of investor complaint/s unresolved at the end of the year	Nil



Financial Capital

We leverage our financial resources to produce innovative products and invest in technology, people and processes to ensure business success. Our prudent capital allocation strategy enables us to maintain a healthy balance sheet and strong liquidity position.

SDGs Impacted



Material Issues Addressed

- Growth and continuity
- Profitability and Shareholder Value

Strategic focus areas

Sustained growth in revenue and profitability

Prudent capital allocation

Healthy balance sheet

Strong liquidity position

Constant value creation for stakeholders

Input**Equity Share Capital**
(₹ in Crore)**11****Debt fund**
(₹ in Crore)**1585****Output****Revenue from operations**
(₹ in Crore)**2651****EBITDA**
(₹ in Crore)**638****PAT***
(₹ in Crore)**361****Market Capitalization**
(₹ in Crore)**6318****Cash and Cash Equivalent**
(₹ in Crore)**12**

* Before Taxation pertaining to earlier years

Financial Capital

Key Ratios (Standalone basis)

Debt equity Ratio

0.44



Interest coverage Ratio

5.31



Current Ratio

1.06



Debtors Turnover

3.68



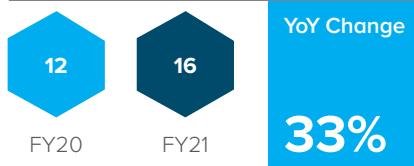
Inventory Turnover

1.86



Operating Profit Margin
(in %)

16



Net Profit Margin (Excluding Taxation pertaining to earlier years)
(in %)

14



Return on Net worth
(in %)

10



Operating margin, net profit margin and return on net worth have been increased due to various operating efficiency related measure undertaken by the Company including the optimizing the product mix.

Consistent value creation

At GFL, we strive to make a positive contribution towards the economic growth of India by providing value accretive products, creating jobs, uplifting communities and paying taxes. Moreover, our renewed focus on ESG policies emphasize our commitment towards our stakeholders, enabling us to build stronger relationships to ensure long-term success. We not only focus on increasing returns to stakeholders but, also consider it our responsibility to initiate sustainable development.





Value creation for stakeholders in FY21 is illustrated below:



Note: The above figures are excluding Taxation pertaining to earlier years.

Impact of Covid-19

Though, the Covid-19 outbreak and the subsequent lockdown affected our manufacturing units at Ranjitnagar and Dahej, we resiliently navigated the challenge. Operations at both the plants are now back to normal and resting on our sound strategies, we were able to maintain a robust liquidity position that helped to meet our short-term obligations.

Cash generated from / (used in) operations (₹ in Crore)

616

FY21	616
FY20	546

Cash used for investment (₹ in Crore)

373

FY21	373
FY20	1192

Cash generated from / (used in) financing activities (₹ in Crore)

(248)

FY21	(248)
FY20	621

Financial Capital

Robust Strategies

Financial Controls and Treasury Management System

An effective financial control and treasury management system enables us to ensure the accuracy of reporting, prevent fraudulent activity and protect the organisation's resources, both physical and intangible. These internal control procedures reduce process variation, leading to more predictable outcomes. We have developed and implemented SOPs to ensure uniformity across procedures, policies used for monitoring and control of direction, allocation, and usage of financial resources.

Improved Market Capitalization

At GFL, we are dedicated to develop new products, leveraging our expertise in specialty chemicals and fluorospecialty products to create an optimum product mix. It helps to improve productivity and enhances return on capital employed, increasing our market capitalization as well as our revenue.

Tax Settlement

In FY21, the Company has exercised its rights for concessional tax under section 115BAA of the Income-tax Act, 1961 whereby the applicable tax rate has been reduced from 34.94% to 25.17%. Further, we have filed applications under Vivad se Vishwas Scheme to settle matters pertaining to income-tax assessment from 2007-08 to 2013-14. This helped to settle old income tax matters that were affecting the company.

Cost Control Mechanism

Our robust cost control mechanism has enabled us to significantly reduce costs. For example, instead of offering individual contracts for a single plant, we have opted for consolidated contracts for both the plants and renegotiated major contracts to incur cost savings. Additionally, we have improved the production process to minimise losses and ensure optimum utilisation of resources.





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Manufactured Capital

Our ability to produce innovative and eco-friendly products is largely supported by the strength of our manufacturing facilities. With the use of advanced technologies and sophisticated processes, the state-of-the-art manufacturing units enable us to fulfil evolving customer demands and remain cost-competitive.

SDGs Impacted



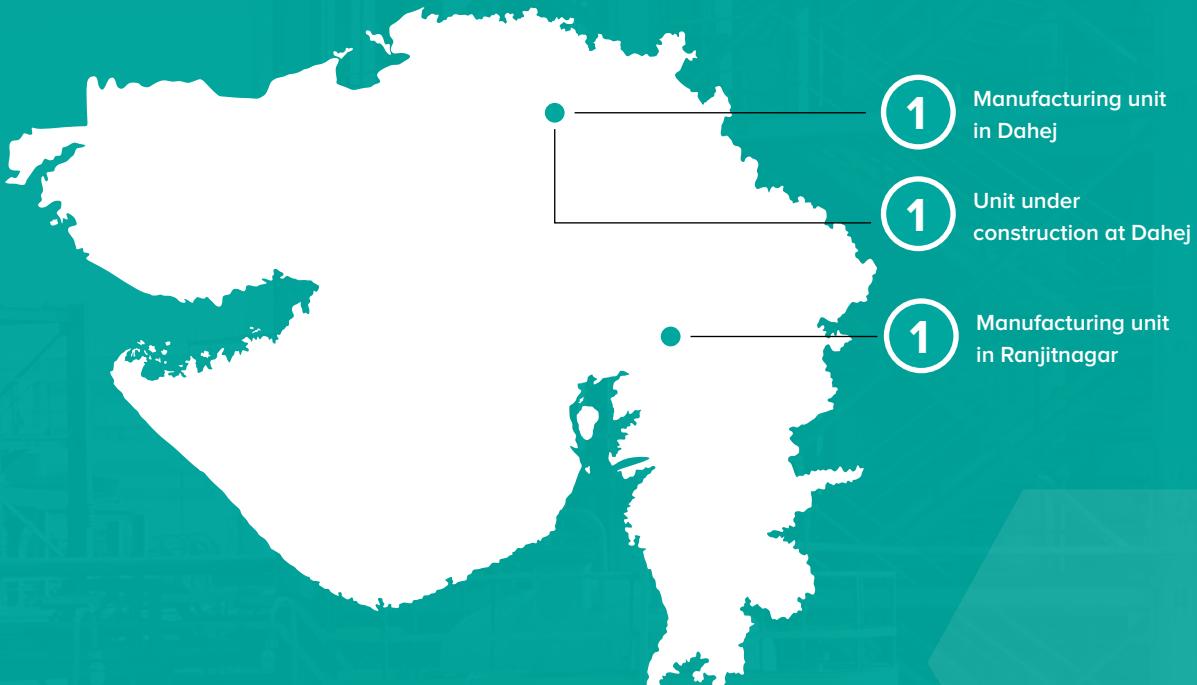
Material Issues Addressed

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

Strategic focus areas



Our manufacturing footprint



Strategic

Locations of our manufacturing units ensure customer proximity

Backward integrated

Manufacturing units enable cost efficiency and quality control

High production capacity

Creates economies of scale and helps to capitalise on growing opportunities

India's largest

HCFC 22 refrigerant manufacturer
PTFE and other fluoropolymer manufacturer

Advanced technologies

Used across manufacturing units to increase operational efficiency

Manufactured Capital

Standing tall against Covid-19

The Covid-19 pandemic affected our operations and supply chain, especially during the initial months of the lockdown. But, we focused on improving our process and ensured judicious allocation of resources to ensure uninterrupted availability of material from resourceful vendors. Further, to assure availability of critical manpower at our sites, we made arrangements for workers to stay over. We also took necessary steps for the safe movement of our workforce and provided compensation, wherever needed. Moreover, we prioritised the safety of our people and arranged additional transport and canteen facilities at the manufacturing sites, following standard operating procedures within our premises to ensure maximum safety of our workforce.

Key Highlights for FY21

During the year under review, we registered strong growth across all business segments, demonstrating the strength and agility of our business model. We continue to sustain our leadership in most of the segments that we operate in.

Speciality Fluorintermediates

We continue to address rising demand from the agriculture and pharma sectors through this segment. During the year under review, demand for all our products in the segment witnessed steady growth. Further, in line with our endeavour to strengthen our product basket, we continued investments in new product development. A few products remain in final stages of implementation and will be fully commissioned in the short-term. Due to increasing demand as well as



Fluoropolymer Business

Owing to our fully integrated manufacturing operations, we are a globally competitive producer of Fluoropolymers. During the year under review, our PTFE sales were adversely impacted as demand from domestic and overseas markets decreased due to the Covid-19 crisis. As the situation improved, we witnessed demand recovery from the domestic market. We now aim to achieve complete capacity utilisation in the near term. Despite challenges, we continue to focus on improving our product portfolio and becoming more cost competitive. We are also developing a wide range of PTFE grades for varied industries.

Further, we continued to expand the production capacity of new Fluoropolymers, including FKM, PFA, PVDF, PPA and micro-powders. Commercial production of some fluoropolymer grades is also expected to resume soon. Due to their unique properties and features; the fluoropolymers are being increasingly used in modern applications for electric

vehicles, electronics, semis, renewable energy, hydrogen fuel cells, 5G networks, internet of things etc.

Refrigerant gases

Apart from being the largest manufacturer of HCFC 22 in India, we have established ourselves as the preferred supplier for leading OEMs and service partners globally.

Commodity chemicals

We continue to sustain our position as one of the leading producers of industrial and essential chemicals for the pharmaceutical, agrochemical and plastic sectors. During the year under review, we witnessed robust demand from the pharma industry for Methylene di chloride (MDC) and, therefore, our Chloromethane plants continued to run at full capacity. We continue to focus on increasing our operational efficiency by driving cost synergies and improving capacity utilisation.



strategic needs of both domestic as well as overseas customers to de-risk their sourcing strategy, we are witnessing rising demand for new molecules from the agro and pharma industries. Several new products have been developed by our R&D teams, on the basis of which additional capex has been planned. A pipeline of additional products are also being developed, based on established chemistries.

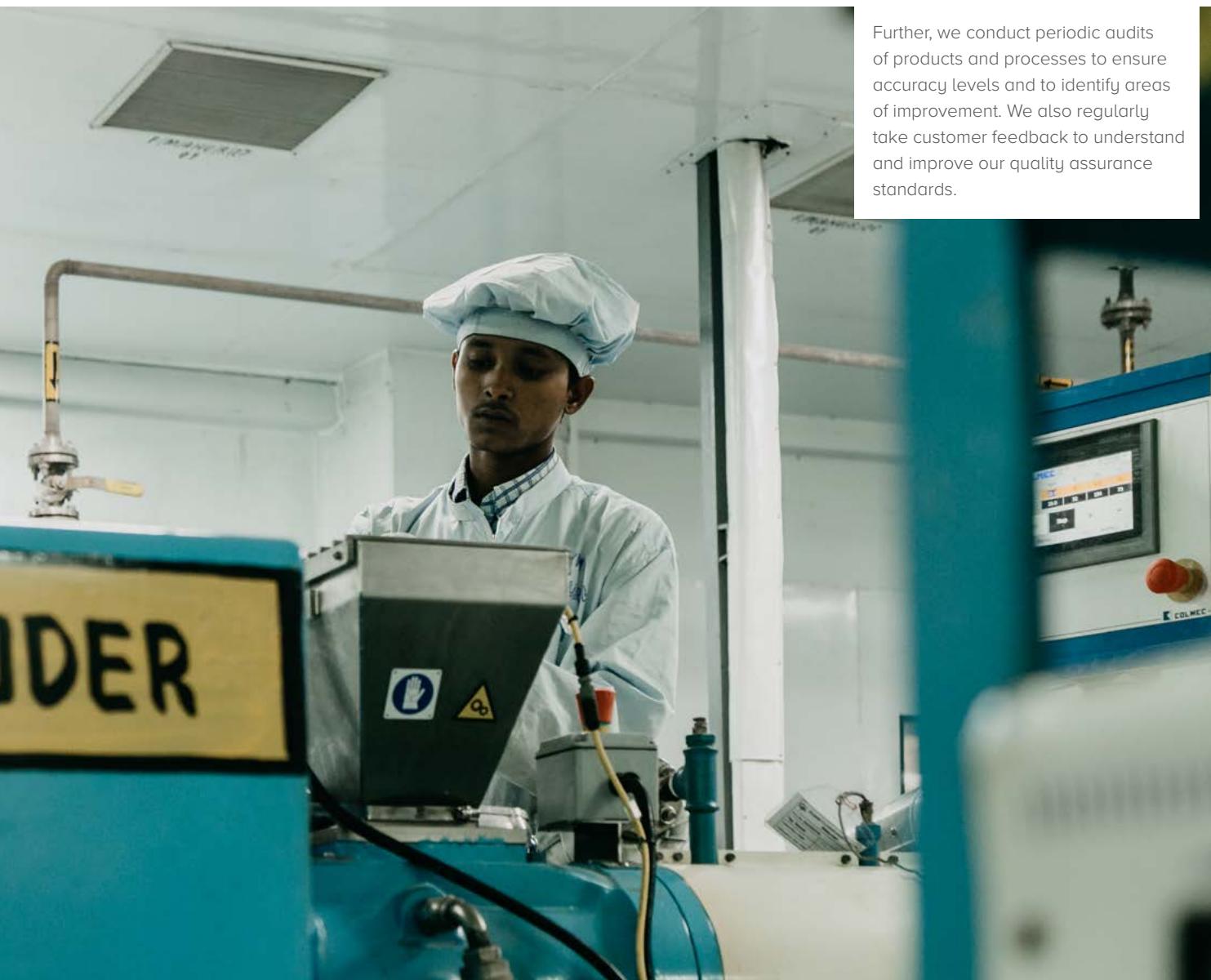
Green Chemistry

With stringent global regulations and shifting consumer preference for sustainable products, it is imperative to strike a balance between sustainability and performance. GFL aims to align its processes with the 4th principle of Green Chemistry - Design safer chemicals and products i.e. design chemical products that are fully effective yet have little or no toxicity.

Sustaining Product Quality

At GFL, we adopt a quality first approach that enables us to not only meet the needs of our customers, but also exceed their expectations. We aspire to uphold the highest standards of quality and meet national as well as international standards of excellence. We constantly monitor processes to ensure efficiency and sustain product quality. All our products are continuously tested at our NABL and ISO17025 certified laboratories, at various stages of production.

Further, we conduct periodic audits of products and processes to ensure accuracy levels and to identify areas of improvement. We also regularly take customer feedback to understand and improve our quality assurance standards.



Manufactured Capital

Operational Efficiency

In a dynamic business environment, operational excellence is the key to success. Therefore, we consistently invest in process upgradation, lead time improvement and leverage automation and state-of-the-art technologies to set new standards of excellence. This also enables us to ensure optimum utilisation of resources and raw materials.

We also invest in the repair and maintenance of machines and equipment, to ensure minimum downtime and improve overall equipment effectiveness (OEEE). Based on the life cycle of our machinery and equipment, we monitor efficiency levels and ensure timely replacement or upgradation of equipment to assure complete safety of operations.

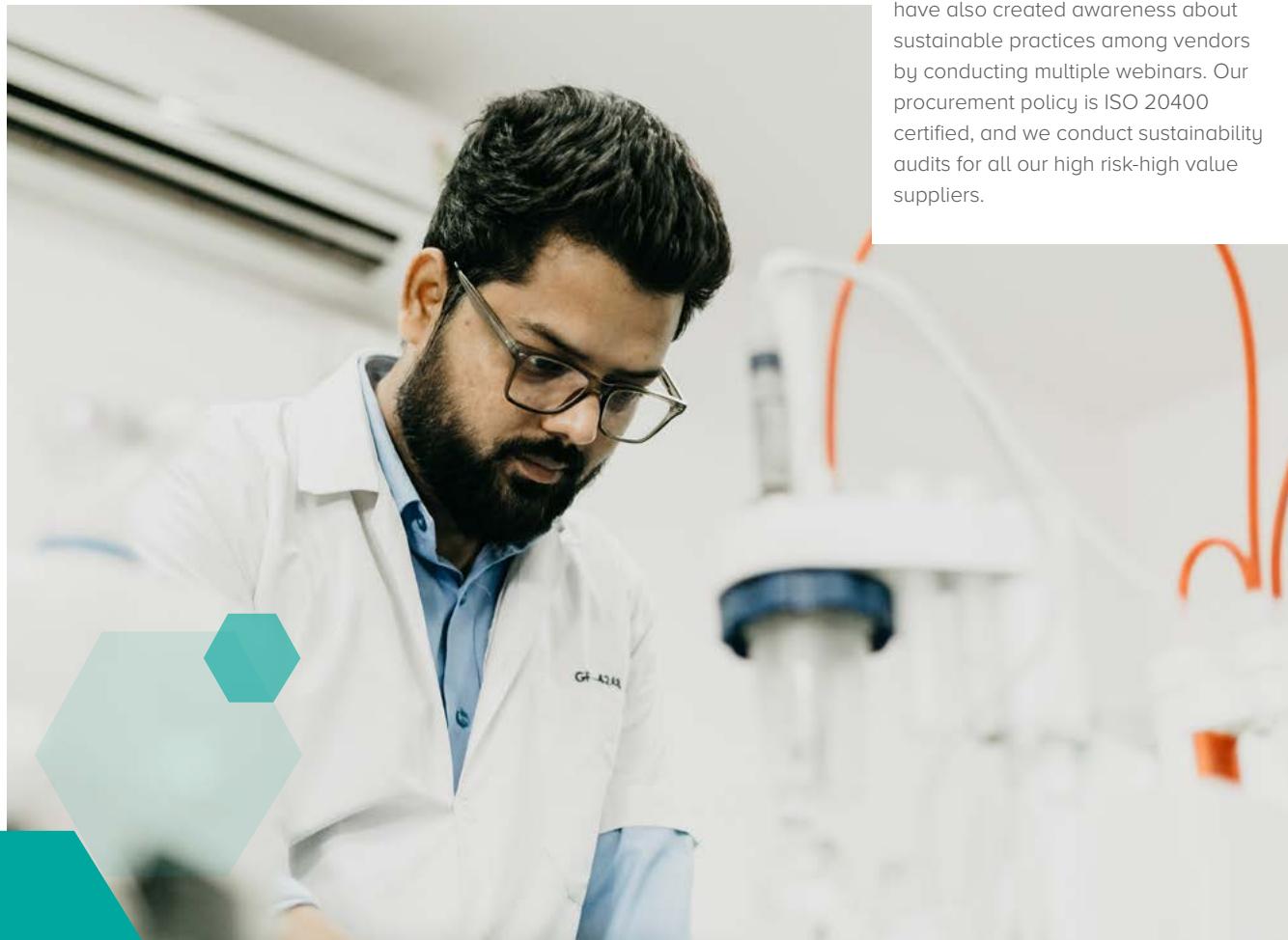
Technology Driven Process

In an era of digitisation and advanced technologies, at GFL, we are constantly embracing cutting-edge technologies at our manufacturing units to improve the efficiency of operations. We have introduced Green technologies and installed IoT sensors to track end-product performance with fully automated back-end processes. Further, we have adopted an automated Distributed Control System to ensure consistency of product quality and minimise losses, thereby enabling safety of the entire process. Besides, to achieve our objective of protecting people and the planet, we switched to eco-friendly raw materials, upgraded our emission control systems and installed water treatment plants at our manufacturing sites.

Robust Supply Chain

Despite the challenges posed by the Covid-19 pandemic, at GFL we ensured uninterrupted availability of material as well as manpower through a mature supply chain and resourceful vendors. Our proactive planning for securing raw material and strong relationship with supply chain partners enabled us to meet customer requirements during the challenging period.

At GFL, we remain committed to uplift local communities. We support local suppliers and source most of our requirements from local vendors. Further, in line with our commitment to ensure sustainable practices across our value chain, we have implemented a sustainable procurement policy. We have also created awareness about sustainable practices among vendors by conducting multiple webinars. Our procurement policy is ISO 20400 certified, and we conduct sustainability audits for all our high risk-high value suppliers.



Optimising Inventory management

At GFL, our proactive inventory management enabled us to successfully meet the needs of our customers and ensured smooth conduct of operations. We have installed SAP to efficiently categorise, plan and manage the supply of different types of materials. Our inventory is classified in three categories—(i) MRO or engineering spares & consumables, (ii) raw materials, and (iii) packaging materials. We strictly monitor these segments on the basis of Inventory Turnover Ratio (ITR), ERV percentage and monthly holding. Further, our project inventory is separately maintained under our SAP-PS module, wherein procurement is approved as per allocated budgets and is undertaken under a particular WBS.

1.86

Inventory turnover ratio

Safety Measures at Manufacturing Sites

At GFL, the safety measures undertaken at our manufacturing units ensure the well-being of our internal as well as our external stakeholders. We continuously evaluate the process design, technology, operational and maintenance activities as well as procedures, non-routine activities and emergency preparedness plans during comprehensive evaluations. Training programmes and other related elements are also taken into consideration for designing effective safety measures at manufacturing facilities.

We have six sub-committees for PSM and ten workplace safety elements that are integrated in our rules and procedures. We benchmark our practices with global best practices and follow various standards, including Mechanical Integrity Quality

Assurance (MIQA), Failure Mode & Effects Analysis (FMEA), and Root Cause Failure Analysis (RCFA).

We also conduct MOC-PSSR, employee/contractor safety trainings on specific elements such as incident investigation, contractor safety and safety observation (SO). Furthermore, we regularly conduct audits as per the ISO 45001: 2018 standard.

Some of the safety measures implemented at our manufacturing sites include:

- Safety pledge followed by a safety contract before starting meetings
 - Weekly reports for lead and lag safety indicators shared with corporate and site teams
 - Safety observations (SO) through designated portal
 - Restricted entry without basic safety induction
 - Cardinal Safety Rules
 - Rolled out Comprehensive PTW () procedure
 - General fire safety controls, e.g., prohibition of ignition sources such as lighters and match boxes, smoking & mobile restrictions, checks for spark arrestors on vehicles, flammable/ chemicals discharged to drains, etc.
 - Training on safety rules, hazard communication and any other special safety rules or procedures imparted in three languages (English, Hindi and Gujarati)
 - Permit system applied on all tasks performed within the manufacturing plants to eliminate or reduce hazards
- ### Way Forward
- As we move forward, we remain committed to create value for our stakeholders while unlocking newer avenues of success. We remain focused on generating higher margins and developing value-added products in each segment, while capitalising on growing market opportunities. We also aim to expand our capacity to meet the growing demand for our products, become cost competitive, improve operational efficiency and deliver superior quality products to customers around the world. GFL remains committed to adopting green chemistry in all its manufacturing operations to foster its sustainability endeavours and design a better future.



Intellectual Capital

To successfully achieve desired outcomes and ensure strategic excellence, we require a strong performance base, efficient systems and constant focus on process innovation and technological advancement. Our zeal to inculcate an innovative culture enables us to stay ahead of the industry. We are also constantly adopting state-of-the-art technology and digital platforms to maintain our market leadership and cost competitiveness. With dedicated effort, we are addressing customer requirements and consistently creating value for our stakeholders.

Our Intellectual capital encompasses our technical know-how, expertise, research and development capabilities. Our advanced technologies and digital platforms also form an integral part of our operations and empower us to develop sustainable, eco-friendly and innovative products that play a significant role in improving our market share in India and abroad.

SDGs Impacted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



Material Issues Addressed

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

Strategic focus areas

Improvement of intellectual property portfolio

Strengthening R&D infrastructure and capabilities

Development and launch of new products

Adoption of digital technologies

Acquiring certifications

Quality improvement



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Intellectual Property

At GFL, we remain committed to enhance the efficacy of our product portfolio by strengthening our intellectual property. To further strengthen our capabilities, during the year under review, we built an in-house IP department. It enabled us to further streamline the process.

Patents filed

15

FY21		15
FY20		10

Trademark Registered (in India)

34

FY21		34
FY20		10

Trademark Registered (outside India)

10

FY21		10
FY20		9

Intellectual Capital

Focus on R&D

At GFL, we have built in-house research and development (R&D) teams comprising highly qualified and skilled employees. Their expertise enables us to consistently uphold our commitment to abide by the principles of green chemistry and encourage sustainable operations. We also collaborate with leading national laboratories for various projects.

Over the years, the regulatory environment has evolved and stricter laws have been implemented to drive sustainability across organisations and reduce its impact on the natural ecosystem. Thus, we constantly focus on investments in greener products and technologies to comply with current and future regulatory norms.

During the year under review, we developed newer grades for several fluoropolymers in our portfolio. Some of these grades are already commercialised whereas some are under the process of customer qualifications and commercial ramp up. We are also in the process of developing special fluoropolymer grades required for the new age industries.

Besides, several Fluorospeciality Chemical products have been fully commercialised based on own R&D efforts. Other products based on own developed process technology are under final stages of implementation, and will be fully commissioned by the end of FY 2022.

Reduced dependence of domestic as well as overseas customers on their existing sourcing pattern have also resulted in greater demand for new molecules in the agriculture and pharma industries. Several new products have been developed in-house by our R&D teams.

GFL R&D labs are modular and flexible, staffed by professionals, and located where we provide them excellent transportation facilities free of cost. In addition, we have well equipped Application Development Laboratory (ADL) facility equipped

with sophisticated analytical facilities for advanced characterization and measurement capabilities. The R&D lab is modular and equipped with advanced facilities.

In addition, we continue to adopt eco-friendly measures. We also encourage employees at the R&D labs with various rewards.

Members in R&D team

94



New products developed by GFL

With growing demand for greener chemistry and environment-friendly products, we continue to witness an encouraging response for the new products developed by GFL. We are also working to further improve our lead time and create better opportunities for product development. Currently, our product development cycles are categorised into short-term (less than six months) and long-term (1-2 years) projects, based on the complexity of each product. We also undertake advance product quality planning (APQP) to minimise development cycles.

Digitisation

ERP Journey with SAP

At GFL, we started our digital journey in 2007 with the adoption of the world-class Enterprise Resource planning SAP software. It helped to integrate our procurement system, production planning, quality control, quality assurance, inventory management, financial accounting and

control systems, distribution, sales and marketing channels. If further streamlined plant maintenance, warehouse management, Export & Import, compliance management and project management. Automated MIS reports were also generated to aid business decisions.

Salesforce implementation

We have adopted the world's leading CRM system, Salesforce, which is fully integrated with our SAP system to support frontline marketing and sales functions across the globe.

SCADA systems

To keep up with changing business dynamics, it is essential to adopt advanced technology and continuously improve operational processes. As a result, GFL utilises SCADA to ensure uniformity of product quality and enables seamless technological operations at our plants. We have also implemented Yokogawa Historian system for analysing production data and improving plant performance. For testing new plant capacities and modifications, we have also introduced ESPEN, a virtual plant process analysis system that is integrated with the SCADA system to obtain objective insights about various processes.

Quality Control with advanced solutions

Quality Control and Quality Assurance are key parameters for product success. Our labs are, therefore, equipped with Dima based molecule analysis technology that utilises Matlab software. The quality labs are equipped with latest Agilent technology for molecular analysis of HPLC, GC, FT and IR based solutions. It is also integrated with our Dima and SAP systems. Our scientists also use Chemdraw for molecular structure analysis.

Virtual Communication Platforms

GFL strives to stay in touch with its suppliers, vendors and customers through new-age virtual communication platforms. It utilises multiple platforms from Polycom, Cisco Webex, Zoom and Microsoft Teams to ensure audio visual communication with stakeholders across the organisational vertical.

CYBER Security and Data Security

GFL is committed to propagate the highest standards of cyber security across its facilities. We rely on sophisticated systems to monitor malicious content and prevent untoward incidents that may compromise sensitive data.

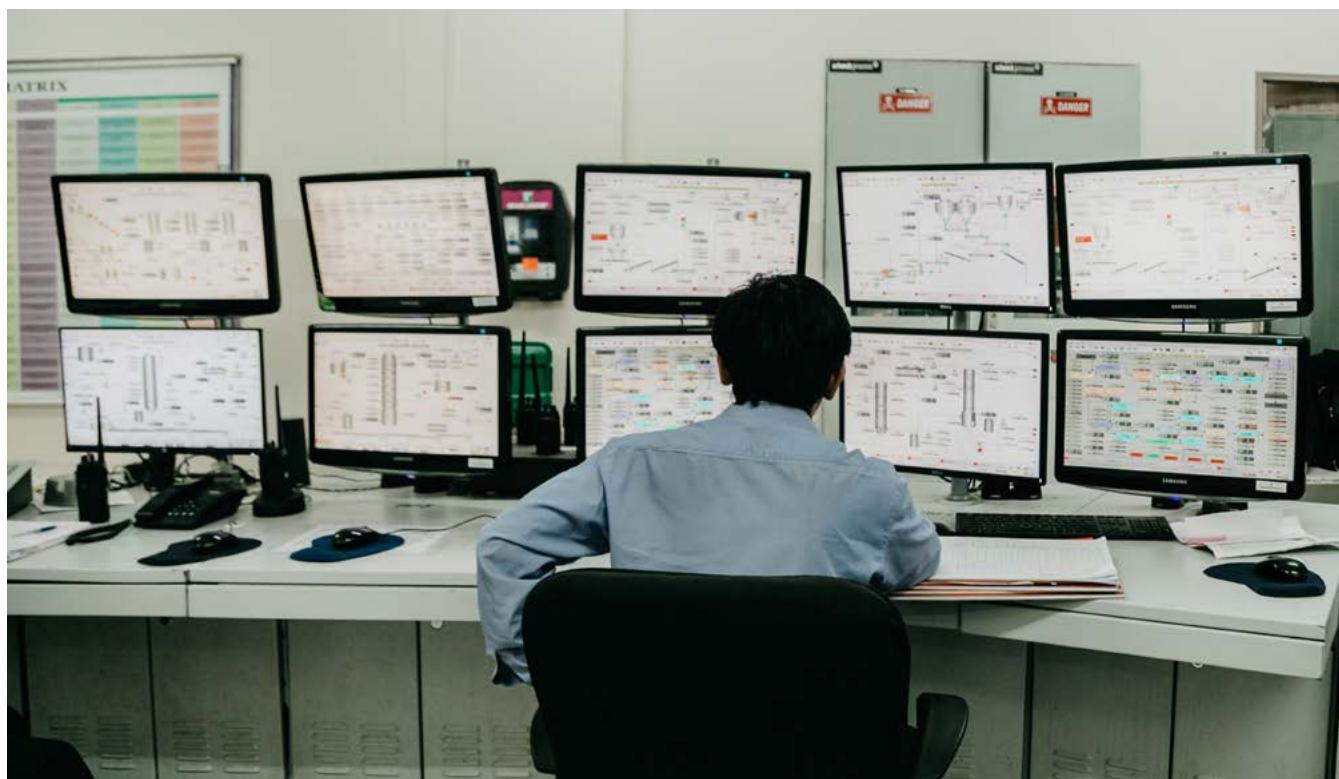
Our network is fully encrypted with 128 bit Secured Socket Layer and the SD Wan

architecture encompasses all our plants and offices. We also use the Unified Threat Management technology from Fortinet to authenticate user connections. GFL Servers and websites remain completely protected with SSL Secured Socket Layer and web application firewall. The Intrusion Protection System (IPS) and Intrusion Detection System (IDS) based FIREWALLS are also installed across our plants and offices to ensure maximum security of our network.

We also rely on a centralised Security Operation Centre (SOC) and Network Operation Centre (NOC) to monitor all our network servers and devices. The security Log analysers and Security Incident Management System (SIEM) plays an important role in mitigating cyber threats. We are an ISO27001 certified company for excellence in IT operations and data security.

Data Privacy

GFL adopted state-of-the-art technology to secure its data and ensured strict user authorisation for accessing sensitive data stored in its servers. It utilises EDR technology, IDS, IPS, Antispam, Antimalware, AV Signature and behaviour based threat protection systems to monitor and control activities on all end point devices. DLP (Data leakage Prevention) technology is also implemented to protect data stored in central repositories. Internet access is also monitored as per ISMS security policies, enabling strict vigilance on emails received and sent from the company's accounts. Besides, access to USB and CD drives, Bluetooth and Wi Fi are controlled as per the ISMS policy. The data in Central Servers and Backup servers are fully encrypted and digital signatures are installed on SAP servers to generate third party documents such as invoices, in encrypted digital formats. Digital certificates are also provided for Sales, Marketing, Finance and Accounts functions to enable encrypted customer communication.



Intellectual Capital

Our Digital Road Map

- ◆ Improve SAP with new version of HANA
- ◆ Enhance cyber security with Zero Trust Security Implementation
- ◆ Automation of warehouse and dispatch functions
- ◆ Integration of MS Business Central 365 for foreign subsidiaries
- ◆ Ensuring automation across plants with RFID tracking for vehicle and material movement
- ◆ Fiori app based SAP integration for dashboards
- ◆ Virtual desktop delivery VDI Project for central desktop delivery
- ◆ Pilot project designed to meet the standards of Industry 4.0
- ◆ Cloud adoption with Enterprise Cloud Infrastructure at data centre

Certifications and Regulatory requirement

GFL is an ISO 9001 certified company, for its integrated quality management system that ensures quality and consistency of all products. All our laboratories are accredited by NABL and our test certificates comply with NABL requirements. Moreover, all our products meet regulatory requirements and product information is regularly disseminated to our customers through well documented product literature.

GFL has applied the ISO 26000 and ISO 20400 Standards as a framework into all our operations and to integrate and implement social responsibility actions and ensure socially responsible behaviour in our operations and across the Supply Chain.

Certifications Awarded

Sl. No	Certifications	Dahej	Ranjitnagar	Noida & other Offices	EU & US Offices
1.	ISO9001:2015	Y	Y	-	-
2.	ISO14001:2015	Y	Y	-	-
3.	ISO45001:2018	Y	Y	-	-
4.	SA8000:2014	Y	Y	Y	-
5.	ISO37001:2016	Y	Y	Y	Y
6.	ISO27001:2013	Y	Y	Y	-

Region	Particulars	Dahej
Europe	REACH - SVHC	59
	RoHS	71
	EC 10/11	47
	WRAS	12
	W270	18
	BAM	03
	ELV 2000/53/EC	16
America	US FDA 21CFR 177.1550	59
	NSF HX1	05
	USP class VI	31
	3A	15
China	(FDA) GB 4806.10.2016	07
Rest of the world (Global)	UL	21

Quality Improvement

Quality of products remain a prime consideration for customers around the world. To ensure the highest standards of quality, we are consistently engaging in process improvements, in consultation with the R&D team. Upgradation of the purification facility, for instance, can help to improve processes. Similarly, we are conducting quality audits for raw materials and suppliers to ensure consistency of product quality. Our dedicated QMS system follows stringent procedures to facilitate adherence to accepted norms, thereby enabling us to deliver finest quality products to our valued patrons.





Human Capital

At GFL, along with its subsidiaries – GFL Americas LLC, GFL GmbH, our Social Accountability & Human Capital related policies are based on a set of principles that reflect our dedication to ensuring a healthy, safe and ethical workplace for our employees.

The Company is committed to protect workers' rights and improve labour conditions and social performance within the organization and across the Supply Chain. GFL supports the Principles of the United Nations Global Compact (UNG), derived from the 1948 Universal Declaration of Human Rights and is committed to comply with the requirements stipulated under SA8000:2014. GFL has applied the ISO 26000 and ISO 20400 Standards as a framework into all our operations and to integrate and implement social responsibility actions and ensure socially responsible behaviour in our operations and across the Supply Chain

SDGs Impacted



Material Issues Addressed

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

Strategic focus areas





Stakeholder, Materiality & Management Approach

People welfare and fair employment practices are prime concerns at GFL. We have developed and implemented various policies and practices, assigned responsibilities, set goals and targets and allocated resources to address material issues pertaining to this domain.

Human Capital Stakeholder Expectations

Employees	Regulators	Management	Business Partners	Unions	Community
<ul style="list-style-type: none">Fair WagesHealthy and safe working conditionTraining and developmentRecognitionParticipation	<ul style="list-style-type: none">ComplianceTransparent Information sharingEthical corporate Behaviour	<ul style="list-style-type: none">Right TalentRetentionProductivityInvolved, Safe and disciplined workforce	<ul style="list-style-type: none">Long AssociationFair dealWin-win relationship	<ul style="list-style-type: none">Right AssociationCollective BargainingParticipation in decision making	<ul style="list-style-type: none">EmploymentCommunity development supportMinimal environmental impact

Human Capital

Human Capital Governance Framework and Strategic Objective

Internal Business Intent

- ◆ Improve ESG performance
- ◆ Improved Shareholder value
- ◆ New Geographical coverage
- ◆ Diversification of Product
- ◆ Improved Quality & Cost
- ◆ On time delivery

External Business Environment

- ◆ Challenge of Pandemic
- ◆ Enhanced focus on Sustainable Business performance
- ◆ Talent Scarcity
- ◆ Strict Regulatory requirements

Internal Stakeholder Expectation

- ◆ Trusting Relationship
- ◆ Fair & Transparent Reward & Recognition
- ◆ Learning & Growth
- ◆ Right Talent at the right place
- ◆ Ethical practices
- ◆ Socially responsible practices

External Business Expectation

- ◆ Business Continuity
- ◆ Shareholder value
- ◆ Ethical and Transparent operations and reporting
- ◆ Community Development
- ◆ Win-win associations
- ◆ Environment Impact

Human Capital Objective



Build Safe &
Healthy Workplace



Attract, Develop,
Retain talent



Uphold and respect
Human Rights, Equality &
Non Discrimination



Drive Social
Accountability &
Responsibility across
value chain



Encourage
Participation

Governance Standards

- ◆ Universal Declaration of Human Rights
- ◆ SA8000
- ◆ UNGC 10 Principles

Governance Framework & Output method

Policy Framework

- ◆ Social Accountability Policies
- ◆ HR Policies
- ◆ GFL 10 Principles



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Area of Operation

Actions

Result

1 Fair Labour Practices

- Adoption of ISO26000
- Awareness programs
- Labour Audit

Human Right violation - Nil
POSH violation - Nil

2 Talent Acquisition & Development

- E-learning Platform
- 'A' Player Identification
- Succession Planning

Total Hiring - 332
Training Manhours - 26641

3 Continuous Participation & Communication

- Skip level & Stay Interviews
- Committee System
- Prayas
- Employee Newsletter

Prayas - 205
Committee meeting adherence - 100%

4 Wellbeing

- Vaccination & Health check up
- Upgradation of welfare facility
- PSAP for Managers

EHS training manhours - 7,780
Lost Time Accident - 4

5 Reward & Recognition

- Spot on
- Long Service awards

Spot on - 2021
Long Service awards - 227

Human Capital

Talent Acquisition and Retention

The long-term success of a company depends upon its ability to acquire and retain talented individuals. It is their hard work, determination and performance that enables the company to tide through difficult times and demonstrate a collective approach to fulfil various objectives. We, therefore, strive to consistently improve our talent acquisition and retention strategies.

	New Hires in FY21					New Hires in FY20					New Hires in FY19							
NEW HIRES	Age Group			Gender	FY21	Age Group			Gender	FY20	Age Group			Gender	FY19			
Breakup of New Hire Category	<30	30-50	>50	M	F	Total	<30	30-50	>50	M	F	Total	<30	30-50	>50	M	F	Total
TOTAL	199	126	7	317	15	332	456	184	3	625	18	643	509	177	9	680	15	695

Annual Employee Hiring Rate

Location (India region)	Annual Employee Hiring Rate in FY 20-21						Annual Employee Hiring Rate in FY 19-20					
	Total %	Age			Gender		Total %	Age			Gender	
		<30	30-50	>50	M	F		<30	30-50	>50	M	F
Dahej	11%	7%	4%	0.3%	11%	0%	23%	18%	5%	0%	22%	1%
Ranjitnagar	25%	15%	10%	0.2%	24%	1%	54%	33%	20%	1%	53%	1%
Others	9%	2%	6%	1%	8%	1%	21%	8%	12%	1%	16%	5%

Annual Employee Turnover Percentage

Location (India region)	Annual Employee Turnover % in FY21						Annual Employee Turnover % in FY20					
	Total %	Age			Gender		Total %	Age			Gender	
		<30	30-50	>50	M	F		<30	30-50	>50	M	F
Dahej	66%	19%	42%	5%	65%	1%	21%	14%	6%	1%	21%	0%
Ranjitnagar	25%	8%	14%	3%	25%	0.3%	15%	6%	7%	2%	15%	0%
Others	9%	1%	5%	3%	8%	1%	20%	4%	15%	1%	14%	6%



Net employment turnover	Age Group			Gender		FY21	Age Group			Gender		FY20	Age Group			Gender		FY19
Breakup of Exit Category	<30	30-50	>50	M	F	Total	<30	30-50	>50	M	F	Total	<30	30-50	>50	M	F	Total
TOTAL	660	1422	227	2258	34	2292	272	165	18	442	13	455	318	112	3	426	6	432
Overall Turnover Rate	12%						20%						26%					

Employee Turnover Rate

We are an equal opportunity employer. Employees are selected on the basis of professional skills, knowledge, expertise and relevant experience. We do not differentiate people based on their ethnicity, religion, nationality, gender, disability or sexual orientation. We, however give preference to Indian nationals and our selection process includes technical tests as well as psychometric profiling to ensure the best fit for various roles. We also carry out a thorough antecedence check.

Total number of employees

		As on 31-March-2021						As on 31-March-2020						As on 31-March-2019								
Employee category		Total	Age Group (no.)			Gender (no.)			Total	Age Group (no.)			Gender (no.)			Total	Age Group (no.)			Gender (no.)		
			<30 yrs	30-50 yrs	>50 yrs	M	F	<30 yrs	30-50 yrs	>50 yrs	M	F	<30 yrs	30-50 yrs	>50 yrs		<30 yrs	30-50 yrs	>50 yrs	M	F	
Permanent	Total	2220	618	1379	223	2169	51	2216	762	1276	178	2169	47	2083	750	1163	170	2038	45			

*please note this table does not include employees working at International Locations.

Human Capital

Location-wise Details of Employees

Particulars	As on 31-March-2021	As on 31-March-2020	As on 31-March-2019
Noida & other Offices	130	135	142
Dahej	1451	1508	1536
Ranjitnagar	569	504	338
Vadodara	70	69	67
America	8	7	4
Germany	14	12	12
Total	2242	2235	2099

Contract Labour – Dahej

		As on 31-March-2021						As on 31-March-2020						As on 31-March-2019					
Employee category		Total	Age Group (no.)			Gender (no.)		Total	Age Group (no.)			Gender (no.)		Total	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	M	F		<30 yrs	30-50 yrs	>50 yrs	M	F		<30 yrs	30-50 yrs	>50 yrs	M	F
Contractual	Skilled	326	176	138	12	326	0	739	39	20	1	735	4	643	25	22	4	637	6
	Semi-skilled	46	25	19	2	46	0	307	6	4	0	298	9	420	617	2	0	420	0
	Unskilled	1673	1031	585	57	1673	0	28	694	283	27	25	3	11	0	396	12	3	8
	Total	2045	1232	742	71	2045	0	1074	739	307	28	1058	16	1074	642	420	16	1060	14

Contract Labour – Ranjitnagar

		As on 31-March-2021						As on 31-March-2020						As on 31-March-2019					
Employee category		Total	Age Group (no.)			Gender (no.)		Total	Age Group (no.)			Gender (no.)		Total	Age Group (no.)			Gender (no.)	
			<30 yrs	30-50 yrs	>50 yrs	M	F		<30 yrs	30-50 yrs	>50 yrs	M	F		<30 yrs	30-50 yrs	>50 yrs	M	F
Contractual	Skilled	40	7	17	16	40	0	39	4	16	19	39	0	39	1	19	19	39	0
	Semi-skilled	13	0	11	2	2	0	11	0	8	3	11	0	10	0	8	2	10	0
	Unskilled	322	78	180	64	322	0	323	131	176	16	321	2	328	140	166	17	323	5
	Total	375	85	208	82	364	0	373	135	200	38	371	2	377	141	193	38	372	5

*International Locations do not engage any Contract Labour.



Hiring Young Talent

Our robust talent acquisition programmes have empowered us to hire energetic, ethical and talented young minds. The company hires employees from India's top institutes and B-schools. Through our comprehensive training programs, we train new employees to easily blend into the organisational set up, empowering them to pave the way for sustainable and profitable business growth. We also absorb ITI technicians who have just passed out of college and recruit them as trainee technicians.

Trainee Details

Technician Trainee

FY21		47
FY20		6
FY19		1

Business Leadership Trainees

FY21		0
FY20		0
FY19		12

GET/DET

FY21		11
FY20		22
FY19		19

Terms of Employment

GFL prioritises employee orientation and well-being. We recognise and reward good performance while focusing on employee retention and career growth. From framing employee centric policies to shaping an encouraging environment for employees across the globe, we are committed to uphold the highest standards of employee welfare. Our Remuneration policy, Social Security Schemes, Welfare Measures and Career growth and Training and Development process ensures protection of Human Rights as enumerated in the UN Declaration of Human Rights and the UNGC principles.



Human Capital

Coverage of Group Medical Insurance and Group Personal Accident Insurance/ Social Security Schemes, Bonus and Ex-gratia schemes

Benefit	Coverage	FY21			FY20		
		Total Number of Employees	Employee Covered	% Coverage	Total Number of Employees	Employee Covered	% Coverage
Group Medical Reimbursement Scheme	Employee, spouse, two Dependent children	2220	2165	97.50	2216	2154	97.10
Group Personal Accident Insurance	Accidental Death irrespective of location of employee	2220	2220	100.00	2216	2216	100.00

We also provide leaves to labours/contract workers, as per the Factories Act, 1948. All labours/contract workers working at our premises are given bonus and benefits of social security schemes.

To facilitate better work-life balance, we offer flexi-timing benefits and leaves on alternate Saturdays to employees working in certain offices. We also allow employees to take extra leave and provide work from home facilities under special circumstances such as personal illness, illness of spouse, children and family, natural calamity, educational purpose and during transfers to other locations. Further, all women employees are entitled to avail childcare leave as per the Maternity Benefit Act.

Details of Parental Leaves

Parameter	Nos.	FY19			FY20			FY21		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees who were entitled for parental leave	4	NA	1	1	NA	3	3	NA	0	0
Total number of employees who took parental leave	4	NA	1	1	NA	3	3	NA	0	0
Total number of employees that returned to work in the reporting period after parental leave ended	1	NA	0	0	NA	1	1	NA	0	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	3	NA	1	1	NA	2	2	NA	0	0
Return to work and retention rates of employees that took parental leave	100	NA	100	100	NA	100	100	NA	0	0



Performance Management and People Development

Our Performance Management process is based on objectivity, fairness, transparency and non-discrimination. The concept of normal distribution and relative evaluation is followed for evaluating the performance of all our employees. Our Performance Management System also supports the right to fair treatment.

PMS Coverage – level wise

Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.				Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.				Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.						
FY19				FY20				FY21						
Employee category	Male (%)	Female (%)	Total (%)	Employee category	Male (%)	Female (%)	Total (%)	Employee category	Male (%)	Female (%)	Total (%)			
Permanent	L2	65.00	-	64.71	Permanent	L2	61.90	-	61.90	Permanent	L2	92.59	-	92.59
	L3	91.00	-	91.14		L3	83.53	-	83.53		L3	96.47	100.00	96.51
	L4	94.66	69.23	93.15		L4	94.82	75.00	93.63		L4	94.00	100.00	94.32
	L5	97.64	83.33	97.25		L5	96.88	83.33	96.54		L5	87.44	78.79	87.11
	L6	99.84	-	99.84		L6	100.00	-	100.0		L6	94.09	-	94.09

*The employees who have joined on or before 30th September are eligible to be covered under the PMS for the financial year.

Promotion/Upgradation data

No. of Employees Promoted

FY21		535
FY20		-
FY19		470

No. of employees upgraded

FY21		125
FY20		-
FY19		81

*On account of COVID-19, promotions for FY20 did not happen.

Training and Education & Talent Development

In the aftermath of the Covid-19 pandemic, we introduced e-learning programs to ensure uninterrupted training and development of our employees. To build an agile and future-ready organisation, we will soon launch an indigenous e-learning platform within the organisation. Our training and development process ensures the right to education for all employees including contract labours

Employee Training Details in FY21

Location	Training Man-hours				Training Man-hours		Total Training Man-hours	Average Training Hours				Average Training Hours		Total Average Training Hours
	AGM & Above	Managers	Executive	Technicians	Male	Female		AGM & Above	Managers	Executive	Technicians	Male	Female	
Dahej	481.5	3249.5	7202.5	3683.7	14466.2	151	14617.2	10.47	26.00	14.61	5.38	10.82	12.58	10.89
Ranjitnagar	265	1314	4819	1921	8190	129	8319	10.2	16	13.9	19.8	14.6	18.4	15.1
Noida & Other Offices	120	1772	1701.7	-	2840.5	753	3593.5	4	4.2	3.9	-	4.08	3.7	3
International Locations	9	84	19	-	95	17	112	1	1	1	-	1.5	1.42	1.33

Human Capital

Employee Training Details in FY20

Location	Training Man-hours				Training Man-hours		Total Training Man-hours	Average Training Hours				Training Man-hours		Total Training Man-hours
	AGM & Above	Managers	Executive	Technicians	Male	Female		AGM & Above	Managers	Executive	Technicians	Male	Female	
Dahej	736	2455	6874	14484	24089	460	24549	15.33	18.05	12.23	19.52	16.32	41.82	16.50
Ranjinagar	397	1270	4919	1349	7398	537	7935	15.27	15.49	14.09	14.66	13.57	134.25	14.43
Noida & Other Offices	646	1722	1220	-	2925	663	3588	17.00	18.32	18.21	-	17.41	21.39	18.12
International Location	28	74	53	-	130	25	155	4.67	6.17	4.82	-	4.81	12.50	5.34

Training Man-hours

Training Categories	FY21		FY20	
	Total Training Man-hours	Average Training Hours	Total Training Man-hours	Average Training Hours
Behavioural	10585	14.38	5812	2.6
Technical	7018	11.8	10616	4.75
Safety	3663	5.84	7821	3.49
Management System Topics	1003.7	2	6158	2.75
Social Accountability & Social Responsibility	1395	2.6	1567	0.7
Prevention of Sexual Harassment (POSH)	889	2	251	0.11
Fair Business Practices	1491	3.43	3096	1.38
Cyber Security	597	2.37	906	0.4

Talent Development across the company is monitored by the Unit and Corporate level Talent Review Committees. For objective identification and implementation of specific development plans, we adopt various methods. More than 80% of employees serving as General Managers and above levels have been covered in the 360-degree feedback.





We also identify highly skilled technicians who consistently deliver superior performance and provide them opportunities for higher education to ensure career advancement. Under this program, a trade apprentice pursues a diploma programme and diploma holders pursue a graduation programme.

Stream	FY21		FY20	
	Promoted in GFL	Designation upgraded in GFL	Promoted in GFL	Designation upgraded in GFL
ITI to Diploma	0	6	2	9
Diploma to Degree	3	0	3	1

Employee Engagement & Participation

At GFL, we celebrate various occasions with our employees. However, due to the pandemic, we conducted virtual employee engagement activities. All our employee engagement and participation initiatives and the guidelines thereof, are in line with the tenets of the following human rights:

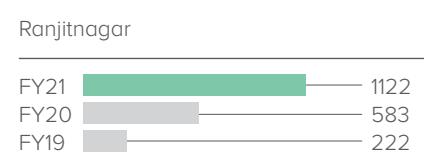
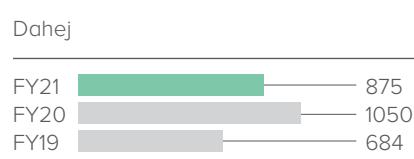
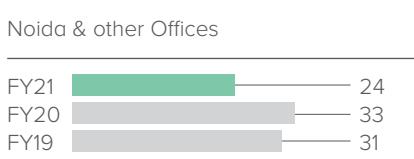
GFL also won the Platinum award at the 45th International convention on quality control circles(ICQCC)-2020. We boast of a very effective Quality Circle that have won awards at the state and national levels.



Employee Recognition

GFL identifies and recognises people who perform consistently through the 'Spot On' programme – a digitalized platform for spontaneous recognition.

No. of Spot On awarded



TOTAL



FY21

FY20

FY19

Human Capital

Our employees are encouraged to provide workplace improvement suggestions through the 'Prayas' platform – an employee suggestion platform available to all GFL employees.



Commemorating the long-term commitment of the employees, GFL rewards its employees via Long Service Felicitation Programme.



No of Employees felicitated for Long Service

Noida & other Offices

FY21		16
FY20		20
FY19		22

Dahej

FY21		171
FY20		106
FY19		100

Ranjitnagar

FY21		40
FY20		31
FY19		23



Long Service Award at GFL, Ranjitnagar

Employee Communication

To be connected with the grassroots, we undertake several initiatives including Quarterly CEO Town Halls and monthly Skip Level Meetings across locations.

Communication Platform

S. No.	Communication Channel	Description	Frequency
1	Pulse	It is an internal employee newsletter updating our internal stakeholders on the various activities, events and milestones achieved across the Company.	Bi-annually
2	Townhall	It is a platform wherein a senior management personnel connects with all the employees to give the business highlights, developments, vision ahead and asks for the feedback from the internal stakeholders.	Monthly
3	Plant Human Resource Representative Officer - PHRRO	It is a platform wherein an HR representative interact with employees to understand their personal and workplace related issues and resolve them.	monthly
4	Skip level Meeting	This is a platform wherein senior level management meets with employees directly without the interaction of the employee's direct supervisor and gaining better insight of their satisfaction and issues, thus increasing transparency throughout the organization.	monthly
5	Stay Interview	We engage with our High Potential employees through Stay Interviews to engage with them, support and provide guidance for building their career path and further development.	Monthly
6	Lets Talk	A structured contact online platform is in place across organization to connect with the new employees, till they are confirmed, to ensure they settle in well in the organization. A new employee is connected thrice in first 6 months of their joining i.e. first meeting after 30 days of joining, second meeting after 60 days of joining and third after 90 days.	30-60-90 days from joining date
7	HR Buddy	This is an online platform wherein employees can raise concerns and give suggestions.	Continuous

Labour & Human Rights

The Company is committed to sustaining and upholding the UNGC Ten principles in the areas of Labour and Human Rights, structured around the three independent but interrelated pillars of the 'Protect, Respect & Remedy' Framework.



Inspired by the United Nations Global Compact initiative, the United Nations Guiding Principles and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, our policy represents our understanding of the above pillars for respecting Human Rights and encourages all our internal and external stakeholders – Employees, Suppliers, Vendors and Service Providers to promote best practices and continuous improvement across operations.

We believe human rights are universal birth rights and everyone is entitled to it

without discrimination of any kind. We also ensure that the Company is not complicit with any form of human rights abuses or discrimination based on nationality, race, caste, creed, religion, gender etc.

All employees are periodically reminded about the importance of human rights through Social Accountability workshops. Employees as well as contract labours participate in this programme. At GFL, declaration on acceptance and adherence to the above policies is a part of the joining process.

Human Rights Training FY21

Location	Total number of hours spent on training on Human Rights	% Employees covered on training on Human rights
Dahej	1225	70
Ranjitnagar	328	59
Noida & other Offices	141	77
International Locations	17	96



We also strive to prevent human rights abuse across our supply chain. Awareness programme on human rights and campaigns on human rights laws and policies are conducted regularly for our employees, contractors/sub-contractors and business service providers.

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

We apply the same policy for contract labours as well and do not employ people below the age of 18 years. We also make sure that our suppliers and service providers are abiding by the clauses pertaining to prevention of child labour and a specific clause is mentioned in the service contracts/purchase orders to adhere to the same.

None of our operations and suppliers pose the risk of child labour or exposure of young employees to hazardous working conditions.

Prevention of Child Labour

We are committed to prevent the use of child labour within the organisation, as per local laws related to the minimum age of work. The 'no child labour' policy at GFL reiterates our commitment to ILO convention no. 182 and the United Nations Convention on the Rights of the Child.

As part of our recruitment process, all prospective employees have to submit their age verification document along with their job application. All applicants below the age of 18 are summarily rejected.

Prevention of Forced / Compulsory Labour

We respect the dignity of labour and do not allow the use of forced/bonded/compulsory labour including prison or debt bondage labour. We follow strict policies that abide by the ILO convention: 29 and 105. Our policies and guidelines ensure the right to Life of Security and provides our employees as well as the contract workers the right to freedom from torture and inhuman or degrading treatment.

We have eight hour shifts and a six-day work schedule, following mandatory provisions of



Human Capital

the Factories Act, 1948 to ensure optimum number of working hours in a day, weekly day off, extra wages for overtime and provision for leave. We strictly follow the Payment of Minimum Wages Act, 1948. Declaration for acceptance and adherence to the policy is part of the joining process.

We are a free will company and the employee can quit their work at any point of time, serving the requisite notice period as stipulated in their terms of appointment.

None of our operations and suppliers are identified to have significant risk of forced/ compulsory labour.

Working Hours

The working hours, rest periods, shift rosters, spread overs, compensatory day offs and weekly day offs are governed by the terms of the Factories Act, 1948. Overtime is paid as per the Factories Act, 1948. Overtime wages are calculated at double the gross salary. All such conditions of service are also made applicable to labours/workers of all contractors. Plants follow the national laws regarding hours of work intervals, weekly off etc. in respective countries. It ensures the right to do one's duty and the right to a surrounding world.

Remuneration

The company provides its employees competitive remuneration and has fine-tuned the pay structure on the basis of "Equal pay for Equal work". At GFL, not only individual pay levels reflect employee contribution, there is also no disparity in remuneration between men and women. Company's Nomination & Remuneration Policy (NRP) continues to be the guiding light for maintaining remuneration standards in accordance with the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

The policy is available on the Company's website at the below link: https://gfl.co.in/assets/pdf/GFL_nomination_and_remuneration_policy_130820191.pdf

There is no disparity between salaries of men and women employees and we follow the provisions of Equal Remuneration Act, 1976. We also conduct salary surveys through remuneration consultants and specialists to determine standard salary levels in other companies engaged in similar businesses.



Our remuneration structure is based on the living wage concept which ensures wages that are sufficient for affording a decent standard of living for the employee and her or his family. Factors determining a decent standard of living consist of provisions for adequate food, water, housing, education, healthcare, transport, clothing, and other essential requirements including provision for unexpected events. GFL, therefore, pays more than the statutory minimum wages, even at the entry level, across all its locations.

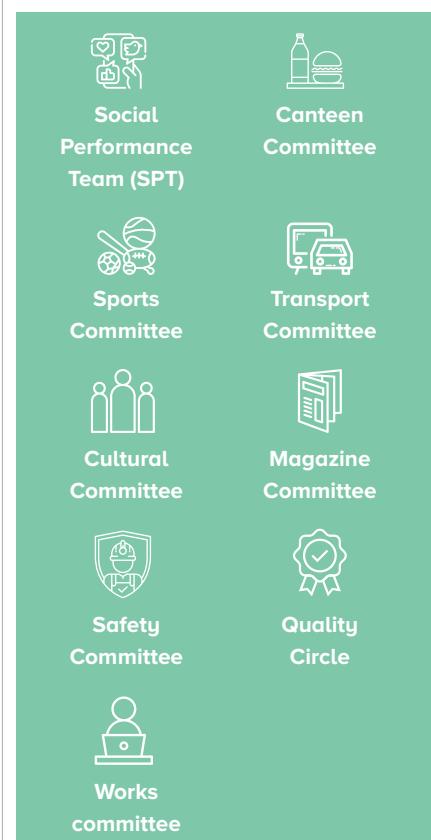
Labour-Management Relations

We recognize the fact that employees have the inherent right to collective bargaining. We respect the rights of all our employees

to form associations in accordance with the laws applicable for maintaining workplace democracy, following the ILO Conventions – 87, 98 and 135.

At each location, we have Work Committees under the Industrial Disputes Act, 1947, representing workmen, which engage periodically with the Management to discuss and resolve working condition related issues.

Additionally, we have established various other committees for continuous participation of workmen in different areas of their work life. These include:



These committees regularly meet and discuss issues relating to respective areas with management representatives.

All employees, contract labour and subcontractor are made aware of their right to exercise Freedom of Association, right to peaceful meetings as part of the Social Accountability Workshop.



We also recognize the Right of Association and Collective Bargaining of contract labours and participate in meetings to discuss issues related to these areas. The Contract Labours are represented by the Panchmahal Kamdar Union, which represents around 300 contract labours. The last settlement of the Union and the contractor was signed on 1st April 2009 and is applicable till 31st March 2020. No employees of the Company are covered under collective bargaining agreements.

We adhere to the provisions of section 9A of the Industrial Dispute Act, 1947, for any significant changes to the terms of employment.

Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them: 21 Days

We recognise that the right to exercise freedom of association and collective bargaining may be at risk in the operations of our suppliers and contractors. As such, under the Sustainable Procurement Governance structure of GFL, all suppliers/vendors must provide the Company a declaration that such rights are protected for their workmen.

There are no operations where the right to exercise freedom of association and collective bargaining is found to be at significant risk.

Non-Discrimination Practices

We ensure that none of our employees are discriminated against and are offered the right to fair treatment, right to an impartial trial and right to a just punishment.

GFL and its subsidiaries are committed to the policy of equal employment. This commitment is an integral part of the Company's mission to become an 'Employer of Choice'. Therefore, all our HR policies and procedures reflect non-discriminatory practices and provide equal opportunity for all employees. We do not discriminate based on, but limited to, race, colour, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political affiliation or political or other opinion. Emerging prohibited grounds also include marital or family status, personal relationships and health status such as HIV/AIDS status.

As part of this commitment, all employees are expected to treat their colleagues fairly, with respect and without harassment, at all levels.

We provide equal employment opportunity to all stakeholders. This covers areas of recruitment, selection, appointment, training, learning and development, promotion, Company activities and other terms and conditions of employment.

We treat all personnel with dignity and respect and do not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed. Our disciplinary procedure is based on 'Principles of Natural Justice' and without any discrimination or prejudice.

Diversity and Equal Opportunity

GFL has always believed in a gender-neutral workplace where we strive to instill the culture of equality across the organisation, highlighting the importance of Gender Equality. Being an equal opportunity employer, we also plan to improve the gender ratio at leadership positions and the inclusion of women employees in all functional roles.

We believe in a fair and transparent process of selection which is based on meritocracy and suitability to identify the "right candidate". The gender ratio in our Company has been steadily increasing and we are proud to now have young lady engineers in our workforce.

We respect people from different backgrounds, culture, origin, religion, race and do not discriminate based on individual differences – including gender, religion, caste and disability.

Number of Women Employees

Employee Category (Permanent)	FY19	FY20	FY21
TOTAL	45	47	51

We support and create awareness on employing differently-abled people. The total number of permanent employees with disability as on 31st March 2021 was 11.

Besides equal employment, all employees have equal access to relevant training and skill enhancement programmes.

It is the company's priority to foster an environment that empowers the women employees to thrive professionally and at the same time ensure work-life balance. The Company celebrates diversity and engages its people through various events, initiatives and campaigns.

Human Capital

Women Empowerment

We strive to empower our women employees and allow them to thrive professionally while enabling them to maintain work-life balance. We are signatories to the UN Women and UN Global Compact's Women's Empowerment Principles and have demonstrated our commitment to gender equality and women empowerment.

In support of these standards, we are committed to having processes, policies, and procedures for promoting equality, safety, preventing discrimination and any kind of harassment, and helping women advance at the workplace and in the society. We have an established guideline on Prevention of Sexual Harassment at the workplace, especially for women, to ensure that we conduct business ethically and in a manner that is respectful to women.

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

POSH Training in FY21

Prevention of Sexual Harassment Trainings for Employees FY21

Location	Training Man-hours				Training Man-hours		Total Training Man-hours	Average Training Hours				Average Training Hours		Total Average Training Hours
	AGM & Above	Managers	Executive	Technicians	Male	Female		AGM & Above	Managers	Executive	Technicians	Male	Female	
Dahej	105	303	1002	1039	2423	26	2449	2.28	2.42	2.03	1.46	1.81	2	1.82
Ranjinagar	3	22	93	32	143	7	150	0.12	0.27	0.27	0.33	0.26	1	0.27
Noida & Other Offices	13	97	84	0	172	22	194	1.62	1.32	1.44	0	1.47	1	1.39
International Location	0	6	0	0	4	2	6	0	2	0	0	2	2	2
Total	30.25	107	294.75	267.75	685.5	14.25	699.75	4.02	6.01	3.74	1.79	5.54	6.00	

POSH Training in FY20

Location	Training Man-hours				Female Training Man-hours	Average Training Hours				Average Training Hours	Total Average Training
	AGM & Above	Managers	Executive	Technicians		AGM & Above	Managers	Executive	Technicians		
Dahej	-	1	10	-	11	-	1.00	1.00	-	1	1.00
Ranjinagar	-	-	4	-	4	-	-	1.00	-	1	1.00
Noida & Other Offices	-	15	8	-	23	-	1.00	0.50	-	0.74	0.74
International Location	-	1	1	-	2	-	1.00	1.00	-	1	1.00
Total	-	18	22	-	40	-	3.00	3.50	-	3.74	3.74

GFL supported IWD 2021 Campaign 'Choose to Challenge', during International Women's Day. All the employees were invited to participate in the event and showcase their commitment to challenge inequality, calling out bias, questioning stereotypes, and helping forge a gender equal world.



IWD Theme – 'Choose to Challenge' at Corporate Office, Noida



IWD Theme – ‘Choose to Challenge’ at Ranjitnagar

All our women employees participated in the brainstorming session and shared their experiences and achievements.

We have participated in varied initiatives for promoting education, social entrepreneurship and women empowerment. Various wellness and self-defence programmes are also organised for women.

To provide our women employees the flexibility to meet their family needs, personal obligations and other responsibilities conveniently, we extend

facilities like - Work from Home and Flexi-time and the company provides transportation to ensure their safety. All women employees are provided with special medical facilities over and above the general medical insurance coverage.

Number of Women who availed Special Leave/Work from Home/ Flexi time

FY21		26
FY20		5
FY19		2

Security Practices

We believe the role of security personnel is crucial for the Company's operation. We, therefore, arrange training for all security personnel, wherein they are briefed on relevant Company policies and trained to be the first responders in case of emergencies. Adequate training is also provided to ensure fire security at all our sites. Special training on human rights policies and procedures and their application in security practices is organised for security personnel.

Security Personnel Training FY21

Location	Number of Security Personnel			Total Participation
	Own	Contractual	Total	
Noida	0	9	9	100
Dahej	1	64	65	71
Ranjitnagar	1	42	43	97.6

Security Training in FY20

Location	Number of Security Personnel			Total Participation
	Own	Contractual	Total	
Noida	1	6	7	6
Dahej	1	41	42	38
Ranjitnagar	1	42	43	42

Local Hiring

We extend preference to the local population by hiring employees at General Manager level and above from the communities around our manufacturing units.

Location	Local Community	Total Number of Employees – GM and Above	
		FY20	FY21
Noida	Noida, Ghaziabad, Delhi, Faridabad, Gurgaon	62%	35%
Dahej	Bharuch, Vadodara, Surat, Narmada, Vapi,	55%	19%
Ranjitnagar	Vadodara, Mahisagar, Chhota Udaipur	89%	31%
Vadodara	Anand, Panchmahal, Bharuch,	100%	15%

Rights of Indigenous People

We believe that the rights of indigenous people should be protected, and indigenous cultures, customs and institutions should be encouraged to flourish.

Location	Employment	Total Number	No from nearby villages	% of total manpower
Ranjitnagar	On roll + Contract Labour	823	316	38%

Human Capital

As part of our commitment to protecting indigenous culture, we actively participate in Panch Mahotsav celebration which celebrates the exquisite beauty and magnificence of the heritage, architecture and culture of Champaner and Pavagadh in Gujarat.



We also organise resting centres, with adequate supply of food and drinking water, for devotees who travel on foot to visit Mahakali Pavagadh during Chaitri Navratri, a local festival.

We ensure that our operations do not occupy the territory of indigenous people, neither damage their property in any manner. In case of any expansion or land acquisition, we take the consent of indigenous people through public hearings and address their concerns.

Social Accountability in the Supply Chain

We take ownership of the environment, our employees, customers, shareholders, stakeholders, and the society to achieve sustainable and profitable long-term business growth. The Sustainable Procurement Policy and Code of Conduct for Suppliers/Vendors apply to purchases of goods and services. It explains how we conduct business with our suppliers and describes the expectations we have from our suppliers, regarding the way they conduct their business.

We expect all our suppliers to support the principles of the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UNGC and the UN Guiding Principles on Business and Human Rights.

Awareness and Training

We conduct awareness campaigns on Social Accountability and Social Responsibility across our facilities around the world. All the employees, contract labour, suppliers and business partners participate in these programmes and it creates basic awareness about the protection of human rights.



Contractors Training at Site

Location-wise Contractor Training in FY21

	Location	Total man-hours		Total man-hours	Total Average Training hours		Total Average Training hours
		Male	Female		Male	Female	
Contractual	Dahej	4466	80	4546	2.5	2	2.53
	Ranjitnagar	1965	24	1989	7.73	4	7.65

Location wise Contractor Training in FY20

	Location	Total man-hours		Total man-hours	Total Average Training hours		Total Average Training hours
		Male	Female		Male	Female	
Contractual	Dahej	13217	188	13405	12.49	11.75	12.48
	Ranjitnagar	2280	20	2300	6.15	10.00	6.17

Category-wise Contractor Training – Dahej & Ranjitnagar FY21

	Categories	Total man-hours		Total man-hours	Total Average Training hours		Total Average Training hours
		Male	Female		Male	Female	
Contractual	Tech	2988	0	2988	5.32	0	5.22
	Safety	2692	68	2760	3.64	4.3	3.68
		MST	751	36	787	1.26	1.8
Total		6431	104	6535	10.22	6.1	10.18



Category-wise Contractor Training – Dahej & Ranjitnagar FY21

	Categories	Total man-hours		Total man-hours	Total Average Training hours		Total Average Training hours
		Male	Female		Male	Female	
Contractual	Tech	6411	0	6411	4.49	0	4.43
	Safety	6300	57	6357	4.41	3.17	4.39
	MST	2786	151	2937	1.95	8.39	2.03
Total		15497	208	15705	10.84	11.56	10.85

Employees Training on Social Accountability & Social Responsibility in FY21

Location	Training Man-hours				Training Man-hours		Total Training Man-hours	Average Training Hours				Average Training Man-hours		Total Average Training Man-hours
	AGM & Above	Managers	Executive	Technicians	Male	Female		AGM & Above	Managers	Executive	Technicians	Male	Female	
Dahej	105	303	1002	1039	2423	26	2449	2.28	2.42	2.03	1.46	1.81	2	1.82
Ranjitnagar	27	117	409.5	102	645	10.5	655.5	1.08	1.43	1.18	1.05	1.16	1.5	1.16
Noida & Other Offices	4	77	60	0	114	27	141	1	1	1	0	1	1	1
International Location	1	13	3	0	14	3	17	1	1	1	0	1	1	1
Total	137.0	510.0	1474.5	1141.0	3196.0	66.5	3262.5	1.3	1.5	1.3	0.6	1.2	1.3	1.2

Employees Training on Social Accountability & Social Responsibility in FY20

Location	Training Man-hours				Training Man-hours		Total Training Man-hours	Average Training Hours				Average Training Man-hours		Total Average Training Man-hours
	AGM & Above	Managers	Executive	Technicians	Male	Female		AGM & Above	Managers	Executive	Technicians	Male	Female	
Dahej	29	96	268	565	947	11	958	0.60	0.71	0.48	0.76	0.64	1.00	0.64
Ranjitnagar	22	72	280	78	448	4	452	0.85	0.88	0.80	0.85	0.82	1.00	0.82
Noida & Other Offices	23	64	46	-	109	24	133	0.61	0.68	0.69	-	0.65	0.77	0.67
International Location	4	12	8	-	21	3	24	0.67	1.00	0.73	-	0.78	1.50	0.83
Total	78	244	602	643	1525	42	1567	2.72	3.26	2.69	1.61	2.89	4.27	2.96

The Social Accountability & Social Responsibility Training programme covers the elements of child labour, forced labour, freedom of association, discrimination, human rights etc.

A declaration for acceptance and adherence of the policies related to Social Accountability & Social Responsibility is part of the joining process. All our employees have given this declaration.

Grievance Mechanism

'Ethics Line' – a digital platform is available to our employees for reporting concerns/issues and for guidance about possible violations of laws or violation of the Social Accountability policy of the Company. Any stakeholder if confronted with any such violation may also report the concern on Ethics Line ethicsline@gfl.co.in. Additionally, employees can also raise concerns and give suggestions through our online platform 'HR Buddy'.

Grievance Handling Platform	Number of Grievances Received	Number of Grievances Resolved	Number of Grievances Received	Number of Grievances Resolved
			FY21	FY21
HR Buddy	104	101	157	146
Ethics Line	5	5	5	5
Suggestion Box	12	12	12	12

Occupational Health and Safety

At GFL, we have always been at the forefront of ensuring the health, safety and well-being of our employees, contractual associates and other stakeholders, including local communities. We have taken up ‘responsible care’ activities as one of our most important management pillars.

GFL’s commitment to responsible care is part of its sustainability initiative to positively impact the 3Ps:



Planet



People



Profit

Our core business—the development, production, processing and transportation of chemicals—demands a responsible approach. We systematically address risks with a comprehensive responsible care management system, which is continually developed further. We expect our employees and contractors to know the risks of working with our products, substances and plants, and handle these responsibly.

Thus, we constantly take measures and initiatives to improve our safety culture and take necessary and appropriate measures to prevent accidents and incidents. Both our manufacturing sites in Dahej and Ranjitnagar are certified under SA8000, OHSAS 18001:2007, ISO 9001:2015, ISO 14001:2015, and ISO45001, and have adopted ISO26000 standards.

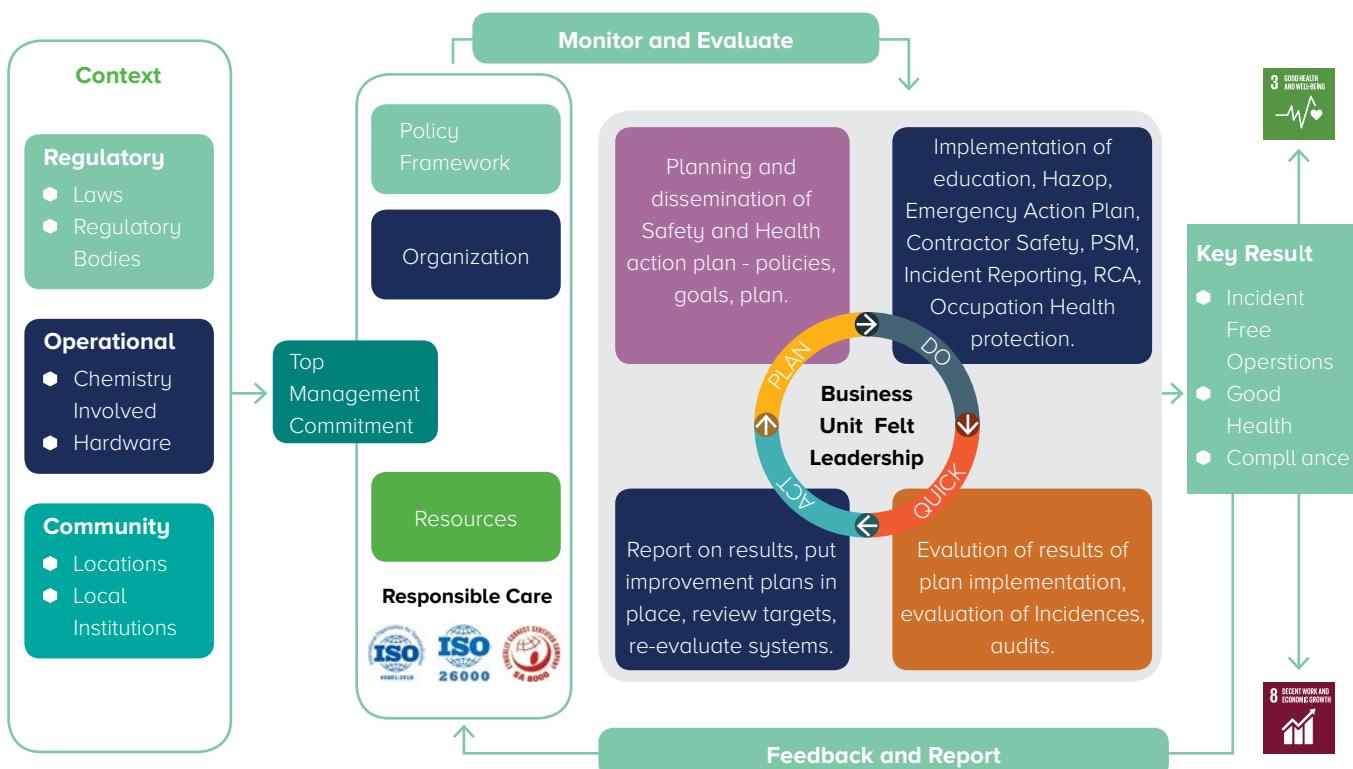
Occupational Health and Safety

GFL's purpose, values and code of conduct clearly state our commitment to occupational health and safety (OH&S), which is based on the principles of responsible care. Our health and safety management system was developed according to our stakeholder expectations and material topics.

Our stakeholders and their expectations

					
Employees <ul style="list-style-type: none"> Healthy & safe working conditions Trainings Participation 	Regulators <ul style="list-style-type: none"> Compliance Transparent information sharing 	Management <ul style="list-style-type: none"> Implementation of health & safety processes Real time reporting Compliance 	Contractors <ul style="list-style-type: none"> Healthy & safe working conditions Trainings 	Community <ul style="list-style-type: none"> Incident free operations Awareness & communication Partnership 	Shareholders <ul style="list-style-type: none"> De-risked business operations Secure investments Company reputation

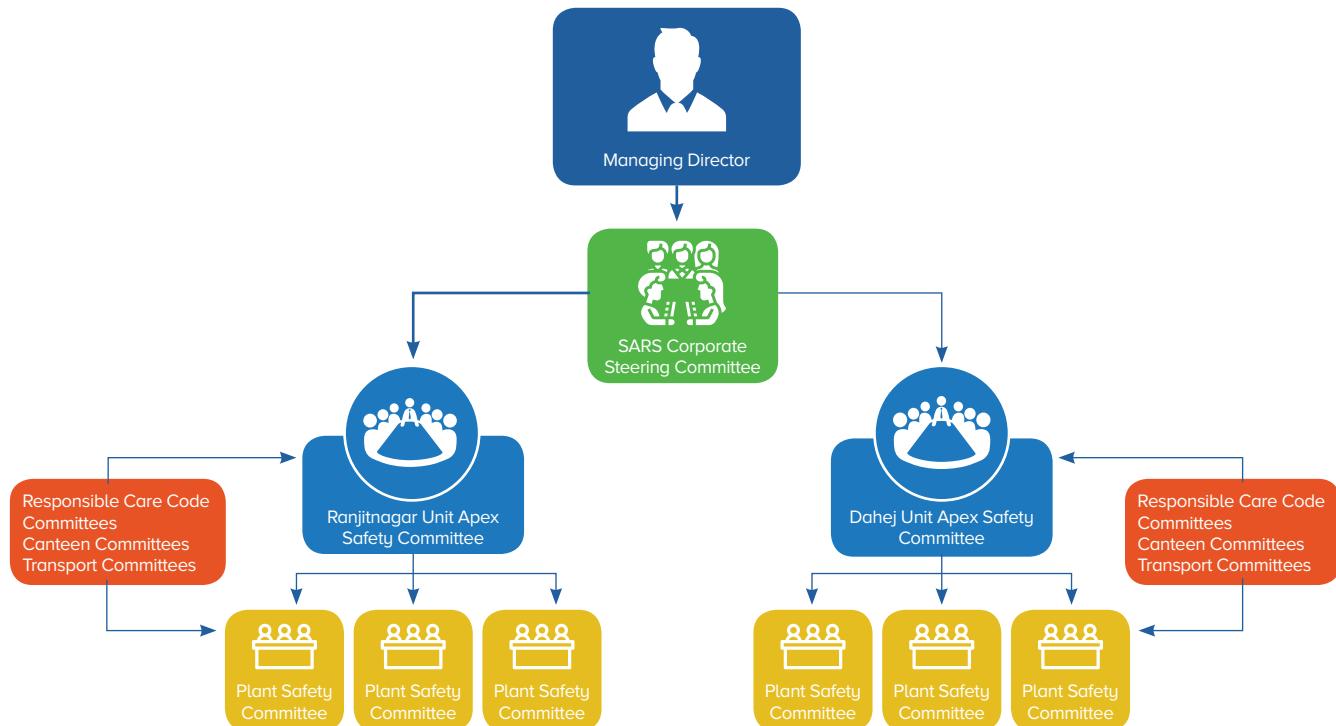
OH&S framework and governance structure



Human Capital

Our endeavour is to ensure zero harm to our employees, contractual workers and other stakeholders. In achieving the same, we positively impact SDGs 2 and 8. The OH&S framework is implemented through a well-structured governance structure, which ensures the linkage of the top management with our shop floor.

OH&S governance body



GFL's Felt Leadership for OH&S Programme

Our safety commitment is not only seen in boardroom presentations, but on the shop floor of our plants as well. We have associated with Dupont Sustainability Services to help us in implementing various aspect of OH&S management at our manufacturing units. Our leadership also underwent a 'Felt Leadership' programme to build capability for leading OH&S processes and practices across our operations.



"Felt Leadership" Training for GFL Top Leadership Team



Our Felt Leadership initiative was implemented through:

- ◆ Safety KRAs for all managers with 15% weightage
- ◆ Personal Safety Action Plan (PSAP) for all managers
- ◆ Compulsory STOP Round for all managers
- ◆ Safety work permits audit by managers
- ◆ Identifying Near Miss and entering in the system
- ◆ Conducting Root Cause analysis of Near Misses and incidences

We focus on a positive safety culture within the organisation and to sustain this, we have established a comprehensive governance structure along with a clear management vision – to lay out procedures, standards and guidelines for everything we do. The effectiveness of measures are evaluated through periodic observations and audits.

Overall effectiveness of the safety management system is reviewed by the Apex Site body, at the monthly meeting chaired by the Executive Director. Moreover, important elements of safety are closely monitored by seven subcommittees headed by Manufacturing cluster Heads and Corporate Function Heads at the board-level. Additionally, subcommittees at the unit level, headed by the Unit Head, ensures employee safety. Health and Safety KRAs form an integral part of the evaluation process for executive committee members.

We have implemented International Safety Standards - OHSAS 18001 and ISO 45001 within the organisation. From hazard identification and risk assessment to compliance with applicable legal requirements, the plant safety management system encompasses effective implementation of risk control measures. The competence of people

in this regard is determined regularly with periodic inspections and audits, to undertake appropriate corrective and preventive action.

Our Risk Management and Sustainability Committee is a part of the SARS committee and it defines risk mitigation strategies. The code champions and corporate sponsors act as the members of the SARS Committee.

For all activities/operations, a detailed Risk-Assessment is conducted. The results have identified three areas as High Risk Activities i.e. Height work, material movement/manual material handling and Chemical handling, which has the potential to cause serious incidents/injuries.

Risk assessment and management

GFL has a structured approach for determining hazards associated with work as well as operation related risks. Accordingly, procedures have been developed in consultation with Du-Punt to conduct Risk assessments. Hazop, What-if analysis, Failure mode Effect Analysis and 5x5 matrix are also used for determining potential hazards.

These hazards have been the cause of severe injuries during the reporting period. Some of them were related to height work for repair and maintenance, erection/removal of scaffolding and handling of chemicals. We have a robust risk management strategy to identify various risks and opportunities arising at the corporate and plant level. It comprises various steps - from risk identification to mitigation and action plan and review. We review these every month and a summary is presented to the SARS management committee. It oversees the processes and mitigates action, wherever necessary. The risk horizon includes long term strategic risks, short to medium-term risks as well as single events. Senior executives work to achieve

KPIs and targets to mitigate these risks. Their performance and compensation are evaluated on the basis of these factors.

We have implemented the use of MEWP (Mobile Elevated Working Platform), wherever possible, in place of scaffolding and strengthened the scaffolding system by introducing trained, competent and certified contract employees for erection and removal of scaffolding. We also hired dedicated scaffold inspectors for inspecting and certifying scaffolds that improve compliance standards. For manual handling of hazardous chemicals, HTM (Highly Toxic Material), standard operating procedures are developed and training is imparted to concerned employees at regular intervals.

We also follow similar safety standards for employees and workers who are not part of GFL but, their operations are controlled by the organisation. We have a standard set of operating procedures for routine activities and hazards associated with them have been identified. We follow the Risk assessment matrix prepared by GFL, in association with M/s Dupont, to identify work related hazards for routine and non-routine activity. We are also committed to provide a safe work place and have determined controls to eliminate risks.

With JCC (Job cycle check) & STOP, we measure the competence of employees and workers that are not a part of GFL but, are controlled by the organisation. These programs help to evaluate the effectiveness of procedures and the competence of employees. We also use third party competence assurance programs for some critical tasks.

We refer to the ILO list of occupational diseases and medical journals to identify working conditions that may pose health hazards in the form of Musculoskeletal disorder, occupational cancer and other damages caused due to noise and vibration in manufacturing facilities. We use scrubbers, flange guards, silencers, implement SOPs through trained

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manpower and use advanced respiratory PPEs to prevent health issues. We also conduct yearly and half yearly medical check-ups. During the reporting period, we did not report any occupational health issues.

Risk Identification and Assessment through Implementation of Process Safety Management

As a measure of our proactive safety and health management system, we follow well defined procedures of hazard identification and risk assessment. We have extensively studied each activity and process to understand and identify hazards in each activity. We involve all employees in this process and have trained them to understand the methodology of hazard identification and risk assessment. Our trained risk assessment team reviews all activities for the right process flow, safety equipment, Personal protective equipment (PPE), engineering controls and administrative controls.

Our trained experts regularly conduct:

- Hazard identification and risk analysis
- Pre start-up safety reviews
- Review of operational procedures
- Audits for mechanical integrity
- Reviews and communication of chemicals safety information
- Training of chemical handling and process parameters
- Investigation of incidences
- Work permit compliance audits

The HSEF team continually makes improvements in safety and security practices through analysis of feedback and incident reporting. We also conduct external audits, including process safety audits and site emergency preparedness audits. Further, cross-site audits are conducted to strengthen the implementation of HSEF systems across our operations. While conducting any process safety action and/or reviews, we always ensure that our shop floor workers are part of the team.

We review hazard identification and risk assessment during:

Change of technology

Implementation of new process

Installation of new machine

Modification of machine

Change in operating procedure

Any incidence or near miss

Process Safety actions taken during 2020 -2021	FY20		FY21	
	Dahej	Ranjitnagar	Dahej	Ranjitnagar
No. of PSSR conducted	90	23	218	39
No. of HIRA conducted	100%	100%	100%	100%
% of Processes for which HIRA completed	100%	100%	100%	100%
Manhours of Chemical Handling Training Hrs	900	2276	6567	4312.7



Hazard Identification and Risk Assessment:

A system is in place for the identification and evaluation of risks and opportunities, environmental & OHS hazards associated with our activities, products and services.

Description	Year		
	FY19	FY20	FY21
Ranjitnagar			
High Risk Identified in Operation.	08	08	10
Dahej			
High Risk Identified in Operation.	18	20	25

Year 2020-2021 Site –	Total P & Ids covered during Hazop	Numbers of Hazop done	Recommendations (Total Nos.)	Completed Recommendations (Nos.)	Pending Recommendations
Ranjitnagar	150	48	1610	1500	110
Dahej	237	28	2540	2380	160

Significance Evaluation of Environmental & OHS aspects:

The Environmental and OHS aspects and their impact on activities, products and services, on which the organization has control or influence, are identified during brainstorming sessions and meetings of Functional Heads, MR and Workmen Representatives. While identifying the environmental aspects, consideration is given to planned or new developments, new or modified activities, products and services and Life cycle perspectives (Raw material acquisition to Delivery). The Environmental & OHS aspects beyond the sphere of influence of the site are not considered.

Hazards are identified for:

- a. Normal operating conditions
- b. Past, current and planned activities
- c. Abnormal conditions, including shutdown and start-up conditions and
- d. Reasonably foreseeable Emergency situations

The identified aspects associated with the activities, products and services are evaluated by Function Heads along with MR and Workmen Representatives to identify aspects that have or can have significant impact on the environment. Criteria for significance evaluation is defined below and are applied to all Environmental Aspects / Impacts:

01. Environmental & OHS Aspects identified under normal / abnormal condition having applicability of Legal and / or other requirements are considered to be Significant
02. Environmental & OHS Aspects having significant potential for resource savings are considered to be Significant
03. All Aspects, identified under Emergency condition, are considered to be significant and addressed as part of On-site Emergency Plan
04. For all those Aspects where the above defined over-riding criteria does not become applicable

Significant Environmental Impacts are identified by a rating system as given below:



The cut-off score for the significant environmental Aspects is defined by the Management Representative in consultation with in-charge Works. All Aspects / impacts with a rating of 16 and above (Multiplication of Severity, Likelihood, Quantity and Detectability) are considered as significant.

Risk and opportunities determined by all function related to Occupational health

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and safety management system are a part of Hazard identification and risk assessment. For determination of risk and opportunities,

Hazard	OH&S Risk and Other risks
OH&S Opportunities and other opportunities	Legal requirements and other requirements are considered.

All significant OH&S Hazard are considered an OH&S risk, All Significant Other Hazards are considered as other Risk. Documented information of OH&S Risk and other risk is maintained in the QEHS matrix.

The QEHS matrix documents information about OH&S Opportunities for adapting to work, eliminate hazards and reduce OH&S risks. It also identifies methods for integrating occupational health and safety requirements at earlier stages of the life cycle of facilities or equipment, planning for facility relocation, process re-design, replacement of machinery and plant, use of new technologies, improvement of Health and safety culture and improvement of the processes to encourage worker participation.

Identification of OHS Hazards:

The Occupational Health and Safety Hazards associated with activities and services are identified during sessions with Function/Sub-function Heads, MR and Workmen Representatives. OH&S Hazard identification and risk assessment are carried out within the defined scope of Integrated Management System, considering:

- a) Routine and non-routine activities
- b) Human factors, Activities of all personnel having access to the workplace (including workers, contractors and visitors)
- c) Infrastructure, equipment, materials, substances and the physical condition of the workplace (whether provided by the Organisation or others)
- d) New or changed hazards such as Design of work areas, processes, installations, machinery, operating procedures and work instructions, including their adaptation to human capabilities
- e) Issues such as incidents occurring in the vicinity of the workplace due to work related activities under the control of the organisation
- f) Situations not controlled by the organisation but, occurring in the vicinity of the workplace and causing injury or ill health to people at the workplace.
- g) Potential emergency situations
- h) Past relevant incidents, internal or external to the organisation, including emergencies and their causes.
- i) Changes in knowledge of, and information about hazards
- j) People working at locations that are not under the direct control of the organisation, wherever applicable
- k) Hazard due to organisational work, if applicable Social factors including work load, work hours, victimization, harassment and bullying, leadership and culture of the organisation are considered, wherever applicable.

Such hazard identification and risk assessment are conducted by specifically trained teams or under the supervision of experts.

Year	No. of Personnel trained in conducting Hazard identification and risk assessment		
	Sites	Dahej	Ranjitnagar
FY20		325	34
FY21		30	78

GFL has established a structured process of change management to ensure proper hazard identification and risk assessment as a part of its operational discipline.

OHS Risk Assessment Matrix

The OHS Risk Assessment is carried out by Function/Sub-function Heads along with MR and Workmen Representatives, taking into consideration the operating experience and capability of risk control measures that are already in place. All the identified OHS hazards are evaluated in terms of severity of harm and probability of occurrence of the hazard.

In case the risk rating (multiplication of Severity of harm and Probability of occurrence of hazard) is observed to be

6 and above, the same is considered as significant. Additionally, any OH and S hazard having severity rating of 4, irrespective of the probability rating, are considered as significant.

Significant Environmental Aspects / OHS Hazards/Quality Risk as identified above are considered for elimination / reduction, by using hierarchy of controls and are addressed by formulating action plan, Objectives and Targets / institutionalizing suitable Procedures and Work Instructions for operational Control purpose.



Responsible Care

In line with our commitment made in 2020, we have implemented a complete system for responsible care and we have been provisionally awarded with the responsible care certification, valid for one year. This year we aim for a full-fledged audit with three years validity.

We continuously strive to achieve the highest performance standards in sustainability and safety. Consequently, the Responsible Care® (RC) certification is a testimony of our efforts towards these values. This certification has given us more responsibility to keep up our performance in the fields of environmental protection, OH&S protection, plant safety, product stewardship and logistics, as well as to continuously improve our dialogue with the community, independent of legal requirements.

RC is a voluntary initiative of the chemical industry for continuous improvement in areas of environmental protection, health and safety (EHS). Companies and associations in the chemical industry across more than 50 countries support this initiative. GFL was committed to the principles of RC in 2019 and has established binding objectives for itself. In this regard, we have implemented an RC management system across all units of our operations, comprising documents that define requirements and standards for various steps along our value chain. The management system includes ISO9001 (Quality Management System), IS 14001 (Environment Management System) and ISO 45001 (Safety Management System).

We have taken RC activities as one of our most important management pillars. Based on the core principle of RC, we have strictly acted on pollution prevention, process safety, distribution, employee health and safety, community awareness and emergency response, product stewardship and security.

At GFL, our continued success depends on understanding and respecting the needs and interests of stakeholders at every stage of our operation. We think of stakeholders as persons or groups who are directly or indirectly affected by our operations, as well as those who may have interests or have the ability to influence outcomes. We welcome input from external groups or people, on all aspects of our operations.

See table below for examples of how we controlled or mitigated such risks:

Plant Name	Process Description	Identified Hazard	Mitigation Action
Dahej	Methanol – for CMS production	Flammable Toxic	<ul style="list-style-type: none"> ❖ Fire sprinkler system provided ❖ Dyke wall provided ❖ Bonding provided on all flange jumper to mitigate static charge ❖ Special personal protective equipment provided to all concerned
Dahej	Hydrogen – in chloro alkali plant	Flammable	<ul style="list-style-type: none"> ❖ Hydrogen sensor provided ❖ Firefighting system provided ❖ Hazard communicated to all concerned, including trolley driver ❖ Implemented safety system
Dahej	Chlorine	Toxic Corrosive	<ul style="list-style-type: none"> ❖ Automatic sprinkler system provided around bullets ❖ Scrubber system provided ❖ Chlorine detector provided in certain areas and surrounding areas ❖ SCBA set and cartage mask provided

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Plant Name	Process Description	Identified Hazard	Mitigation Action
Dahej	A&H	Toxic Corrosive	<ul style="list-style-type: none"> ◆ HF detector available in particular and surrounding areas ◆ Sprinkler system provided around storage area ◆ Antidote available along with trained staff and medical staff ◆ Safe system of work implemented and emergency plan practiced regularly
Ran jitnagar	Hydrogen Trolley Shed Area & Process Area	Fire & Explosion LEL: 4.00% (V) UEL: 74.00% (V)	<ul style="list-style-type: none"> ◆ Hydrogen hazards and safety instruction displayed at Hydrogen Trolley Shed gate ◆ Distributed Control System (DCS) ◆ Closed loop used for transferring Hydrogen gas. Flameproof electrical fittings installed. Hydrogen detectors with interlock in DCS provided. Fire fighting system provided in auto mode. Auto sprinkler provided with interlock detection of hydrogen gas. Non-sparking tools used. Intrinsic safe walkie-talkie used for communication
Ran jitnagar	Benzotrifluoride (BTF) production	Fire & explosion Highly flammable FP: 120C LEL: 1.4% (V) UEL: 9.3% (V)	<ul style="list-style-type: none"> ◆ Closed loop used for transferring BTF. Flameproof electrical fittings installed. Fire fighting system provided in the plant and storage areas. Water sprinkler provided. Non-sparking tools used. Intrinsic safe walkie-talkie used for communication. Auto DV system installed
Ran jitnagar	Benzotrichloride (BTC)	Major possibilities of toxic gas release from drum storage and during handling May cause skin irritation May cause severe eye damage May cause cancer	<ul style="list-style-type: none"> ◆ MSDS and Cautionary Notice displayed at storage area ◆ Skilled, qualified and trained supervisors ◆ Full-body suit with airline system, hand gloves, etc.
Ran jitnagar	Transport of toxic chemicals like Oleum from supplier to site	Major possibilities of toxic gas release from tanker and during handling can lead to emergency situation, since the substance is very toxic and corrosive May cause skin irritation May cause severe eye damage Exposure to substance through inhalation may damage respiratory tract	<ul style="list-style-type: none"> ◆ Closed loop used for transferring Oleum. Dump tank provided in case of leakage. Flange guard provided in the transferring line. Scrubber system available. Dyke with acid-proof line tiles available. Lime bags and sand buckets kept near storage area ◆ Full-body suit with airline system, SCBA sets and hand gloves, etc.

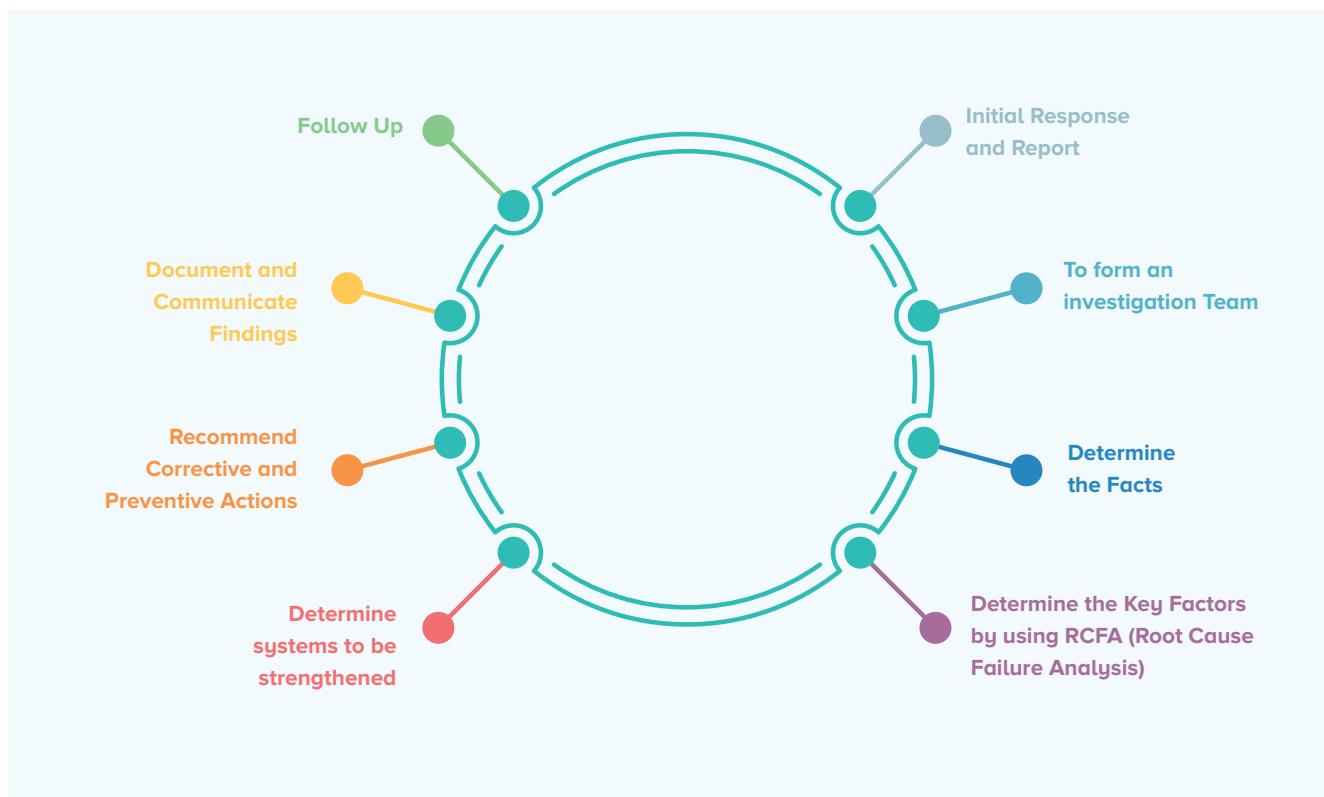


All employees, including contractor labours and visitors, are given required PPE kits. The requirement of PPE is established after an assessment of health risk involved in the process. Hard hats and safety shoes are compulsory for everyone inside the plant. Employees are encouraged to report any unsafe act and condition, including any work process hazard through the Plant Level Safety Committee, Unit Apex Safety Committee, Safety Suggestion Scheme, Ethics Line and Suggestion Box.

Year	FY20		FY21		
	Sites	Dahej	Ranjitnagar	Dahej	Ranjitnagar
No. of near Misses Reported		143	65	116	72
No. of Unsafe acts Reported		1422	153	957	170

At GFL, we investigate all incidents in detail to understand the depth of the risk. Our incident investigation procedure is in line with global standards.

All incidents including work related injury, environmental issues, property damage and fire incidents are investigated with the help of standard methods established for identifying the root causes of corrective and preventive actions. This process shows our commitment to safety and it helps to increase employee confidence and enhance workplace safety. This also helps to identify deficiencies in the safety management process, which identifies conditions that could cause other incidents. At GFL, an 8 step investigation procedure is followed for all incidents, with the belief that all incidents can be prevented and must be reported.



Location	No. of Incident	Incident Investigated	Pending Investigation	Total CAPA	Closed CAPA	Pending CAPA
Dahej	113	109	4	262	175	85
Ranjitnagar	362	350	12	408	370	38

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We have a structured system of reporting near misses, unsafe acts and conditions. Further, our employees and workmen are empowered to remove themselves from situations they believe could cause injury or ill health. They have the 'right to refuse' as per the GFL Cardinal Safety Rules and they are protected from any retaliation and such behaviour is not considered as insubordination.

Processes for workers to report work-related hazards and hazardous situations

We have introduced voice based portal to report unsafe conditions and any one can dial 111 (24*7) to report unsafe conditions and hazards. They can also participate in meetings of the safety committee, organised regularly. We have also put a suggestion box across the site, including the canteen. Workers or worker representatives are also given the opportunity to participate in different committees to solve grievances.

No. of safety suggestions received and closed

Ranjitnagar

Received

Grand Total	122
FY21	71
FY20	41
FY19	10

Closed

Grand Total	110
FY21	62
FY20	38
FY19	10

Dahej

Received

Grand Total	165
FY21	48
FY20	73
FY19	44

Closed

Grand Total	160
FY21	46
FY20	71
FY19	43

Occupational Health Services

Our Occupational Health Centres (OHC) are fully equipped with all required medical equipment, which operates 24*7 ensuring a safe workplace for employees, contract workmen and other stakeholders. All sites have qualified and experienced medical staff. All paramedic staff of OHCs are qualified and experienced to handle any occupational emergencies. A full-time ambulance is also available at both our plants. We have received OHSAS 18001 certification for all our plants in India.

Occupational Health Centre Personnel			
Designation	Qualification	No. in Dahej	No. in Ranjitnagar
Doctor	MBBS + CIH	02	02
Nurse	GNM&IAOH certified	08	04



Occupational Health Centre of both plants



All employees, including contract labours, can avail the facilities of the Occupational Health Centre round the clock. All employees, including contract labour, are subject to annual health examinations in all our plants. Every year, annual health check-ups are conducted for all employees and contract workmen. Moreover, before handling any new chemical, the Occupational Health personnel undertakes a thorough health impact study before usage.

% of employees covered under Annual Health Check-up		% of contractor labour covered under Annual Health Check up	
Dahej	Ranjinagar	Dahej	Ranjinagar
FY20			
100%	100%	100%	100%
FY21			
100%	100 %	100%	100 %

% of employees covered under Annual Health Check-up		% of contractor labour covered under Annual Health Check up	
Dahej	Ranjinagar	Dahej	Ranjinagar
FY20			
100%	100%	100%	100%
FY21			
100%	100 %	100%	100 %

OH&S Training for Workers

At GFL, on a periodic basis, we conduct training programmes on health and safety for all our employees. Since 2020-21 was a challenging year, we imparted trainings through a virtual platform. We also conducted safety campaigns across locations wherein pamphlets were distributed to employees spreading awareness on preparing for the new normal, maintaining social distancing and wearing masks. All employees were given training of work-related SOPs and copies of these were shared with them. Warnings and signals were appropriately placed across the plants for general information.



Photo on employee & contractor training



Contractor training



Trainings are generally conducted in the vernacular languages and during working hours



Online training for employees

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Employee Participation and Communication

Employee participation in OH&S training is one of the building blocks of our implementation strategy. Both our plants have Safety Committees at Apex level and also at department levels with equal representation of workmen and management personnel.

% of Workmen part of various OH and S related Committees in FY21	
Dahej	Ranjitnagar
50%	50%
FY20	
50%	50%

Meeting schedule compliance of OH&S committees in FY21		
Plants	Dahej	Ranjitnagar
Unit Apex Committee	100%	100%
Plant Safety Committee	100%	100%
FY20		
Plants	Dahej	Ranjitnagar
Unit Apex Committee	100%	100%
Plant Safety Committee	100%	100%

OH&S issues are communicated to employees in a continuous manner. Moreover, health and safety processes and risk awareness programmes are part of the employee induction programme as well as our cardinal safety rules. Workers also train and participate in HIRA and incident investigation. A regular feature in our plants is the 'Tool Box Talks' before the start of work. Not only our workers, but even contractor labours have to undergo the process before they start work. Safety Oath Taking is compulsory for all employees. Each meeting starts with a Safety Contact, where a small incident is shared and it is discussed with the team, focusing on the learnings from the incident).

To build awareness and encourage workmen to take initiative in all areas of OH&S, various celebrations such as Safety Day/ Week, Environment Day and Ozone Day are organised at the sites. During such programmes, employees are encouraged to participate in various events like poster competitions, slogan competitions, quiz programmes and essay competitions.



NSD programme at Dahej

Promotion of Worker Health

We cover all employees and their family members under the Medical Insurance Scheme for medical expense reimbursement for most illnesses. We also cover all employees under an Accident Insurance Scheme, which covers accidents beyond the workplace. All contract labour have to be compulsorily covered under the Accident Insurance Scheme if they have to be deployed in our premises. For ensuring a comfortable work environment, noise and illumination surveys are conducted in the plants periodically. Further, we conduct various well-being programmes, such as stress management and yoga for better health.

Parameters	Dahej	Ranjitnagar	Statutory Limit
Noise Level (average in Db) - peripheral	68	51.2	75 dB(A)
Noise Level (average in Db) - Proximal	72	88.3	85 dB(A)
Illumination (Lux) – Uncovered areas	30 Lux	80	>20 Lux
Illumination (Lux) – Machine areas	185 Lux	95	>150 Lux



During challenging times like the current pandemic, we provide all necessary assistance to our employees. To combat Covid-19, we undertook various initiatives to ensure the well-being of our employees, such as daily monitoring of symptoms, providing immunity boosters, distributing masks, placing sanitisers at the workplace, and maintaining social distancing at all times, including during transportation of employees. We also arranged a mass Covid-19 testing facility and vaccination camp at our sites.

Contractor Safety

Contractor Safety is a crucial part of our OH&S management system. We have built a rigorous system of contractor pre-qualification process and all contractors are screened before they are assigned any work at our premises. As a process, all contractors have to follow the OH&S systems and procedures of our plants.

We believe our contract workers are important stakeholders and a part of our business ecosystem. Like our employees, all contractual labours are provided induction training and certified by the OH&S department of the plant before

they start work. We provide all basic safety training to contract workmen for different categories, such as basic safety induction, safety training for specific works, work permit system, dos and don'ts on specific works, mechanical safety, emergency preparedness, firefighting and personal protective equipment. On a regular basis, we also conduct contractor safety meetings. Further, contractor equipment undergo a checking process by plant safety personnel before they can be put to use in our premises. 'Tool Box Talks' are also conducted daily with contractor labours. Contractors' workmen are issued individual Card (Passport) specifying medical conditions in brief, their skills and work areas. All tools and tackles of contractors are checked and verified to assure fitness of workers.



Contractor Training pictures

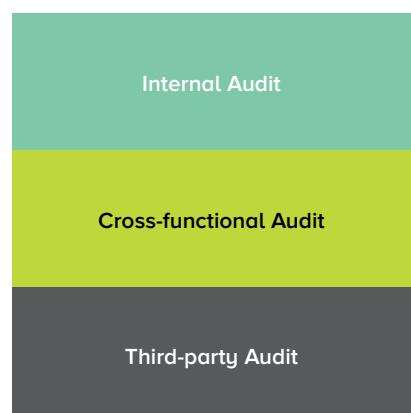
Prevention and Mitigation of OH&S Impacts Linked by Business Relationships

Our safety and security systems serve to protect our employees, contractors and community to prevent property and environmental damage. Hazard assessments and risk minimisation measures are an important prevention tool. We promote risk awareness for every individual with measures such as systematic hazard assessments, specific and ongoing qualification measures and appropriate safety initiatives.

We also hold regular dialogues across different sites to strengthen risk awareness among our employees and contractors, learning from examples of good practice. This is how we continually develop our safety culture. By the end of 2020, we had introduced digital solutions and applications across our sites to further improve safety and security.

Health and Safety Audits

Audits of work sites are conducted for health and safety hazard identification. During these surveys, compliance to applicable building and fire codes and the detection of unsafe hazards are assessed. We have a three-layer system of audits:



The audit procedure also includes auditing firefighting equipment and control mechanisms, as well as safety equipment.

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Key initiative for Road Transport Safety

We consider road and logistics safety to be an important pillar of our health and safety framework. As most of our chemicals are transported by road, we have implemented an intelligent transport tracking system to monitor and control road safety violations like over speeding, continuous driving, night driving and route violation. It is monitored on 24X7 basis. This live monitoring of on-road vehicles carrying our material has resulted in an accident-free year in 2020-21 and drastic improvements in responsible code distribution and code compliance.

Accident Free

Year 2020-21

Distribution Safety – Through Third Party vehicle Tracking



- GFCL being a Responsible Care Organization initiated a Emergency Response System along with safety monitoring of vehicles
- GFCL is having contract with LCS India, for vehicle tracking and Level 1 Emergency response
- GFCL Contract cover following aspects:
 - Over Speeding
 - Night Driving
 - Continuous Driving
 - Route Violation
 - Sudden Stoppage
 - Stoppage at Authorized Rest Stations
 - Unauthorised Stoppage



Communication with Local Communities and Society

To strengthen mutual relationships with local communities, we conduct activities that aid the development of the region. We also aim to improve communication with locals and undertake efforts to preserve the natural environment.

As part of our social responsibility, we invite local villagers to our manufacturing unit and arrange a visit around the plant. During the visit, they are explained about plant safety and environment control systems implemented at the site.

We also train nearby villagers on safety aspects of the plant and provide knowledge about necessary steps to be taken in case of an emergency. It creates a sense of confidence in our operations and assures the safety of people in the vicinity of the plant.

In recent years, several villagers have visited the plant and have understood safety systems and control measures used across our operations. Villagers have appreciated the efforts undertaken by the company to continuously upgrade safety standards and our dedication to abide by environmental norms.

Methods used for communication:



Mitigating Community Impact

At GFL, we believe it's our responsibility to ensure the health and safety of people residing in the vicinity of our manufacturing units. Thus, we ensure continuous community involvement in our OH&S management process. We hold meetings with community members to appraise them of any risk and actions taken to mitigate the same. Before proceeding for an expansion or process change, we keep our community informed through a 'Public Hearing' process. Our plants also undertake Environment and Social Impact Studies periodically. We are also active in the 'Mutual Aid Programme'. Fire tender is provided to the community in case of fire incidents in the surrounding area. Our plants undertake community awareness programmes on safety and health through the distribution of booklets and awareness campaigns in schools and community centres.



Community engagement photo

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	Dahej		Ranjitnagar	
	No.	%	No.	%
The number and percentage of all employees and workers (who are not employees, but whose work and/or workplace is controlled by the organisation) who are covered by such a system	1,811	100%	934	100%
The number and percentage of all employees and workers (who are not employees, but whose work and/or workplace is controlled by the organisation) who are covered by a system that is internally audited	1,811	100%	934	100%
The number and percentage of all employees and workers (who are not employees, but whose work and/or workplace is controlled by the organisation) who are covered by a system that is audited or certified by an external party	1,811	100%	934	100%

Global harmonised system

Customer health and safety is a focal point at GFL. To serve our global customers we have introduced the Globally Harmonized System of Classification and Labelling of Chemicals.

At GFL we introduced the following:

1. Fluoropolymers (Export oriented) – All the fluoropolymer Products (PTFE/PFA/FEP/FKM/PVDF/ ADDITIVES) with all their grades have GHS SDS (EU-CLP Version)

In the past, we have used a Third Party consultant – TUVSUD for preparation of GHS aligned EU-CLP SDS along with Euro country specific translations.

All the updated EU-CLP SDS and translations are available on our website.
2. For all commercial chemicals at Dahej and Ranjitnagar sites, we have reviewed and updated SDS to align with GHS standard.
3. We have recently purchased SDS Authoring Software – Lisam, to build in-house capacity to create SDS as per EU-CLP & US-OSHA HCS 2021 version of GHS Standard with Translation capacity in all EU-Languages.



Safety and Health Indices

Sr. No.	Year	Trend						Targets & Target Status														
		FY18		FY19		FY20		FY21 Target			FY21 Actual Status			2021-22 Target			2022-23 Target			2023-24 Target		
	Location	DHJ-A	RN	DHJ-A	RN	DHJ-A	RN	DHJ-A	DHJ-B	RN	DHJ-A	DHJ-B	RN	DHJ-A	DHJ-B	RN	DHJ-A	DHJ-B	RN	DHJ-A	DHJ-B	RN
1	Rate of fatalities as a result of work-related injury Contract Labour = (Nos. of fatalities as a result of work-related injury/Nos. of hours worked)*1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Rate of fatalities as a result of work-related injury - Own Employee (Nos. of fatalities as a result of work-related injury/Nos. of hours worked)*1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Fatalities per 100 million working hours (employees and contractors)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Lost Time Accidents - Contract Labour	2	0	4	1	7	0	0	0	0	5	0	2	0	0	0	0	0	0	0	0	0
5	Lost Time Accidents - Own Employee	1	0	3	1	3	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0
6	First Aid Cases - Contract Labour	21	56	54	38	62	12	0	0	0	40	9	207	0	0	0	0	0	0	0	0	0
7	First Aid Cases - Own Employees	9	28	39	24	28	5	0	0	0	10	3	76	0	0	0	0	0	0	0	0	0
8	Incidence Rate ((Number of OSHA Recordable injuries and illnesses X 200,000) / Employee total hours worked))	0.11	0	0.23	0.194	0.67	0	0	0	0	0.21	0	0.11	0	0	0	0	0	0	0	0	0
9	Rate of recordable work-related injuries = (Nos. of recordable work-related injuries/ Nos. of hours worked)*1,000,000	0.54	0	1.13	1.42	1.783	0	0	0	0	1.07	0	0.55	0	0	0	0	0	0	0	0	0
10	Severity Rate (Men days lost *1000000/ Total men hour worked)	20.43	0	132.47	16.06	51.73	0	0	0	0	47.94	0	68.13	0	0	0	0	0	0	0	0	0
11	Rate of high-consequence work-related injuries (excluding fatalities)= (Nos. of high-consequence work-related injuries excluding fatalities) /Nos. of hours worked)*1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Social and Relationship Capital

We are strongly committed to fulfil our social obligations and aspire to build enduring relationships with stakeholders. To build our reputation as a trusted and responsible entity, we follow sound governance practices, abide by compliance regulations and deliver superior quality products that are designed to meet evolving market requirements. With a growing emphasis on promoting safe and eco-friendly products and solutions, we continue to carry forward our sustainability endeavours.

SDGs Impacted

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION
5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS

Material Issues Addressed

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

Stakeholder Engagement

We engage with multiple stakeholders including customers, suppliers, vendors and the society at large during the course of our operations. It enables us to understand their needs and formulate plans to maximise value creation. Through regular dialogue, we have aligned various community development activities to ensure continued growth and development of people.

We conduct periodic meetings, discuss social and environmental issues, share information, deal with stakeholder concerns and grievances to create transparency across the organisation. It also empowers us to efficiently serve various stakeholder groups and foster clear channels of communication.



Social and Relationship Capital

Customers

We offer innovative and eco-friendly products across four verticals - Fluoropolymers, Fluorospecialties, Refrigerants and Chemicals. Our expertise in Fluorine Chemistry enables us to develop, manufacture and commercialize Fluorine-based products, complying with global and regional regulatory requirements. Our vertically integrated operations and the ability to access key raw material enable us to sustain our leadership in the Fluoropolymers segment. The products are used for diverse applications in automotive, modern architecture, pharmaceuticals, chemical processing, energy and telecommunications industry. Moreover, to sustain greener processes and practices, we constantly strive to introduce sustainable and environment-friendly products.

We serve our customers through three manufacturing sites in India, a captive Fluorspar mine in Morocco and wholly-owned subsidiaries in Europe and USA. Our products are widely accepted in international markets and the business is managed through our subsidiaries. Gujarat Fluorochemicals GmbH in Hamburg, Germany & GFL Americas in Texas, USA cater to customers in EMEA and America, respectively. Our regional offices are supported by modern warehouses, robust logistic facilities, technical support teams and a large marketing network.

Customer Spread across regions

Americas



Domestic (India & ROW)



EMEA

FY20	170
FY19	233
FY18	256

Customer engagement

At GFL, we believe in staying in touch with our customers. We strive to maintain open channels of communication through various online and offline modes. This enables us to understand emerging requirements and fulfil customer needs

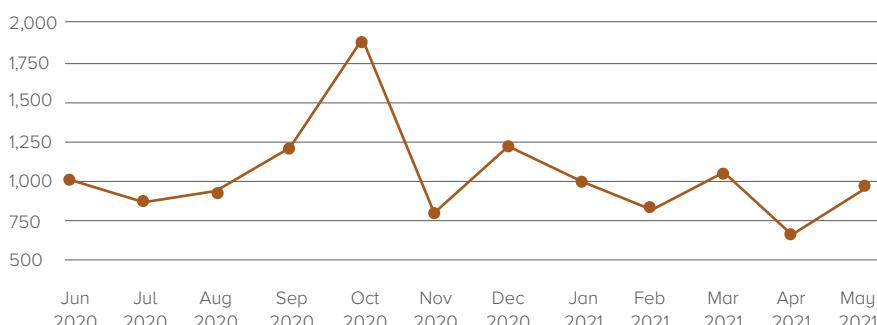
efficiently. The COVID-19 pandemic limited the frequency of site visits and physical interactions/in-person meetings and therefore, we used virtual communication platforms to connect with customers and other stakeholders. It enabled us to ensure business continuity despite disruptions in the supply chain and logistics network. During the year under review, we participated in TPCI INDIA- ASEAN Dyes, Chemical & Ceramic Virtual Fair, 2021 which allowed us to further expand our global footprint.



During the year under review, we continued to leverage social media platforms to further our reach. Our corporate website, five brand websites and two regional websites provide corporate and product information to our external and internal stakeholders. We also provide necessary information about key developments on Social Media. Over the last year, we witnessed a remarkable growth in the number of LinkedIn followers, reiterating our efforts to increase the company's reach and engagement with customers.



LinkedIn follower metrics: June 2020-May 2021



Total followers	New followers	Number of updates	Engagement rate
23,027	12,417	66	3,14%

Customer Relationship Management

Our commitment to work closely with our customers goes beyond complaint resolution. Gujarat Fluoropolymers Research Center (GFRC), engaged in product & application development activities, acts as a bridge between market requirements and manufacturing operations. Equipped with state-of-the-art application development laboratory including DCS operated pilot reactors, GFRC has a team of research scientists & product specialists involved in developing new and innovative products for our diverse clientele. The center focuses on delivering customized fluoropolymer products for novel applications and

the development of manufacturing technologies. The business teams, in collaboration with technical service teams ensure satisfactory resolution of customer complaints through meetings, site-visits and product trials.

We take great pride in the outstanding ratings received through our customer surveys. It is a testament to our ability to produce superior quality products and sustain excellence across the organization. We also facilitate feedback from our customers through our corporate website.

Customer Satisfaction Score*

Year	Quality of products	Quality of technical support	Delivery service & Sales support	Business outlook
2017	81	90	88	87
2018	92	93	93	93
2019	96.84	97.8	98.14	97.8
2020	94	91.50	97.65	96.67

*Rating scale: 1 to 5. Ratings for each criterion are averaged and multiplied by 20 to get the % score.

Customer Privacy & Data Protection

Our corporate website is integrated with Google Analytics. The google analytics report does not contain any personally identifiable Information (PII) that could potentially be used to identify a particular person. The website also uses cookies, and we inform and take consent from first time users to ensure data security.

Please refer GFL's cookie policy to know more about the information that is tracked: <https://gfl.co.in/cookies-policy.php>. Further, all confidential customer information is protected by our non-disclosure agreements with the employees, contractors and service providers.

Product safety & usage information

GFL follows GHS (Globally Harmonized System of Classification and Labelling of Chemicals) and CLP (Classification, Labelling and Packaging) regulation for packaging and labelling. GHS (guidance document) is the United Nation's system of standardization and harmonization of chemical labelling and classification. Currently, UN has revised GHS to GHS (REV.8)/2019. For the products exported to Europe, Safety Data Sheet (SDS) is provided as per CLP regulation and they are packaged in accordance with provisions of IATA/IMDG regulation.

As a responsible manufacturer, we provide relevant Safety & Handling information for products to customers as Technical Data Sheets (TDS) and Material Safety Data Sheets (MSDS). We also inform and educate the customers on safe handling & usage of products during on-site product trials. All technical documents (TDS, MSDS and SDS) are accessible through www.gfl.co.in and respective product websites. Additionally, we facilitate feedback regarding the health, safety and environmental impact of our products, from our customers and business partners through our website: https://www.gfl.co.in/Healthy_and_Safety.php

Social and Relationship Capital

Responsible Sales & Marketing

Conducting our businesses in a fair, ethical, transparent, and lawful manner is one of our key focus areas, in line with our commitment to sustainable business practices. In the year 2020, we established a Responsible Sales and Marketing Management system.

Our Responsible Sales and Marketing (RSM) policy elucidates fundamental principles through which our business and marketing teams function. Regular trainings and discussions are undertaken to understand and abide by the policy, ensure its efficacy and provide opportunities for relevant improvements as per changes in the business environment. Our business teams sign mandatory declaration confirming their acceptance of the policy and follow fair business practices in principle and practice. For detail on our Responsible Sales and Marketing policy please visit: <https://gfl.co.in/upload/pages/2c08b0b1ad9e4a2348679a0f9ec2a869.pdf>

2020

Responsible Sales and Marketing policy

2020

Training for Ethical and fair business practices

2020

Declaration by the employees

2021

Risk Assessment across processes

Further, we also conduct regular internal audits across offices and product lines to ensure that our sales and marketing processes are in line with the Anti-trust

& Anti-competitive laws of the countries in which our businesses operate. Also, our business teams are trained to understand and follow these laws as per the company policy.

Particulars	Incidence
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	None
Incidents of non-compliance with regulations resulting in a fine or penalty	None
Incidents of non-compliance with regulations resulting in a warning	None
Incidents of non-compliance with voluntary codes	None
If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	N.A.

Suppliers and Distributors

At GFL, we have established a long standing relationship with our suppliers and vendors that enable us to ensure smooth conduct of our daily operations. Further, we also support local vendors and contribute towards the country's economic growth.

Vendor Classification by Type of Material & Services

Number of Vendor	Packaging Material	Raw Material	Engineering Capital Equipment/ Spares	Services – Technical	Services – Administrative	Contractor/ Service provider	Total Number of Vendors
FY21	65	316	1209		748		2338
FY20	61	243	995		494		1793



Vendor Classification by Type of Material & Services

Location	FY21			FY20		
	Number of Vendors	% of Vendors	% of Procurement Budget	Number of Vendors	% of Vendors	% of Procurement Budget
India	2143	91.66	72.34	1655	92.30	58.37
Far East Asian Countries	32	1.37	9.55	26	1.45	14.17
RoW	9	0.38	3.59	6	0.33	8.67
America	35	1.50	3.42	23	1.28	10.98
Europe	60	2.57	3.18	48	2.68	1.70
China	59	2.52	9.55	35	1.95	6.12

Our Sustainability Policy

Our Sustainable Procurement Policy and Code of Conduct for the Suppliers, Vendors and Third Parties, is applicable to all purchases of goods and services and establishes how we conduct business with our Suppliers, Vendors and Service Providers. It also enumerates the expectations we have from our Suppliers, Vendors and Service Providers, in terms of the way they conduct their business.

It outlines our expectations with regard to ethics, business integrity, human rights, health and safety, environment, the local community and quality of product and operations.

GFL intends to integrate sustainable development into our procurement strategy, our day-to-day operations and relationships with Suppliers, Vendors and Service Providers. All our group companies are required to identify, prevent and manage risks pertaining to Health and Safety, Social Responsibility and Environment in their supply chain. Our policy is available on GFL website at <https://gfl.co.in/Sustainability.php>. Our Procurement Practices are governed by the above policy. Detailed SOPs are defined for each phase in the Sustainable Procurement cycle.

We have established an internal management, developed and

implemented various policies and practices, assigned responsibilities, set up goals and targets and allocated resources to address material issues in this topic. Keeping in view the business imperatives of GFL, we prepare a well-defined business plan which includes the following supply chain considerations:

1. Analysis of markets we serve,
2. Material and services we require to meet the cost, quality & delivery challenges
3. Consideration for the regulatory framework where we need to operate, and
4. Understanding our Stakeholder requirements.

The Supply Chain of GFL is responsible for ensuring implementation of sustainable procurement policies, processes and practices. It identifies stakeholder expectations in this regard.

Based on the business environment and stakeholder expectations, a sustainable procurement strategy is formulated covering policies, targets & deliverables, taking into account the opportunities and challenges in this realm. Vendors are identified, evaluated and service contracts are signed based on their capability and performance. GFL has identified the risk associated with

Sustainable Procurement and has put in place a Mitigation Plan which is also a part of the Sustainable Procurement strategy.

Scope of Sustainable Procurement

The Sustainable Procurement function supports the business by providing raw material, packaging material, spares, services, capital equipment etc. on the basis of customer requirements. GFL believes in localization of suppliers and therefore, most of its suppliers are from India.

GFL has categorized into 3 different categories based on two criteria:

1. Business Impact – High, Medium, Low
2. Value Impact - High, Medium, Low

To ensure focused and effective Sustainable Procurement Management, GFL has decided to implement the various aspects of Sustainable Procurement for the high-risk high value vendors before implementing it across the value chain.

Social and Relationship Capital

Vendor Classification - Risk/Value

	FY21			FY20		
	High Risk High Value	Medium Risk Medium Value	Low Risk Low Value	High Risk High Value	Medium Risk Medium Value	Low Risk Low Value
Number of Vendor	249	250	1839	318	114	1361
% of Vendors	10.65	10.69	78.66	17.68	6.36	75.96

Sustainable Procurement Governance Structure

The Management demonstrates its commitment to sustainable leadership by remaining accountable for the effectiveness of the sustainable procurement process and reviews company objectives and functional objectives. It provides resources and periodically reviews achievements vis-à-vis set targets.

The 'Sustainable Procurement Committee' is held accountable and responsible for the implementation of Policies, Processes & Practices. The Company's Sustainable Procurement Committee comprises of the following incumbents:

1. Chief Executive Officer of the Business
2. Chief Finance Officer of the Business
3. Unit Head or Site Head/Functional Head as the case may be
4. Group Chief Commercial Officer
5. Members of the Supply Chain Team who are involved in Purchase

Building capabilities – For In house Team and Suppliers/Vendors

The roll out of the Sustainable Procurement Policy at GFL was initiated through a structured communication and

capability building program involving the in-house team and the Suppliers and Vendors. Suppliers were informed about the policy and adherence declaration for the same has been sought from them. Moreover, GFL extended support to its vendors for creating awareness on Sustainable procurement by conducting multiple webinars.

The Procurement Team was also informed about the Sustainable Procurement policy and adherence declaration was sought from them. An awareness program on Sustainable Procurement was also arranged for this team.

Particulars	Suppliers covered (High Risk High Value & Medium Risk Medium Value)				Own Employees			
	FY20		FY21		FY20		FY21	
	Number	%	Number	%	Number	%	Number	%
Sustainable Procurement Policy communicated	432	100	499	100	42	100	42	100
Sustainable Procurement Adherence Declaration	93	21	160	32	42	100	42	100
Sustainable Procurement Awareness Program Attendance	186	10	371	16	33	79	42	100

Digital Platform for Supplier Assessment on Sustainable Procurement

Abiding by environmental, social and ethical codes of conduct form an important part of the Procurement process and it helps to build a competitive advantage for the company as well as its business partners. To ensure conformity to ISO20400 standards, the

Company opted for a third-party audit and launched a digital supplier Audit tool with the help of DQS- AUDIT ORGANISER 4.0 (Enterprise Audit Management).

GFL partnered with DQS to implement the DQS-NEXT Supplier Audit Management Platform for its business partners. This will help the Company to manage a wide range of audit-related activities, data and processes through a centralized

application. This platform is progressively used to cover all existing & new suppliers, evaluate and review the sustainability performance of the Sustainability criteria.

This platform covers various sustainability dimensions requesting the respondent to answer questions on those dimensions and upload confirmatory documents for self-rating. Based on the response, GFL conducts audits and provides ratings. The platform covers all aspects of our Sustainable Procurement policy.

Detail	FY21	
	Number	%
60% of Existing High-Risk High Value Suppliers as per ISO 20400 covered under Self-Assessment through DQS-NXT	68	100
60% of Existing High-Risk High Value Suppliers as per ISO 20400 Already Audited	19	28
60% of Existing High-Risk High Value Suppliers as per ISO 20400 Self Evaluation received (under review)	17	25

As a policy, GFL does not audit Suppliers publishing their Sustainability report. 18 such High risk and High value suppliers have been identified who are not a part of the GFL Audit process.

Regular Audit is conducted at GFL as a part of Supplier Evaluation program. In case of any significant negative impact, GFL follows a supplier and contractor blacklisting policy. Till date, no such supplier has been found, having a negative social or environmental impact. No supplier has been terminated on these grounds, as of 31st March 2021

Green Procurement Initiative

We have established 'Green Procurement' guidelines that promote environmental management across the supply chain to deliver environmentally responsible products.

We intend to continue our leadership in 'environmental management' and contribute to a healthier global environment as a responsible citizen. During the Reporting period, various initiatives were undertaken in the Green Supply Chain:

- 1) Import of Bulk Raw Materials from Local ports results in reduction of fuel costs and reduced emissions

Product	Earlier	Now	App distance reduced
Methanol	Kandla	Hazira	350 kms
Fourspar	Mumbai	Hazira	500 kms
Chloroform	Kandla	Hazira	350 kms

- 2) a) Importing coal at Dahej port instead of getting it from Nagpur. This has resulted in drastic reduction of Fuel costs and has also minimized Emissions.

- b) Use of Indonesian Coal due to 7% ash content, which is comparatively much lower than the 36% ash content of Indian coal.

- 3) Supply of Fly Ash to Brick Manufacturers to reduce pollution.

- 4) Procurement of Salt from local suppliers to avoid fuel costs.

- 5) Compulsory use of Tarpaulins for transportation of materials such as Salt, Coal and Gypsum to avoid air pollution.

- 6) Usage of higher capacity vehicles in place of small capacity vehicles to reduce emissions and fuel consumption.
- 7) Stopped hiring vehicles that are older than 5 years
- 8) Increase in the sale of HCL to local customers to reduce fuel consumption.
- 9) Discontinuing printouts of office documentation to save paper
- 10) Replacement of plastic cups in canteens and offices with ceramic cups to limit plastic and paper consumption.
- 11) Instead of sourcing bulk Raw Materials such as Salt and Sulphuric Acid from Kutch, Morbi, Bhavnagar, Panoli etc, it is sourced from places near Dahej.

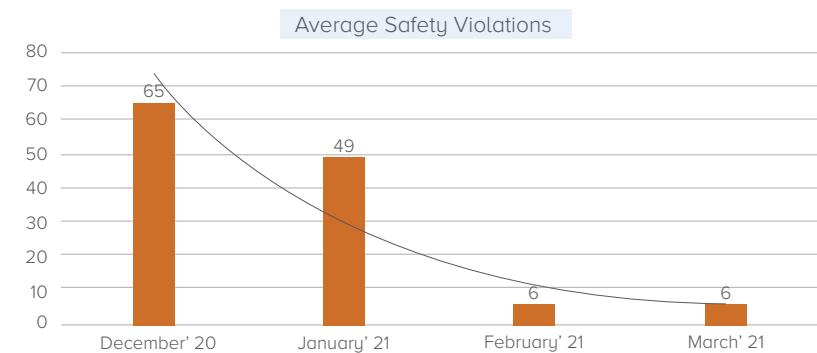
Vehicle Tracking System

As part of our Green initiative to reduce carbon emission and minimise hazards, we have integrated our logistics systems with a GPS enabled vehicle tracking system. Through this system, we can track upstream and downstream vehicles, ensuring the safe passage of vehicles and material handling across the length of the supply chain. It also enables prompt emergency response in case of incidents on the way.

GFL uses a third party service provider, LCS Services India Pvt Ltd, to monitor upstream & downstream vehicle movement in real time.

Social and Relationship Capital

Monthly Trend in Transporters Safety Violations



Average Shipments per month

190

This Graph depicts the Trend in average Safety Violations of Transporters Monitored by CR Team by the means of Manual Tracking.

RFID System

To improve security, traceability and reduce hazard risk, we aim to implement the RFID vehicle tracking system very soon. All downstream and upstream vehicles tracked through RFID will be issued cards at the time of entry to GFL premises. This also includes men less weigh bridge.

RFID Readers within the premises of GFL will also ensure filling and unloading of vehicles at correct points. This will prevent the possibility of loading / offloading material at wrong tankers / tanks, thereby avoiding hazards.

Any vehicle deployed at GFL for upstream material sourcing, undergone through checking process based on vehicle master data in GFL SAP system. We have implemented a vehicle checking program to verify validity of various mandatory certificate, before entry in GFL premises for loading. Any vehicle which does not pass the criteria is not allow for entry and loading.

Distributor Meet

To expand the business of Fluoropolymer Additives in some key markets, Gujarat Fluorochemicals GmbH (GFG) organized a Distributor Meet from 7th to 9th, October 2020. GFG entered three distributorship agreements during the meet, effective November 1st, 2020.

Distributorship agreements

Name of distributor

IMCD Deutschland

Product & industry

INOLUB™ PTFE Micropowders – Lubricants and Greases

Market region

Germany

Name of distributor

CAME S.r.l

Product & industry

INOLUB™ PTFE Micropowders

Market region

Italy

Name of distributor

Banner Chemicals (Samuel Banner & Co.)

Product & industry

INOLUB™ PTFE Micropowders

Market region

United Kingdom and Ireland

Government and Regulatory Bodies

At GFL, we are dedicated to follow the law of the land. We also strive to maintain healthy relationships with governments and industrial bodies in different parts of the world. Along with this, we are constantly striving to contribute to the overall growth of the industry and the nation. We achieve this objective by paying taxes, supporting various government initiatives such as 'Make in India' and 'Aatmanirbhar bharat', operating our business ethically and ensuring good governance practices. Our ability to advance the government's social and economic development agenda through our CSR initiatives in impoverished communities also helps us to build stronger bonds. We are also an active member of various industry bodies and association. Through our active participation and interaction with regulators, we ensure compliance with changing regulatory requirements and make necessary changes, whenever required.

₹ 121 crore

Contributed to exchequer in FY21



We are an active member of the following trade associations:

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

Shareholders and Investors

We create value for our investors and shareholders through consistent financial returns in the form of dividends and increased share price. Effective management of our financial resources and appropriate capital allocation also enables us to empower our shareholders and investors. Our investor relations and secretarial teams constantly engage with these stakeholders through multiple platforms including quarterly investor meets, annual general meetings and emails. Our interaction with them allows us to understand their expectations, address queries and resolve grievances. Our ability to effectively communicate with the investor community and conduct our business in an ethical and transparent manner makes us an investor-friendly company.

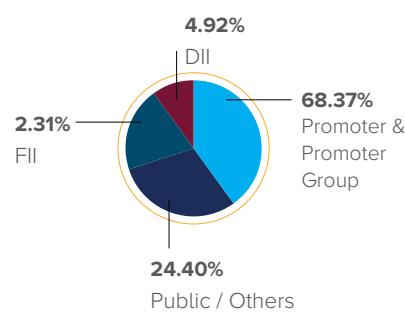
4

Grievances lodged by the investors/ shareholders and resolved in FY21

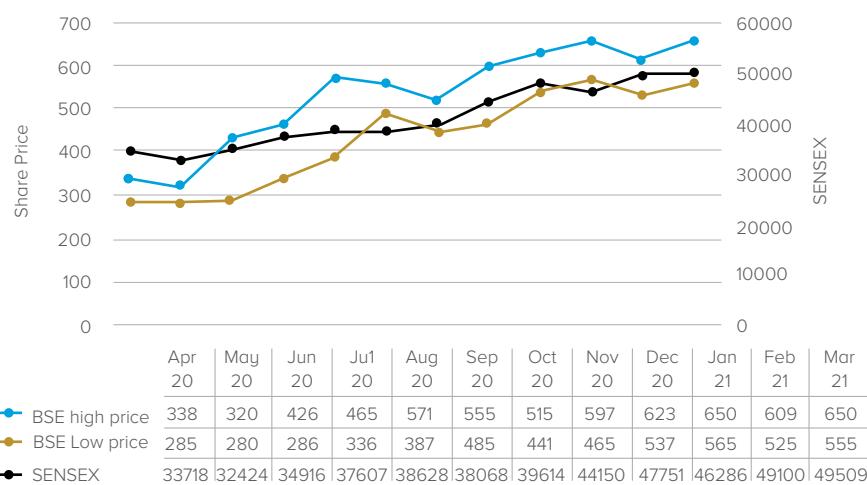
12.17%

RoCE in FY21

Shareholder mix



Share Price Performance for FY21



Industry and Institutional Engagement

At GFL, we also engage with various institutes/universities to build mutually beneficial relationships that lead to productive collaborations. During the year under review, we engaged with partners through campus interviews, guest lectures, summer internships, industrial visits and campus recruitment drives that help us to attract talent from the best universities in the country. We also have a pool of scientists and engineers from reputed Indian institutes like Manipal University (Jaipur), CIPET (Chennai), GMRIT (Andhra Pradesh), HBTI etc.

We have an intellectual collaboration agreement with Manipal University

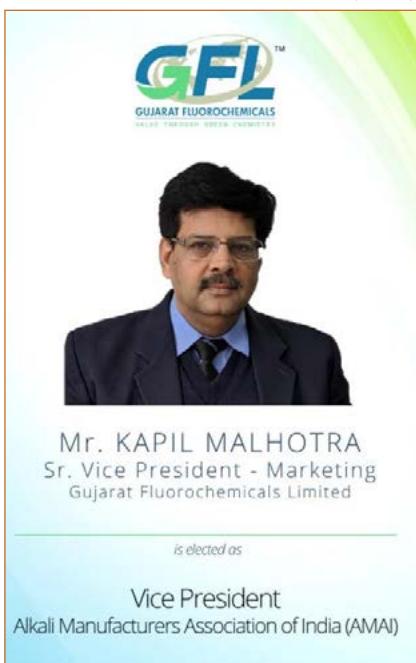
(Jaipur) and Indian Institute of Technology, Delhi. During the year under review, we have also engaged with institutions such as Amity Education Group, NTPC Management School, Chemtech Foundation, Bharuch District Management Association, Trade Promotion Council of India, Indian Chemical News and Indian Chemical Council member companies. Further, we are also a part of the Young SDG Innovators Programme (YSIP). This is an opportunity for participating companies of the UN Global Compact to identify young talent within their organisations to foster collaboration and accelerate innovation to meet the objectives of the Sustainable Development Goals (SDGs).

Social and Relationship Capital



Our employees actively engaged in various forums and associations

Mr. Kapil Malhotra – Business Head, Fluoropolymer has been elected as the new Vice President of Alkali Manufacturers Association of India (AMAI).



Ms. Jyoti Chauhan, Chief Manager – Intellectual Property Rights, has been appointed as Council member at National IPR council of WICCI - Women's Indian Chamber of Commerce and Industry, and Technical member at National IPR Council, ASSOCHAM (The Associated Chambers of Commerce and Industry of India). She has also been recognised as 'Powerful Women in IP-2021' India Jurisdiction by World IP – Forum.



Dr. Sunil Bhatt, Vice President – HR & Admin, Dahej is the Honorary General Secretary, Dahej Industries Association, Dahej, Bharuch. He is also the Vice President of the Dahej Eco-friendly society and Chairman of HR Forum of the Bharuch District Management Association.



Other Virtual Events/Accomplishments

Event name	GFL representation
Interview - India Business & Trade, an initiative of Trade Promotion Council of India.	Mr. Kapil Malhotra Sr VP- Marketing
Achieving Safe Operations – Role of Leadership, CEOs session of Indian Chemical Council member companies.	Mr. Prashant Ogale Chief Operating Officer (Fluorospecialty Business)
How companies in India are approaching safety & sustainability - Specialty Chemical Chemtech World.IE 2021 By Chemtech Foundation	Mr. Kapil Malhotra Sr VP- Marketing
Digital Lessons from 2020: Preparing for the New Normal' by Indian Chemical News	Mr. Sanathkumar M Executive President
Has import substitution strategy worked for India? Challenges and road ahead' by Trade Promotion Council of India.	Mr. Kapil Malhotra Sr VP- Marketing
Safety Foundation – Key for Business Excellence by Bharuch District Management Association	Mr. Sanathkumar M Executive President



Social Capital

Our social initiatives are designed to address the needs of communities and uplift the society at large. Through regular dialogue with community members, we strive to bring about positive change within society.

GFL's CSR Policy is dedicated to maximise value creation within society and in communities where we operate. We therefore, undertake projects that fulfil our obligations towards society and empower people to lead dignified lives. As a responsible corporate, our activities adhere to Schedule VII of the Companies Act, 2013. For more details please visit our website i.e. www.gfl.co.in

We abide by the United Nations Global Compact and support the Sustainable Development Goals (SDGs). Therefore, our CSR projects revolve around the SDGs and UNGC principles. Out of 17 SDGs, our CSR activities are aligned with 16 SDGs.

₹1,157.23 lakh

Invested in FY21

Objective of CSR activities

- Ensure compliance to UN SDGs.
- An increased commitment, at all levels of the organisation, to operate the business in an economically, socially, and environmentally sustainable manner, while recognising the interests of stakeholders.
- Directly or indirectly take up programs that benefit communities in and around our areas of operation to improve the quality of life and ensure economic wellbeing of local communities.
- Help to foster a positive and socially responsible image of the company.

Community Stakeholders

We partner with local communities and various government and non-government organisations to extend the reach of our CSR programs. Our stakeholders include:

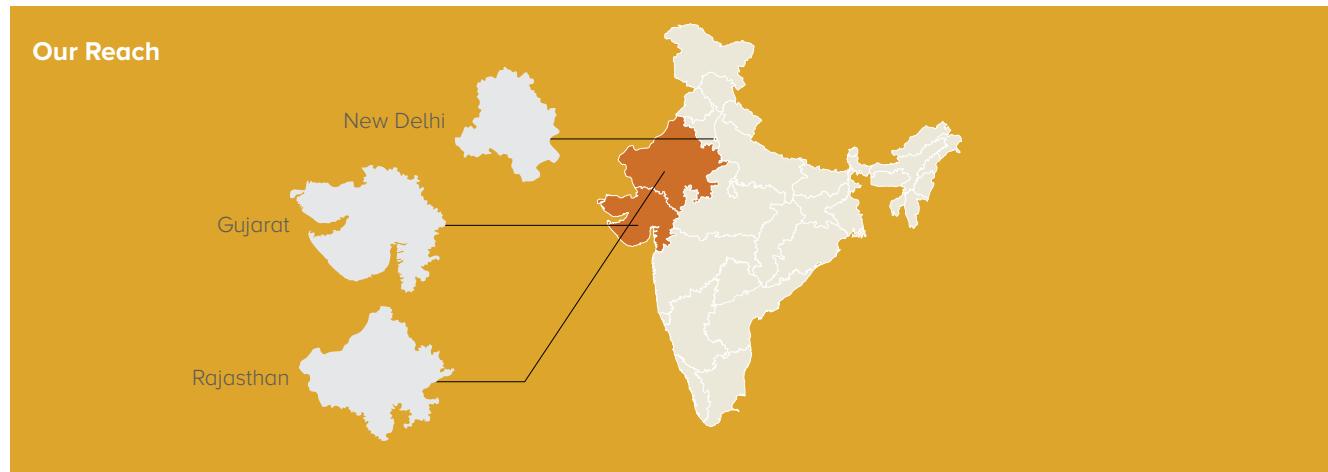
- Communities
- Self Help Groups
- Panchayat Raj Institute
- Local Schools, Hospitals, ITIs
- Government authorities (District administration, Police, Environment, Health, agriculture animal Husbandry, Rural Development Department and Education Department)
- Opinion Leaders and Community Influencers
- Various non-profit partners (Help Age India, Red-Cross, Bharatiya Agro Industries Foundation (BAIF), Sankara Eye Hospital, Jan Sikshan Sansthan, United Way of Baroda, Times of India foundation, CII, Deepak Foundation, Charitable Trusts)
- Media
- Employee Volunteers

Our Areas of Intervention



Social and Relationship Capital

Areas of intervention	Partners
Education	Gram Panchayat Ranjitnagar, Social Welfare & Education Society, Arya Consultancy, Aspire Tech Industries.
Skill development	Mission Mangalam (GoG), Gram Panchayat Ranjitnagar
Sustainable Agriculture Development	Government Agriculture Department, Gram Panchayat, Shivam Vermin Culture, Farmer Training Institute dept (GoG)
Health and well being	Shankra Eye Hospital, Deepak Foundation, Help Age India, Referral Hospital Ghoghambha, CHC and PHC Centre Ranjitnagar, Red cross society, Halol Mahajan Hospital, Gram Panchayat .
Animal Health	BAIF, Government Animal Husbandry Dept , Gram Panchayat
Water Management	Government Irrigation Department, Gram Panchayat , Mr. Durlabh Kamaria Civil Consultant.
Environment	Gram Panchayat Ranjitnagar, Government Forest Department, Nisarg Horticulture , Shivam Vermin Culture,



Highlights for FY21

Healthcare & Wellbeing



Ensuring the health and well-being of our stakeholders has always been a priority at GFL. Especially after the Covid-19 pandemic outbreak, it became a necessity. We, therefore, continue to undertake initiatives that take quality healthcare services closer to people. We organise health camps, offering free medical services to marginalised communities, distribute medicine through Community Health Centres, offer adequate medical equipment and conduct health awareness programs to ensure the health and safety of people.

Our programs also shed light on issues related to menstrual hygiene and impart healthcare training to people in local communities. Further, our mobile healthcare project – SWASTHAYAM continues to provide preliminary healthcare treatment free of cost.



**Impact created****~80**

Women benefitted from gynaecological and infertility treatment

~117

People attended Antenatal care (ANC) and Postnatal care (PNC) mega camps

~1468

People have benefitted through overall awareness programmes

650

Adolescence girls benefitted from menstrual hygiene awareness sessions, distribution of sanitary pads, vending machines and incinerators

~5,792

People treated under the 'Swastham' project

Education

We continue to take initiatives for improving the quality of education among marginalised communities and strive to reduce school dropouts. We offer scholarships, study materials and make provision for trained teachers, clean drinking water and sanitary pad vending machines with incinerators in various schools. Along with it, we make arrangements for teacher training, organise awareness programs, construct classrooms, stages and shades in schools and provide basic computer training to teachers. We have also been an active participant in the government's Swachh Bharat Mission, Swachhata Hi Seva, Kala Mahakumbh program and it enables us to encourage cleanliness, hygiene and sanitation within communities.

Success Story

This 40 year old school enrolls 400 tribal students, offering residential facility for students from Standards 8 to 12. Children studying in this school were facing severe problems due to its dilapidated structure and it became particularly difficult for them during the winter and rainy seasons, when the damaged roof started to leak. GFL has completely renovated the school to benefit the children studying in the school.

**Impact created****47**

Schools covered

Students impacted due to

Supply of Study Material

18,052

Support for Quality Education

450

Infrastructure development and other activities

5,821

Social and Relationship Capital

Environmental Sustainability

At GFL, we continue to contribute towards the betterment of the environment through tree plantation drives. More than 4500 plants have been planted on 3 acres of land, developed in Ranjitnagar village. With continuous efforts to increase the green cover, we ensure proper maintenance of the trees, undertake efforts to keep the biodiversity of the area intact and replenish the water table. The afforestation drive is carried out in partnership with the local village panchayat, enabling us to create a collaborative and sustainable model.

4,500

Trees planted



Skill Development



We have created skill development centres affiliated by the Ministry of Skill Development, at Ranjitnagar in 2020, with an aim to empower unemployed tribal women. It not only helps them to be confident but, also allows them to be self-reliant. During the three month training, women are enrolled in stitching courses. After training, they receive certificates, under the Jan Sikshan Sansthan, to avail government benefits. 160 women have been trained so far and 120 women have started businesses from their home, earning ₹ 3000 to ₹ 5000 per month. 5 women have also been placed in a

textile company and they earn monthly salaries of ₹ 10,000 to ₹ 12,000. 35 women have achieved financial stability and are ensuring the higher education of their children, thereby helping to reduce school dropout rates significantly.

80

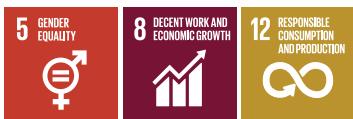
Women Trained in FY21



Success Story:

Solanki Parvatiben Jasvantbhai, a 30 year old woman, was trained at the GFL Skill Development centre. She completed basic tailoring training and enrolled for the advanced course. During her training, she learned the basics of stitching, embroidery work for children's dresses, trousers, designer blouses etc. After her training, Parvatiben started getting orders from villagers. She earns ₹ 5000 per month from her tailoring business.

Sustainable Livelihoods



With an endeavour to encourage women from economically weak families to acquire new skills and boost their self-confidence, we have started a Handicraft Centre at Ranjitnagar village with 20 women. Special trainings on costing, designs and visual merchandising are provided, empowering women to explore better livelihood opportunities. In order to keep them abreast with latest fashion, they are encouraged to participate in various activities. The initiative also encourages the use jute bags as an eco-friendly alternative to non-degradable material.

20

Women benefitted

Success Story:

Parmar Pravinaben Vinodhai completed jute product making training at Ranjitnagar Handicraft Centre. During the training she learnt to make different types of jute shopping bags, Laptop bags, Water bottle covers, file folders etc. After completing her training, she started to get orders from Ranjitnagar Handicraft centre. Today, her monthly earning is ₹ 3000 to ₹ 5000.



Sustainable Agricultural Development



Around our areas of operation, 85% of the population is dependent on agriculture as the primary source of livelihood. However, productivity of farms are very low due to lack of knowledge about seeds, fertilizers, pesticides, and limited ground water availability. To address these challenges and/or to promote sustainable agriculture, GFL is supporting farmers with expert advice from Krushi

Mahiti Kendra, enabling organic farming and drip irrigation facilities. Various on-site and class room trainings are also organised for the farmers.

18

Farmers are now using organic pesticides instead of chemical fertilizers

1,989

Total farmers benefitted

1519

Farmers benefitted with information/training about crop and pesticide management

5

Farmers have adopted organic farming



Social and Relationship Capital

Success Story:

Bachubhai Rathwa a 45 year old man had joined the GFL farmer club 2 years back. He attended training sessions related to sustainable agricultural practices, organised by GFL. Inspired by the vermin compost making training for organic farming, he decided to implement it in his own farm. He produced 90 kg fertilizer with this method and used it in his 1.5 acre land to produce maize and cotton during the monsoon season. He successfully improved yield with his organic farming technique. He also saved ₹ 2500 to ₹ 3000, which is generally spent on the use of chemical fertilizers.



Animal Husbandry



The Animal Husbandry Business Development Program helps people to adopt practices that ensure profits without compromising the health of animals or the land. Due to lack of information, cattle breeders were not aware of pure and mixed breeds of cattle, affecting milk production to a large extent. Besides, improper treatment of livestock and inadequate fodder management also affected people involved in animal husbandry.

To alleviate these problems, GFL organised special treatment camps for animals and arranged expert visits to

villages. With the guidance and training of animal husbandry experts, BAIF has helped to enhance skills and improve the prospects of people involved in this business.

3000+

People benefitted

242

Villagers benefitted from animal husbandry training programs

230

cattle owners

864

cattle benefitted from mobile dispensary vans and cattle camps

Success Story:

Shankarhai Koyabhai Vankar has a 5 year old bunny bread buffalo who produced 7 litres of milk per day. He attended the Cattle camp organised by GFL CSR team. At the camp, he came to know that his buffalo would not be able to conceive and deliver offsprings. With the intervention of experts, Anoestrus Treatment was provided to the buffalo and she gave birth to a healthy baby.





Public amenities & Social Infrastructure



Social infrastructure is essential for the overall development of a village. GFL continues to undertake various initiatives to improve local infrastructure with the construction of community halls, common areas for accessing drinking water and building boundary walls around different places. Additionally, initiatives for building school compound walls, renovation of co-operative organisations and development of Cooperative Sahkari Mandli was undertaken. We also helped to install solar lights and engaged in cleaning initiatives within communities.

GFL has also sponsored mass marriages, offered support during funerals, supplied community kitchen utensils and delivered sport kits to the youth.

18,794

Total beneficiaries

17,148

People benefitted through need based infrastructure development

1646

Students benefited from school infrastructure development

3038

People benefitted due to installation of solar lights

Success Story:

To provide shelter to homeless and underprivileged people, GFL's Dahej unit engaged in the construction of concrete homes with basic amenities. It allowed people from nearby villages to get a pucca house. GFL has constructed 7 Awas with toilets and bathrooms. (5 houses at Ambheta village and 2 houses at Jageshwar Village).



Social and Relationship Capital

Water Management



15,275

People benefitted

Water is a key focus area for us at GFL. To overcome the problem of water scarcity in the areas around our Ranjitnagar Plant, we engage in the construction of check dams and pond desalting projects. We also collaborate with the Gujarat government's Sujalam Sufalam scheme to benefit villagers.

More than 3450 villagers have directly benefitted with access to clean and safe drinking water. The pond desalting project has also improved the groundwater table, which has come up to 90 feet, thereby improving the quality of water.

Success Story:

The residents of Nathkua Village suffered from acute water scarcity throughout the year. To provide stable supply of water for agricultural practices and domestic use, GFL has constructed a check dam for Nathkua Village. It has enhanced the storage capacity to 18215 CUMT. It will also improve the groundwater levels in an area covering a circumference 4.37 Sq. Km. and can supply irrigation water to 379.26 acre land. 188 farmers benefitted from the project and 192 bore wells were rejuvenated with the check dam.





Recognition

With our continuous focus on various community development Initiatives, we are supporting the UN SDGs and have earned accolades from local communities as well government agencies. Besides, GFL's initiatives on Women's Empowerment was showcased by the Times Group, a leading publishing house, on International Women's Day.





Natural Capital

At GFL, we recognise our responsibility towards the environment and it goes beyond legal and statutory requirements. Since our inception, we are committed to reducing the impact of our operations on the environment and are constantly striving to improve our environmental performance as an integral part of our business strategy.

SDGs Impacted



Material issues addressed

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

Strategic focus area



Sustainability at the core

We realise the importance of addressing environmental challenges. We are conscious of our environmental footprint and are committed to make our business sustainable. We evaluate the environmental impact of our operations, implement eco-friendly technology and adopt measures to mitigate concerns. We have also collaborated with United Nations Global Compact (UNGC) and Science Based Targets Initiative (SBTi) to promote sustainability and remain committed to prevent climate change. Additionally, our CDP report transparently reflects our approach to environmental sustainability and we have improved our CDP score from D to C in 2019-20.

We have set up a SARS Committee to address climate-related issues. The prime responsibility of SARS is to drive, review and provide direction to all social accountability, regulatory, compliance, sustainability, health, safety and environment initiatives. The Committee is chaired by the CEO of the Company. GFL has an Environment Sub-Committee at the plants, offering valuable suggestions and guidance to the Management to address Environment and Sustainability implications and duly fulfil new strategic initiatives, budget requirements, audit actions and improvement plans.

GFL Corporate Environment policy aims to align itself with local regulatory guidelines. To ensure steady improvement of environmental performance, the Company is adopting voluntary standards such as ISO 14001, Responsible Care, SBTi and CDP. The Company's commitment towards its Environment management programs follow a top-down approach, with the senior management persistently working towards establishing, demonstrating, sustaining and inculcating eco-friendly practices in day-to-day operations.

Natural Capital

Environmental Compliance Framework

Keeping environmental stewardship at the core of our operations, we have implemented business practices that focus on Environment and Sustainability (EHSS) performance and ensures positive environmental, social and governance (ESG) performances.

Over the years, we have emphasised the importance of Environment, Health and Safety (EHS) and it is clearly reflected in our sustainable policies and our efforts to maintain a green supply chain. We take appropriate steps to ensure the safety of our employees and the community and undertake measures to preserve natural resources.

To achieve EHS excellence, we have adopted a top-down approach to enhance the impact of EHS initiatives. In order to ensure efficiency in the process, we encourage active employee consultation and participation. Caring for the environment is a core corporate premise at GFL and we remain committed to undertake requisite capital expenditure through process improvements as well as up-gradation of environmental

management facilities, using latest technology to reduce our environmental footprint. While solutions for reducing waste continue to be implemented, we are also making progress on minimising waste at source.

With a focus on driving operational efficiency and reducing our carbon footprint, we have implemented robust systems and processes. Our manufacturing units are ISO: 9000, ISO: 14001 and ISO: 45001 certified. Besides, we conduct regular compliance audits to fulfil legal obligations. In FY21, we did not receive any non-compliance notice from government agencies or authorities.

United Nations Global Compact (UNGC)

The UNGC is a non-binding pact for encouraging businesses worldwide to adopt sustainable and socially responsible policies and report its implementation.

We are a signatory of the UNGC that promotes 10 principles in the areas

of human rights, labour standards, environment and anti-bribery. We have been preparing and uploading the Communication on Progress (COP) report since last year and have included updates from all segments of GFL.

Carbon Disclosure Project (CDP)

CDP is a not-for-profit organisation that facilitates the global disclosure system for investors, companies, cities, states and regions for taking urgent action to build a truly sustainable economy by measuring and understanding their environmental impact. It has developed a system that leads to engagement on environmental issues and provides guidance for climate change reporting. It also enables companies to evaluate their sustainability performance.

Since 2018-19, we are reporting the CDP on Climate Change. It demonstrates our commitment towards sustainability as we aim to foster transparency of our operations through better reporting. Further, water security is also being reported under CDP for year 2020-21.

Material

Apart from energy and water, raw materials also play an important role in our core manufacturing processes. We ensure efficient use of resources and consume recycled material, wherever possible.

This enables us to reduce the impact of our products on the environment. Further, we also lay significant emphasis on packaging material. After conducting a feasibility study, we have implemented the use of wooden pallets instead of plastic or glass. Wooden pallets are biodegradable and can be easily recycled, making it an eco-friendly choice.

Sustainable packaging plays a critical role in protecting our products during transit. It not only ensures the security of products but, also avoids unnecessary wastage. Thus, we focus on:

- Minimising the amount of material used
- Using material produced from recycled or renewable sources
- Utilising material that can be recycled.

We consistently evaluate and monitor the environmental impact of our packaging material and strive to make improvements to our existing product range.



Emission Management

At GFL, we constantly undertake initiatives that empower us to reduce emissions. We have also taken remedial measures to adopt strict carbon discipline to minimise our carbon footprint. CO₂ emissions from our operations are among the lowest in the chemical industry. Moreover, India's voluntary emission reduction commitment, reiterated through regulatory norms such as Perform, Achieve and Trade (PAT) and Renewable Energy Purchase Obligation (RPO) have further helped us to improve our efforts. We are continuously trying to reduce our company's CO₂ emissions and aim to benchmark it against the global chemical industry.

Our sustainability efforts have helped to considerably reduce the amount of carbon emissions. To manage our carbon footprint and achieve our emission reduction goals, we have strategized a number of interventions to reduce transportation needs and fuel consumption. We continuously monitor and manage emissions from logistics, to implement customised interventions for reducing the carbon footprint. The following steps have been taken to reduce our carbon footprint:



During the year under review, we reduced our coal consumption by 8.7% YoY and continue to encourage the use of Natural Gas as a green fuel for generating energy and reducing GHG emissions.

GHG emissions

Measuring and disclosing greenhouse gas (GHG) emissions transparently is an important step towards reducing our carbon footprint. While our absolute Scope 1 and Scope 2 emissions declined during the year, our target is to reduce our combined Scope 1 and 2 emissions further. To achieve this objective, we have taken initiatives to increase the use of CNG instead of coal and it has drastically reduced our GHG emissions.

During the year, we have taken the following initiatives to reduce Scope 2 GHG emissions:

- Optimised pumps and motors for efficient power consumption
- Used synchronisation of chillers
- Prevented operation of idle lights and equipment through process optimisation
- Replaced conventional ceiling fans with energy-efficient fans

Key Highlights

- Reduction of Scope 1 GHG emissions by 13960 tCO₂ in FY21, in comparison to FY20.
- By using more renewable energy, our Scope 2 emissions have reduced by 22% YoY
- Scope 1 and 2 GHG emission reduction by 10%

Air emission and pollution

GFL has taken several steps to reduce air emissions by adopting new technologies and increasing its reliance on green chemistry. We also continuously monitor emissions of SOx, NOx and particulate matters at all identified stacks and vents, leading to a significant reduction of air emission.

We have also undertaken necessary steps to manage and reduce air pollution caused by our operations. We have installed online monitoring systems, adhering to standards set by the Air Pollution Control Board. We also align our activities with the National Ambient Air Quality Standards by monitoring ambient air twice a week.

Electrostatic precipitators have also been installed in power plants for refining fine particles, dust and smoke from flue gas stack. We also have a coal dust suppression system, cyclone separator, bag filter, low NOx burners and scrubbing system in each of our production processes for reducing air pollution. Besides, we also engage in regular cleaning of roads with vacuum cleaners and encourage tree plantation around areas used for coal storage.

Energy Management

Energy management is one of our core concerns as it has a direct impact on emissions and cost of operation. We use captive power as well as purchased power from the grid and utilise coal and Compressed Natural Gas (CNG) to generate captive power. To reduce our environmental footprint, we have increased the use of CNG to generate green power. We continue to encourage the use of clean energy to reduce our dependence on non-renewable sources of energy.

Natural Capital

Key Highlights

- Our energy needs are met by captive power generation and grid power.
- Our captive power generation is around 40% of our total requirement and the remaining 60% is fulfilled through the grid.
- Natural gas consumption for captive power generation has increased 8% year on year
- We continue to prefer renewable energy over thermal energy and have steadily increased the use of renewable power.
- 11% increase in the use of renewable energy in FY21, in comparison to the previous year.

Energy Conservation

We endeavour to improve energy conservation through concerted efforts. To increase energy efficiency, we have undertaken measures at our manufacturing and Captive Power Plants (CPPs).

Key Highlights

- Dynamic reactive power compensation to improve grid power factor
- Focus on improvement of Productivity Rate Index (PRI) through Computational Fluid Dynamics (CFD) studies.
- Energy audits of all integrated plants
- Installation of superior quality controllers
- Installation of medium voltage drives for process fans and Boiler Feed Pumps
- Replacement of conventional lights with LED lights across the manufacturing site

Water Management

Water is a valuable natural resource, and is used across our manufacturing processes. Therefore, optimum usage of water remains one of our primary objectives to fulfil sustainability goals. We strive to significantly reduce water consumption at the plants and colonies and aspire to conserve water through water harvesting. With sustained efforts, we are keen to achieve 'Zero Discharge' of water from all our operations.

We incorporate latest technologies to reduce water consumption. We have also installed digital water meters and updated our water balance diagrams to enhance our water management systems. Faucets that minimise the use of water are also being installed to reduce domestic water consumption.

At GFL, we strive to follow a disciplined water management strategy – from intake to discharge. We are also trying to reduce freshwater consumption through targeted efforts.

In FY21, to ensure minimum water withdrawal, the following initiatives were undertaken:

Key Highlights

- Process optimisation and upgradation to water efficient technologies, wherever feasible
- Installation of Sewage Treatment Plants (STP), Effluent Treatment Plants (ETP), and Zero Liquid Discharge (ZLD) systems for effective reutilisation of waste water.
- Efforts to conserve water through rainwater harvesting continue at all plants, colonies and community areas.
- Installation of water meters and monitoring systems at most plants help to identify the source

- of leakage and promote water conservation.
- Reduction of freshwater intake through process optimisation.
- Recovered water from treated wastewater by using high pressure RO plants. The water was reused as cooling tower makeup water.
- Recycled water from Zero Liquid Discharge plants have been reused for scrubbers make up water and cooling tower makeup water.
- Recycling freshwater
- Rain water harvesting and water conservation methods adopted in nearby villages have helped to develop watersheds with adequate water content.

Water Recycling

We continuously pursue improvements in water recycling through process efficiencies and technology enhancements. We treat and recycle wastewater generated from our operations, toilets and canteens. We have equipped all our units with sewage treatment plants (STPs) and effluent treatment plants (ETPs) and utilise recycled water in our processes as well as our greenbelt. Due to our efficient practices, water bodies around our areas of operation are not adversely affected. At GFL, we maintain the required standards of STP and ETP according to the applicable guidelines and directions of Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs).

Both our manufacturing plants are equipped with rainwater harvesting systems that collect water from rooftops and paved surfaces and channel it through dedicated rainwater drains into scientifically designed artificial

Waste Management

groundwater recharging structures. To support this system, we also constructed a check dam at a nearby village. The dam has a large storage capacity and has benefitted six villages by supplying them adequate amounts of irrigation water. Nearly 200 farmers in the region have also benefitted from this project. The check dam also improves the ground water table of nearby areas.

To assess water related risks, we use AQUEDUCT Water Risk tool, developed by WRI, for conducting a water sensitivity analysis and identify water stressed locations. The tool enables us to:

- Evaluate changes in water demand, water supply, stakeholder risk, and regulations based on current and future conditions.
- Foresee changes to water risk forecasting in 2025, 2030 and 2040.
- Discuss assessment results during board meetings on a yearly basis.
- Identify mitigation measures and initiatives for plants located in areas facing extreme water stress or significant risks to water usage.

Biodiversity Conservation

We are determined to ensure efficient utilisation of scarce natural resources and continuously strive to align ourselves with the United Nations Sustainable Development Goals (SDGs). All our manufacturing units are in industrial zones, away from protected environmental areas. Besides, our activities and products do not impact our biodiversity and does not have adverse environmental effects. To protect our natural environment, we undertake various programs including:

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

At GFL Waste management is a priority. Therefore, we strive to divert waste from landfills and seek to generate energy from incineration of waste.

Waste prevention is our primary goal but, wherever it cannot be feasibly implemented, we concentrate on waste minimisation. We also undertake efforts for appropriate treatment or disposal of waste to maximise reuse and recycling and reduce waste disposal at landfills. We aim to reduce waste generation during the production process and seek to inculcate the same policy in our purchasing decisions. We also encourage employees to minimise waste.

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

We have taken several initiatives to reduce waste generation at source. Comprehensive audits also support our endeavour to promote recycling and reuse. The waste generated at GFL has been categorized into Non-hazardous and Hazardous waste.

At GFL, we have classified non-hazardous waste on the basis of its disposal method. We have segregated it according to two types of disposal - recycling and disposal at landfills. We remain focused on reducing hazardous waste at source and it has enabled us to significantly limit hazardous waste generation. Comprehensive waste audits offer valuable insight to reduce waste at source.

All hazardous waste generated at our facilities is disposed according to

Natural Capital

regulatory specifications provided by SPCB/ CPCB and Ministry of Environment Forest and Climate Change (MOEFCC). During the year, there were no significant spills and hazardous waste was disposed through authorised

Our waste management strategies:

- Preventive maintenance and process design to eliminate waste generation.
- Waste reduction from processes by addressing problems that would otherwise result in waste generation.
- Reducing waste through product design, material inputs and purchasing decisions.

- Partnering across other value chains to promote beneficial use of various products.
- Ensuring proper waste segregation.
- Engaging in composting, recycling and incineration for energy recovery.

Hazardous waste management

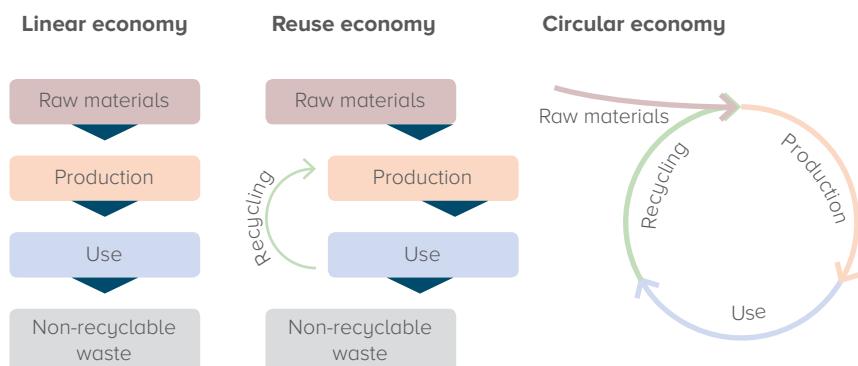
As our operations generate liquid, semi-solid and solid hazardous waste, we follow eco-friendly practices to avoid, reduce, reuse and recycle hazardous waste. The hazardous waste from our facilities are sent to agencies approved by the State Pollution Control Board (SPCB) for recycling. Some of it is also sent to cement companies for use as co-fuel. Fly ash generated from our power plants are also sent to brick manufacturing units. These practices increased the use of non-renewable fuel and helped to considerably reduce GHG emissions.

CASE STUDY

Project: Usage of landfill waste as raw material for other industry

With an endeavour to achieve ‘Zero Waste to Landfill’ and promote a circular economy, we are exploring possibilities to productively use waste. At our Ranjitnagar unit, KF-KCL, a fluoride rich content is generated as a by-product. Around 80 MT of KF-KCL was produced every month and it was being disposed at landfills. To prevent this, our EHS team devised a plan to divert the waste from salt manufacturing.

From a linear to a circular economy



Benefits of the project

- Fluoride Utilisation
- Waste Reduction
- Operational efficiency
- Encouraging recycling of products
- Ensuring regulatory compliance
- Reducing load on landfills and minimising its damaging effects



Awards & Certifications

GFL wins GOLD in Category

— ‘Best Sustainability Report - First Time’ at 6th Asia Sustainability Reporting Awards (ASRA)



GFL Earns SILVER medal from Ecovadis

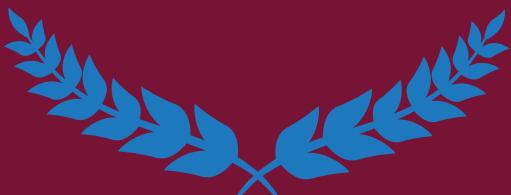


GFL has won ‘1st Runners’
in BPC – Piramal all India Kaizen Competition 2020
in ‘Energy & Resource Optimization’ category





We are proud to announce that GFL, Dahej has won the **2nd Runner up Award at IMC (Chamber of Commerce & Industry) RBNQA – MQH Best Practices Competition** at a virtual event for our presentation on Conservation of natural resources through High-Temperature Condensate Recovery System (Best Practice).



Our certificates

ISO 27001



ISO 37001



ISO 45001:2018



ISO 9001:2015



ISO 14001:2015



ISO 14001:2018



SA8000



OHSAS 18001:2007,



ISO 45001





Statutory Report



Management Discussion & Analysis

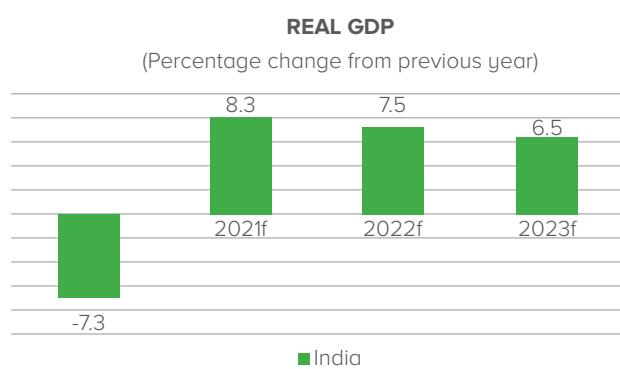


Overview of the Indian Economy

The Indian Economy has undergone an unfathomable economic crisis over the fiscal year 2020-21, with the eruption of the worldwide pandemic caused due to the Covid-19 virus. Almost every economic activity was brought to a standstill with the imposition of lockdowns and forced closure of business operations, to prevent the spread of the infection. India's economy was gravely affected with the real GDP witnessing a decline of over -7.3 percent in FY2020-21¹. Production was hampered to a great extent and it resulted in a subsequent derailment in the supply-chain. While contact intensive services and industries were hit hard, agriculture sector remained comparatively less affected.

In the aftermath of the sudden Covid-19 waves in the year under review, the Indian economy is showing signs of revival on the back of targeted fiscal relief, monetary policy measures, and a rapid vaccination drive. The broad-based economic relief package, extended to mitigate the second wave, amounted to over ₹ 6.29 lakh crore³. RBI continues with its efforts to calm the nerves of the market and revive sectors with both backward and forward linkages and multiplier effects on growth. With rapid and focused COVID-19 vaccination efforts, India's average daily vaccination rate in June 2021 has doubled to 41.3 lakh doses

compared to 19.3 lakh in May, crossing the 36 crore mark in its cumulative vaccination coverage². After consistent efforts, over 78 per cent of districts have achieved COVID-19 test positivity rate below 5 per cent, thereby fostering conditions conducive for easing of restrictions and restoration of economic activities. With the improving domestic conditions and gradual easing of Covid-related restrictions, net FPI investment was to the tune of USD 1.0 billion in June, 2021². Going forward, further expansion of vaccination and strict adherence to COVID-appropriate behaviour will be a critical safeguard against emergence of a possible third wave.



¹ http://mospi.nic.in/sites/default/files/press_release/Press%20Note_31-05-2021.pdf

² <https://openknowledge.worldbank.org/bitstream/handle/10986/35647/9781464816659.pdf>

³ <https://dea.gov.in/sites/default/files/June%202021.pdf>

Outlook

After battling a historic pandemic in FY 2020-21, the Indian economy is poised to build back better and stronger, with several key factors in play like heightened awareness & readiness to combat Covid-19 challenges and the aggressive vaccination drives across the country. Instrumental in this resilient comeback will be a strong revival in investment growth supported by the Atma Nirbhar Bharat Mission and a massive boost to infrastructure and capital expenditure provided for in the Union Budget 2021-22. The recently announced economic relief package is expected to further oil the wheels of the capex cycle via implementation of the PLI scheme and streamlining of processes for Public-Private Partnership (PPP) Projects and Asset Monetization. Consumption sentiment is expected to pick up with further enhancement of employment support under Aatma Nirbhar Bharat Rozgar Yojana (ANBRY) and wider BharatNet digitisation coverage. Maintaining a rapid pace of the vaccination drive and quickly bridging health care infrastructure gaps across both urban and rural areas would emerge as the most sustainable stimulus for durable recovery of the Indian economy.

Fluorochemicals Industry

Fluorochemicals are organic or inorganic compounds containing one or more fluorine atoms. It showcases great resistance to water and oil and exhibits the quality to withstand extreme physical and chemical conditions during industrial processing.

Fluoropolymers, are found in a variety of household and commercial products. It is also used as lubricants, sealants, and leather conditioners. The High-Performance Fluoropolymers (HPF) market was valued at US\$ 3.1 billion in FY 2020-2021⁴ and is projected to reach US\$ 5.3 billion by 2028, at a CAGR of 7.21%⁵.

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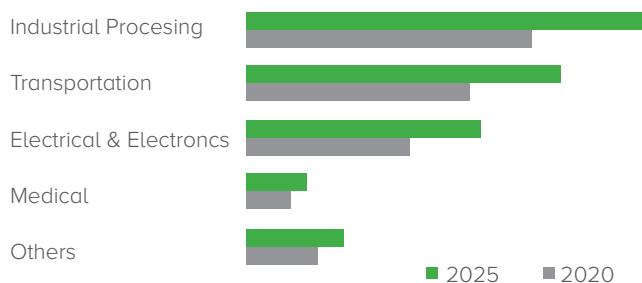
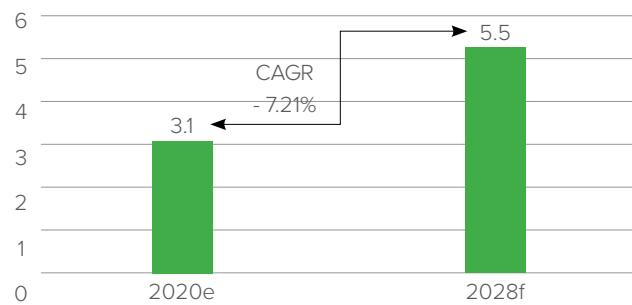
With the extensive use of propellants, blowing agents, refrigerants and solvents, manufacturers continue to explore opportunities for developing environment-friendly fluorocarbons. Growing concerns about global warming has led to the adoption of environment-friendly alternatives for refrigerants and cooling systems. The fluorocarbon industry is likely to benefit from this, owing to evolving regulations aimed at protecting the environment.

Asia-Pacific Region is expected to dominate the Fluorochemicals Industry in the coming years. Owing to its cost-effectiveness, fluorine-based chemicals such as Hydrogen Fluoride (AHF) are being prominently used for aluminium production.

The abundance of aluminium reserves in China and India is anticipated to promote Foreign Direct Investments in the domestic metal sector and is expected to increase its usage in the region. In addition, these countries are leading manufacturers and exporters of various products developed by the medical and pharmaceutical, electronics, automotive, and chemical industries across the world. Going forward, the global fluorochemicals market is expected to be valued at a CAGR of 5.2%, between 2020 and 2027.

Asia-Pacific Region (US\$ Million)

High performance fluoropolymers Global Market
(in USD Billion)



(Source: Markets and Markets)

⁴ <https://www.marketsandmarkets.com/Market-Reports/fluor-polymer-market-497.html>

⁵ <https://neighborwebsj.com/uncategorized/7247395/global-high-performance-fluoropolymers-market-expected-to-reach-usd-5308-million-by-2028/>

⁶ <https://www.datamintelligence.com/research-report/fluorochemicals-market>



PTFE

Polytetrafluoroethylene (PTFE) is a synthetic fluoropolymer of tetrafluoroethylene. The global PTFE industry is estimated to be valued at US\$ 2.4 billion in 2020.⁷ PTFE is an incredibly versatile material with a wide variety of applications. Its chemical inertness, heat resistance capability, low-frictional coefficient and high electrical insulation properties make it a preferred component for industrial use.

Impact of Covid-19

Due to the Covid-19 pandemic, supply chains were disrupted, companies suffered from scarcity of labour, logistics hurdles and ailing financial health. This reduced the demand for PTFE membranes significantly.

However, during the second half of 2020, several countries lifted restrictions and allowed businesses to resume. Despite these measures, PTFE membrane manufacturers continued to be adversely affected.

Outlook

The market projected to grow at a CAGR of 4.7% during 2021-2026⁸, on account of the growing demand in emerging economies of APAC, MEA and South America. Increasing oil and gas, water treatment and chemicals continue to act as a catalyst for the growth of this industry. In the coming years, demand is also anticipated to go up due to the growing popularity of healthcare, electrical appliances and electronic equipment.

Opportunities

- ◆ Demand for PTFE is anticipated to rise significantly from electronics appliances and electrical equipment manufacturers. Its efficient electrical insulation properties and ability to withstand extreme temperature makes it an ideal component for this segment.

Threats

- ◆ High production costs acts as a barrier for the growth of the fluorochemicals industry.

Company Analysis

Gujarat Fluorochemicals Ltd (GFL) is one of the leading producers of Fluoropolymers, Fluoro-specialties, Chemicals and Refrigerants in India. It has emerged as one of the top five global players in the fluoropolymers market with exports to Europe, Americas, Japan and Asia. Led by increasing demand of its products as well as foray into newer age industries, GFL has planned to add

capacities at its third newly opened site in Gujarat.

Over the next few years, GFL targets to scale-up the capacity utilization, optimize the product mix to produce more value-added grades and leverage economies of scale. The market for fluoropolymers is projected to grow with increasing demand for oil and gas, water treatment, electric appliances, electronics, healthcare and chemicals as drivers of growth for the short term and medium term. In the coming years, demand is anticipated to go up due to the growing popularity of electric vehicles, semiconductors, 5G, hydrogen fuel cells etc. While the outlook for fluoropolymers is strong, the manufacturers have to continue to invest in meeting the increasingly rigorous environmental regulations

GFL's advanced facilities and resilient R&D capabilities enable the company to meet the highest quality standards while meeting regulatory compliances. It continuously adopts advanced technologies and processes to ensure efficient operations that fulfil the requirements of global trade.

Operational Highlights and Outlook

GFL is a company specialised in fluorine chemistry with four business verticals namely fluoropolymers, fluorochemical refrigerant gases, fluoro-intermediates and the essential chemicals to support these.

Fluoropolymers, with their unique set of properties, are high performance specialty products which are critical to the society and are found in a variety of household and commercial products as well as are the backbone of new age industries such as electric vehicles, renewable energy, hydrogen fuel cells, internet of things etc. GFL makes a host of fluoropolymers such as PTFE, FKM, PFA, FEP, PVDF, PPA, FluoroPolymer additives etc. The high performance Fluoropolymers market is projected to grow at a CAGR of about 7% annually. These fluoropolymers are used in transportation, electrical and electronics industries, medical, food processing, chemical processing, oil and gas, power plants, building and construction industries. They are also used for industrial processes where high thermal and chemical resistance is essential.

Grow at a CAGR of 4.7% during 2021-2026, on account of the growing demand in emerging economies of APAC, MEA and South America.

⁷ https://www.researchandmarkets.com/reports/5353489/polytetrafluoroethylene-ptfe-market-global?utm_source=GNOM&utm_medium=PressRelease&utm_code=qh3cnq&utm_campaign=1566593+-+Worldwide+Polytetrafluoroethylene+Industry+to+2026+-+Featuring+AGC%2c+Daikin+Industries+and+Solvay+Among+Others&utm_exec=jamu273prd

⁸ <https://www.marketsandmarkets.com/Market-Reports/ptfe-membrane-market-243714287.html#:~:text=%5B%20143%20Pages%20Report%5D%20The%20global,at%20a%20CAGR%20of%206.0%25.>

GFL's refrigerant gases business is shifting mainly towards use of R22 refrigerant gas as feedstock for production of TFE, the monomer for most fluoropolymers. Growing concerns about global warming has led to the adoption of environment-friendly alternatives for refrigerants such as HFCs and HFOs. GFL is already making a few existing HFCs on a limited scale. GFL has recently added a few more products to its existing product portfolio of fluoro-intermediates, and is setting up a few more to ensure a steady revenue from this vertical by meeting the requirement for agrochemicals and pharmaceuticals applications.

Fluoropolymers are incredibly versatile materials with a wide variety of applications. Their chemical inertness, heat resistance capability, low-frictional coefficient and high electrical insulation properties make them indispensable performance products. Fluoropolymers can be used for manufacturing automotive components, electrical appliances, semiconductors, medical devices, etc. Their market is projected to grow at a healthy CAGR during 2021-2026, on account of the growing demand in the emerging economies of Asia and South America. Increasing oil and gas, water treatment, electric appliances, electronics, healthcare and chemicals continue to drive growth for the short term and medium term. In the coming years, demand is anticipated to go up due to the growing popularity of electric vehicles, semiconductors, 5G etc.

In the long term, the strong focus of Governments around the world on Green hydrogen and Hydrogen fuel cells is expected to boost the demand of PTFE and other fluoropolymers. PVDF demand is fuelled by electric vehicles (lithium batteries), solar panels and membranes for water purification. FKM is used mainly for the automotive industry and may get impacted by increasing shift to electric vehicles but its growing needs for other applications such as charging stations etc will ensure that FKM remains a strong fluoropolymer in demand.

Product Portfolio

[For details please refer Manufactured Capital]

GFL makes a host of fluoropolymers such as PTFE, FKM, PFA, FEP, PVDF, PPA, FluoroPolymer additives etc.

Manufacturing Facilities

[For details please refer Manufactured Capital]

Financial Highlights

[For details please refer Financial Capital]

Human Resources

[For details please refer Human Capital]

Risk Management and Internal Audits

[For details please refer Risk Management section in the Initial section of the report]

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Gujarat Fluorochemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Gujarat Fluorochemicals Limited's Annual Report, 2020-21.

Gujarat Fluorochemicals Limited

(CIN L24304GJ2018PLC105479)

Registered Office: Survey No 16/3, 26 & 27, Village Ranjitnagar 389380,
Taluka Ghoghamba, District Panchmahal

Telephone +91 2678 248153, **Fax** +91 2678 248153

Website: www.gfl.co.in; **Email:** bvdesai@gfl.co.in

Notice of Third Annual General Meeting

Dear Member(s),

NOTICE is hereby given that the **03rd (Third) Annual General Meeting** of Members of Gujarat Fluorochemicals Limited ('Company') will be held on Thursday, the **30th September, 2021, at 11.30 A.M.**, through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

Item No.1 Adoption of Financial Statements;

To consider and adopt

- a. Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2021, the reports of the Board of Directors and Auditors thereon; and
- b. Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021 and the report of the Auditors thereon.

Item No.2 Re-appointment of Mr. Devendra Kumar Jain (DIN 00029782) as Director of the Company

To appoint a Director in place of Mr. Devendra Kumar Jain (DIN 00029782) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

Item No.3 Re-appointment of Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) as Whole-time Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sanjay Sudhakar Borwankar (DIN: 08640818), be and is hereby re-appointed, as

Whole-time Director of the Company for a period of one year commencing from **15th February, 2021** on a remuneration of ₹ 110 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 and on the terms and conditions decided by the Board.

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

Item No.4 Re-appointment of Mr. Sanath Kumar Muppirala (DIN: 08425540) as Whole-time Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sanath Kumar Muppirala (DIN: 08425540), be and is hereby re-appointed, as Whole-time Director of the Company for a further period of one year commencing from **28th April, 2021** on a remuneration of ₹ 135 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 and on the terms and conditions decided by the Board.

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

Item No.5 Appointment of Mr. Niraj Agnihotri (DIN: 09204198) as Director and Whole-time Director of the Company

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

"RESOLVED THAT Mr. Niraj Agnihotri (DIN: 09204198) who was appointed by the Board of Directors as an Additional Director of the Company with effect from **01st July, 2021** pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom Nomination and Remuneration Committee has given recommendation for appointment as Director of the Company be and is hereby appointed as Director of the Company.

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Niraj Agnihotri (DIN: 0904198), be and is hereby appointed, as Whole-time Director of the Company for a period of one year commencing from **01st July, 2021** on a remuneration of ₹ 125 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 and on the terms and conditions decided by the Board.

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

Item No.6 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

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

"RESOLVED THAT pursuant Regulation 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations) and any other applicable provisions of the Listing Regulations, the consent of the Members of the Company be and is hereby accorded for payment of Commission of ₹ 451.24 Lakhs (Rupees Four Crores Fifty One Lakhs Twenty Four Thousand Only) 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 total remuneration paid to all Non-Executive Directors for the Financial Year 2020-21.

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

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

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

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

Item No.8 Modification in the terms of remuneration of Mr. Vivek Jain (DIN: 00029968), Managing 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, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in partial modification of the resolution passed by the Members at the First Annual General Meeting of the Company held on 06th August, 2019 and the Consent of the Members of the Company be and is hereby accorded to modify the remuneration of Mr. Vivek Jain (DIN: 00029968) as Managing Director of the Company, with effect from 01st April, 2021, as given below, subject to all other terms of the resolution passed by the Members of the Company at their First Annual General Meeting held on 06th August, 2019, approving remuneration payable to Mr. Vivek Jain, remaining unaltered:

COMMISSION:

Equivalent to two per cent of the net profits of the Company per annum, or pro-rata for a part of the year."

By order of the Board of Directors

Date:13th August,2021
Place : Vadodara

Bhavin Desai
Company Secretary

NOTES:**For e-voting and Joining Virtual Meeting**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gfl.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

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

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

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

1. The voting period begins on **27th September, 2021 at 9.00 a.m.** and ends on **29th September, 2021 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23rd September, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

4. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdsindia.com/myeasi/home/login or visit www.cdsindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdsindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdsindia.com home page or click on https://evoting.cdsindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

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

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.

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

6. After entering these details appropriately, click on "SUBMIT" tab.
7. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

9. Click on the EVSN for Gujarat Fluorochemicals Limited on which you choose to vote.
10. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
15. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
16. Additional **Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: bvdesai@gfl.co.in, if they have voted from individual

tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- 1. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- 2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- 3. Further shareholders 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 at least **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 to 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. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same



shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to alpesh.gandhi@linkintime.co.in
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

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

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

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

19. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.
20. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for inspection by the Members of the Company at the on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 01.00 p.m. upto the date of the Annual General Meeting and copies thereof shall also be available for inspection in physical form at the Office of the Company situated at Second Floor, ABS Towers, Old Padra Road, Vadodara – 390 007, Gujarat and also at the Meeting.
21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
22. The Board of Directors has appointed Mr S. Samdani (Membership No. FCS 3677) of M/s Samdani Shah & Kabra, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process, in a fair and transparent manner.

The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolutions have been carried or not, to the Chairman or a person authorized by him in writing.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.gfl.co.in and on the website of CDSL immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the securities of the Company are listed.

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

Item No. 3

The Members of the Company at their 2nd Annual General Meeting held on 25th September, 2020, had approved the appointment of Mr. Sanjay Sudhakar Borwankar (DIN: 08640818) as a Whole-Time Director of the Company for a period of one year from 15th February, 2020 to 14th February, 2021. It is desirable that the Company should continue to avail the services of Mr. Sanjay Sudhakar Borwankar as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Mr. Sanjay Sudhakar Borwankar as a Whole-time Director of the Company was placed before the Nomination and Remuneration Committee at its Meeting held on 09th February, 2021 and it has recommended his appointment. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

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

In compliance of Sections 196, 197, 203 read with Schedule V of the Act and Rules framed there under, the re-appointment of Mr. Sanjay Sudhakar Borwankar as Whole-time Director of the Company for a period of one year with effect from 15th February, 2021 is being placed before the Members for their approval.

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

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

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

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

Item No. 4

The Members of the Company at their 2nd Annual General Meeting held on 25th September, 2020, had approved the appointment of Mr. Sanath Kumar Muppirlala (DIN: 08425540) as a Whole-Time Director of the Company for a period of one year from 28th April, 2020 to 27th April, 2021. It is desirable that the Company should continue to avail the services of Mr. Sanath Kumar Mupiralla as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Mr. Sanath Kumar Muppirlala as Whole-time Director was placed before the Nomination and Remuneration Committee of the Company at its Meeting held on 09th February, 2021 and it has recommended his re-appointment. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

In compliance of Section 196, 197, 203 read with Schedule V of the Act and Rules framed there under, the re-appointment of Mr. Sanath Kumar Muppirlala as Whole-time Director of the Company for a period of one year with effect from 28th April, 2021 is being placed before the Members for their approval.

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

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

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

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

Item No. 5

At the Meeting of the Board of Directors of the Company held on 18th June, 2021, the Directors had appointed Mr. Niraj Agnihotri (DIN: 09204198) as an Additional Director of the Company with effect from 01st July, 2021. As per the provisions of Section 161 of

the Companies Act, 2013 (Act), Mr. Niraj Agnihotri holds office as an Additional Director up to the date of this Annual General Meeting and is eligible for appointment as Director of the Company.

The matter regarding appointment of Mr. Niraj Agnihotri as a Whole-time Director of the Company was placed before the Nomination and Remuneration Committee at its Meeting held on 18th June, 2021 and it has recommended his appointment which was also accorded by the Board of the Company at its Meeting held on 18th June, 2021. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

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

In terms of Section 161 of the Act, the appointment of Mr. Niraj Agnihotri as Director is being placed before the Members for their approval. Further, in compliance of Sections 196, 197, 203 read with Schedule V of the Act and Rules framed there under, the appointment of Mr. Niraj Agnihotri as Whole-time Director of the Company for a period of one year with effect 01st July, 2021 is being placed before the Members for their approval.

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

Accordingly, the details of remuneration paid to Non-Executive Directors for Financial Year 2020-2021 is as under:

Name of the Director	Sitting Fees for attending Board / Committee Meetings	Amount (₹ in Lakhs)		
		Professional fees	Commission*	Total
Mr. Devendra Kumar Jain	1.50	Nil	451.24	452.74
Mr. Pavan Jain	Nil	Nil	Nil	Nil
Mr. Shailendra Swarup	4.50	Nil	Nil	4.50
Mr. Deepak Asher	2.00	90.00	Nil	92.00
Mr. Shanti Prashad Jain	4.50	Nil	Nil	4.50
Ms Vanita Bhargava	4.50	Nil	Nil	4.50
Mr. Chandra Prakash Jain	2.00	Nil	Nil	2.00
Mr. Om Prakash Lohia	Nil	Nil	Nil	Nil
Total	19.00	90.00	451.24	560.24

Since the total remuneration of Mr. Devendra Kumar Jain for the Financial Year 2020-2021 exceeds the limit of 50% of the total annual remuneration payable to all Non-Executive Directors of the Company, the approval for Resolution at Item No. 6 of the Notice is sought by way of a Special Resolution for payment of remuneration to Mr. Devendra Kumar Jain for the Financial Year 2020-2021.

Mr. Niraj Agnihotri is interested in the resolution set out respectively at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Niraj Agnihotri may be deemed to be interested in the resolution set out respectively at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Directors recommend the Resolution as stated at Item No. 5 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 6

The Members of the Company at their First Annual General Meeting held on 06th August, 2019 had approved the continuation of payment of remuneration @ 1% on Net Profits of the Company as permitted under Section 197 of the Companies Act, 2013 to Mr. Devendra Kumar Jain, Non-Executive Director of the Company. Accordingly, the remuneration of ₹ 451.24 lakhs is to be paid to him for the Financial Year 2020-21. Further, Regulation 17 (6) (ca) of the Listing Regulations, inter alia provides that the approval of the Members by way of Special Resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

Mr. Devendra Kumar Jain and his relatives shall be deemed concerned or interested in resolution set out at Item No. 6 of the Notice to the extent of the remuneration that may be received by him. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members by way of Special Resolution.

Item No. 7

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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2021.

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. 7 of the Notice.

The Directors recommend the Resolution as stated at Item No. 7 of the Notice for approval of the Members by way of an Ordinary Resolution.

Item No. 8

At the First Annual General Meeting of the Company, post demerger of Chemical Business into this Company as a Resultant

Company, the Members had decided to continue appointment of Mr. Vivek Jain (DIN 00029968) as a Managing Director of the Company for a period of about four years from 01st August, 2019 to 31st December, 2022 on the terms and conditions mentioned therein. Having regard to the performance of the Company in the past, and the increasing responsibilities of the Managing Director in the future, it is considered desirable that the Company should continue to avail his services as a Managing Director of the Company on the revised terms as contained in the Resolution from the existing Commission equivalent to four per cent of the net profits of the Company per annum, or pro-rata for a part of the year subject to a maximum limit of ₹ 5 Crores per annum or pro-rata for the part of the year to two percent of the net profits of the Company per annum of pro-rata for the part of the year with effect from 01st April, 2021.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of the Company has decided to modify the terms of remuneration of Mr. Vivek Jain (DIN 00029968) as Managing Director of the Company as mentioned at the item No. 8 of this Notice and recommended to the Shareholders of the Company for their approval.

None of the Directors of the Company is concerned or interested in the proposed Resolution except Mr. Vivek Jain for himself, and Mr. Devendra Kumar Jain, being relatives of Mr. Vivek Jain, to the extent of the modification of remuneration payable to him as a Managing Director of the Company.

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. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri	Mr. Vivek Jain
Brief Resume	Mr. Sanjay Sudhakar Borwankar is Chemical Engineer and has expertise in management of operations of various plants.	Mr. Sanathkumar Muppirala is Chemicals Engineer and has expertise in various petrochemical plants.	Mr. Devendra Kumar Jain has over 61 years of rich experience in business management and international trade.	Mr. Niraj Agnihotri has over 30 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning.	Mr. Vivek Kumar Jain is a graduate of Commerce from St Stephens College Delhi and also has a post graduate degree in Business Administration from the Indian Institute of Management Ahmedabad.
Date of Birth and Age	3 rd November, 1967, 53 Years	04 th Jan 1963, 58 Years	2 nd March, 1929, 92 Years	2 nd July, 1967, 53 Years	30 th August 1955, 65 Years
Date of first appointment on the Board	15 th February, 2021	06 th December, 2018	06 th December, 2018	01 st July, 2021	06 th December, 2018



Name of Director	Mr. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri	Mr. Vivek Jain
Directors Identification Number	08640818	08425540	00029782	09204198	00029968
Qualification	B. Tech Chemical from LIT, Nagpur and Masters in Business Administration (MBA) from Welingkar Institute of Management, Mumbai	B.Tech. Chemical Engineer from S.V. University, Tirupati, Kharagpur	Graduate in History (Hons)	Bachelor's in Chemical Engineering from HBTI, Kanpur.	Mr. Vivek Jain is a graduate of Commerce from St Stephen's College, Delhi and a Master of Business Administration from Indian Institute of Management, Ahmedabad.
Experience / Expertise in Specific Functional Area	Mr. Sanjay Sudhakar Borwankar has over 26 years of experience in the field of Operations Management, Business Process Optimization and Technology Transfer and Assimilations.	Mr. Sanathkumar Muppirala has over 34 Years in Petrochemical Plants – in Manufacturing, Projects, Strategic planning & Commissioning.	Mr. Devendra Kumar Jain has over 61 years of rich experience in business management and international trade.	Mr. Niraj Agnihotri has over 30 years of experience in Manufacturing, Plant Commissioning & Operation, New Product Validations, Project Management and Strategic Planning	He has over 43 years of experience in setting up and managing several businesses
Directorship held in other Companies	Nil	Nil	1. Inox Leasing and Finance Limited 2. Inox India Private Limited 3. Devansh Gases Private Limited 4. Rajni Farms Private Limited 5. GFL Limited 6. Inox Wind Energy Limited	Nil	1. Inox Wind Energy Limited 2. Devansh Gases Private Limited 3. Inox Air Products Private Limited 4. Rajni Farms Private Limited 5. Inox India Private Limited 6. Inox Leisure Limited 7. Inox Leasing and Finance Limited

Name of Director	Mr. Sanjay Sudhakar Borwankar	Mr. Sanath Kumar Muppirlala	Mr. Devendra Kumar Jain	Mr. Niraj Agnihotri	Mr. Vivek Jain
Membership / Chairmanship of other Companies	Nil	Nil	GFL Limited <ul style="list-style-type: none"> Audit Committee, Member CSR Committee, Member Stakeholder's Relationship Committee, Member Committee of Directors for Operations, Chairman Risk Committee, Chairman Inox Leasing and Finance Limited <ul style="list-style-type: none"> CSR Committee, Chairman 	Nil	Inox Wind Energy Limited <ul style="list-style-type: none"> Stakeholder's Relationship Committee, Chairman Committee of Directors for Operations, Chairman Inox Leasing and Finance Limited <ul style="list-style-type: none"> Audit Committee, Member Inox Leisure Limited <ul style="list-style-type: none"> Business Responsibility Committee, Member
The Number of Meeting of the Board Attended during the year	1	1	3	0	4
Remuneration last drawn including sitting fees (₹ In Lakhs)	71.77	98.81	452.74*	Nil	718.72
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	Relative of Mr. Pavan Jain and Mr. Vivek Jain, Directors of the Company.	None	Relative of Mr. Devendra Kumar Jain and Mr. Pavan Jain, Directors of the Company.	
Shareholding in the Company	Nil	20,100 shares	Nil	20,100 shares	
Summary of the Performance Evaluation Report	Not applicable	Not applicable	Not applicable	Not applicable	Not Applicable

* Payment of remuneration of ₹ 451.24 lakhs is subject to the approval of the shareholders at the ensuing 3rd Annual General Meeting of the Company.



BOARD'S REPORT

To,

The Members of

Gujarat Fluorochemicals Limited

Your Directors present their Third Annual Report of your Company together with Audited Financial Statements for the Financial Year ended on 31st March, 2021.

1. FINANCIAL PERFORMANCE

The financial performance of your Company for the Financial Year ended 31st March, 2021 is highlighted below:

Sr. Particulars No.	Amount (₹ in Lakhs)			
	Consolidated 2020-21	2019-20	Standalone 2020-21	2019-20
1. Revenue from Operations	265,050	2,60,637	252,361	2,49,639
2. Other Income	20,108	21,628	18,048	22,127
3. Total Revenue (1 + 2)	285,158	282,265	270,409	271,766
4. Total Expenses	236,923	246,452	223,380	236,860
5. Share of Loss of joint venture	(*)	(*)	-	-
6. Profit before exceptional items and tax (3 – 4 + 5)	48,234	35,813	47,029	34,906
7. Exceptional Items	0.00	(2,604)	-	(2,604)
8. Profit before tax (6 + 7)	48,234	33,209	47,029	32,302
9. Tax Expenses (Current Tax and Deferred Tax)	12,088	15,408	11,547	14,429
10. Tax pertaining to earlier years and impact of net deferred tax liability re-measurement on account of change in tax rate	58,299	(1,130)	58,299	(1,122)
11. Profit/(Loss) for the period (8 - 9 - 10)	(22,152)	18,931	(22,817)	18,995
12. Other comprehensive income	(446)	855	53	(209)
13. Total Comprehensive Income (10+11)	(22,598)	19,786	(22,764)	18,786
Attributable to				
Owners of the Company	(22,279)	20,540	-	-
Non-controlling Interest	(319)	(754)	-	-

*Amount is less than ₹ 1 lakh.

Detailed analysis of the financial and operational performance of the Company has been given in the Management Discussion and Analysis forming part of this Annual Report.

Consolidated Financial Statements

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2020-21 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements approved by the Board of Directors of the Company and its joint venture and management of the foreign subsidiary companies.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report. The Audited Standalone and Consolidated Financial Statements for the Financial Year 2020-21 shall be laid before the Annual General Meeting for approval of the Members of the Company.

2. DIVIDEND

Your Directors, after considering various external factors that may have an impact on the business as well as internal factors such as the long-term growth strategy of the Company, have not recommended any dividend for the Financial Year ended 31st March, 2021.

In accordance with Regulation 43A of the SEBI Listing Regulations, the Company has formulated a 'Dividend

Distribution Policy' and details of the same have been uploaded on the Company's website and available at the web link <https://www.gfl.co.in/upload/pages/cb3188297d3bc8c19ffd7aad5832d0f.pdf>

3. TRANSFER TO GENERAL RESERVES

During the year under review, the Company has not transferred any amount to General Reserve of the Company for the Financial Year 2020-21.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Appointments / Re-appointments:

The following Directors are proposed for appointments / re-appointments at the Third 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. Sanjay Borwankar (DIN: 08640818) as Whole time Director of the Company and approve payment of remuneration to him, with effect from 15th February, 2021.
- Re-appointment of Mr. Sanath Kumar Muppirlala (DIN: 08425540) as Whole-time Director of the Company and approve payment of remuneration to him, with effect from 28th April, 2021.
- Appointment of Mr. Niraj Agnihotri (DIN: 09204198) as Director and Whole Time Director of the Company and approve payment of remuneration to him, with effect from 01st July, 2021.

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

Resignation of Directors

During the year under review, following Directors have tendered their resignation;

- Mr. Pavan Jain resigned as Non Executive Director of the Company with effect from 07th February, 2021, due to his Pre-occupation.
- Mr. Deepak Asher resigned as Non-Executive Director of the Company with effect from close of business hours on 12th October, 2020 due to his personal reasons.

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

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2020-21 are;

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

5. BOARD AND ITS COMMITTEES RELATED INFORMATION

Meetings of the Board:

Four (4) Board Meetings were held during the financial year ended 31st March, 2021. The details of the Board Meetings with regard to their dates and attendance of each of the Directors have been provided in the Corporate Governance Report.

Performance Evaluation

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a Whole, Committees of Board, Individual Directors and Chairperson of the Company, fulfillment of the independence criteria and independence of Independent Directors from the Management for the Financial Year 2020-21. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 09th February, 2021 had noted that the Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is uploaded on the Company's website www.gfl.co.in and 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, 2021, 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 loss 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

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

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

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

Business Responsibility Report

A Business Responsibility Report as per Regulation 34 (2) (f) of the SEBI Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is annexed to this report as **ANNEXURE - B**.

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 following web-link <https://www.gfl.co.in/upload/pages/cc01d1426f95965830a63052c6d2919d.pdf>

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

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

7. 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. 8, 9, 38, 46 and 49 of the Standalone Financial Statements of the Company.

8. Subsidiaries and Joint Venture

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

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 - C**.

9. Corporate Social Responsibility Activities

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Amendment Rules, 2021 are set out in **ANNEXURE - D** of this Report. The policy is available on Company's website at <https://www.gfl.co.in/upload/pages/6b1b59ceda092ea23f013e89e01eb86d.pdf>.

10. Vigil Mechanism

As per the provisions of Section 177(9) of the Act read with Regulation 22(l) of the Listing Regulations, the Company is required to establish an effective vigil mechanism for Directors and employees to report improper acts or genuine concerns or any leak or suspected leak of Unpublished

Price Sensitive Information. The Company has accordingly established 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>.

11. Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the year under review with Related Parties are approved by the Audit Committee and/or Board, as per the provisions of Section 188 of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations. During the Financial Year under review, the Company had not entered into any contract / arrangement / transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions review.

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/b8ba8074910fb9244b56de4dbdd0ce9a.pdf>.

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

12. Deposits

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

13. AUDITORS

A. Independent Auditors

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

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

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

B. Cost Auditor

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited by a Cost Accountant in practice who shall be appointed by the Board.

In view of the above, the Company has appointed M/s Kailash Sankhlecha & Associates to audit the cost audit records maintained by the Company for Financial Year 2020-21 on a remuneration of ₹ 4,00,000/-.

As required under the referred Section of the Companies Act, 2013 and relevant Rules, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s Kailash Sankhlecha & Associates, Cost Auditors is included at Item No. 7 of the Notice convening the Annual General Meeting.

C. Internal Auditors

The Board of Director has re-appointed M/s. Sharp & Tannan Associates, Chartered Accountants, Vadodara and M/s Kashiparekh & Associates, Chartered Accountants, Ahmedabad as Internal Auditors of the Company for the FY 2021-22.

Internal Financial Controls

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

D. Secretarial Auditor

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

The Secretarial Audit Report given by M/s Samdani Shah & Kabra for the Financial Year 2020-21, is annexed herewith as **ANNEXURE - E** in Form no. MR-

3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

E. Reporting of Frauds

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

14. 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://www.gflco.in/assets/pdf/Form_MGT_7_GFCL%20\(002\)%20-%20FINAL%20-%20Website%20File.pdf](https://www.gflco.in/assets/pdf/Form_MGT_7_GFCL%20(002)%20-%20FINAL%20-%20Website%20File.pdf).

15. 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 - F**.

16. 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 - G**.

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, he/she may write to the Company Secretary of the Company.

17. Safety, Health and Environment

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

18. Insurance

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

19. Risk Management

The Company has adopted Risk Management Policy. The Main object of this policy is to identify potential events that may affect the Company, manage the associated risks and opportunities and provide reasonable assurance that the Company's objective are achieved.

The Company has also constituted Risk Management Committee to review the risk. Under this, risks are identified across all business processes of the Company. Once identified there risks are systematically categorised as strategic risks, business risks or reporting and the same is intimated to the concerned department for mitigating the Risk.

20. Information Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has formed an Internal Complaints

Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2020-21.

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

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

21. 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.

22. Acknowledgement

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

By order of the Board of Directors

Place: New Delhi
Date: 13th August 2021



ANNEXURE – A

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'), 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 Gujarat Fluorochemicals Limited ('the Company') in this regard for the year ended 31st March, 2021.

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

The Company believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures 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 undertakes 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 of the Company, and its 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 to this, the Company believes in Ethical Business Practices and received ISO 37001 certification. Also, the Company has instated a comprehensive, robust, IT-enabled Compliance Management System for tracking, managing and reporting on compliances with all laws and regulations applicable to the Company. The Management on a quarterly basis presents before the Board of Directors a status report on regulatory compliances, as applicable to the Company.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

The Composition of the Board of the Company is in compliance with the provision of Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements), Regulations, 2015. As at the end of the financial year 31st March, 2021, the Board comprises of following:

Category of Director	Sub- Category of Director	Name of Director	No. of Directors	% of total Strength of the Board
Chairman	Promoter – Non Executive Director	Mr. Devendra Kumar Jain	01	11
Executive Directors	Promoter - Managing Director	Mr. Vivek Jain	01	33
	Whole Time Director	Mr. Sanath Kumar Mupiralla	02	
		Mr. Sanjay Borwankar		
Non- Executive Directors	Independent Director	Mr. Shailendra Swarup	05	56
		Mr. Shanti Prashad Jain		
		Mr. Om Prakash Lohia		
		Mr. Chandra Prakash Jain		
Non-Executive Woman Director		Ms. Vanita Bhargava		
Total			09	100

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

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings during the financial year 2020-21. The last Board meeting of the Company for the financial year 2019-20 was held on 14th February 2020 and the subsequent meeting was held on 29th June, 2020. Therefore, there was a gap of more than 120 days between these two meetings. However, SEBI, vide Circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020, had provided a relaxation wherein the board of directors of listed entities were exempted from observing the maximum stipulated time gap between two meetings for the meetings held or proposed to be held between the period 1st December, 2019 and 30th June, 2020.

During the Financial Year 2020-21, 4 (Four) Board Meetings were held on 29th June, 2020, 30th July, 2020, 12th November, 2020 and 09th February, 2021.

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

The following tables gives details of Directors, their attendance at the Meetings of the Board, Annual General Meeting, Disclosure of Relationship between Directors inter-se and Number of shares held by Non-Executive Directors as at 31st March, 2021:

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Mr. Devendra Kumar Jain	Promoter, Non-Independent Director and Non – Executive Director	3 out of 4	Yes	Father of Mr. Pavan Jain and Mr. Vivek Jain	20,100
Mr. Vivek Jain	Promoter and Executive Director - Managing Director	4 out of 4	Yes	Son of Mr. Devendra Kumar Jain and brother of Mr. Pavan Jain	Not Applicable
Mr. Pavan Jain (Resigned w.e.f. 07 th February, 2021)	Promoter, Non-Independent Director and Non – Executive Director	Nil out of 3	No	Son of Mr. Devendra Kumar Jain and brother of Mr. Vivek Jain	20,100
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	3 out of 4	Yes	No inter-se relationship between Directors	0
Mr. Deepak Asher (Resigned w.e.f. 13 th October, 2020)	Non-Independent and Non – Executive Director	2 out of 2	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	4 out of 4	Yes	No inter-se relationship between Directors	0
Mr. Chandra Prakash Jain	Independent and Non-Executive Director	4 out of 4	Yes	No inter-se relationship between Directors	0
Mr. Sanath Kumar Muppirlala	Executive Director - Whole-time Director	1 out of 4	Yes	No inter-se relationship between Directors	Not applicable
Mr. Sanjay Borwankar	Executive Director - Whole-time Director	1 out of 4	Yes	No inter-se relationship between Directors	Not applicable

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



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

Name of the Director	Number of other Directorships / Committee Memberships / Chairmanships			List of Directorship held in Other Listed Companies and Category of Directorship
	Other Directorship (**)	Committee (*)		
		Membership of Public Limited Companies	Chairpersonship of Listed Companies	
Mr. Devendra Kumar Jain	6	3	1	GFL Limited (Managing Director)
Mr. Shailendra Swarup	11	5	0	J K Paper Limited (Independent Director) Subros Limited (Independent Director) Bengal and Assam Company Limited (Independent Director) GFL Limited (Independent Director – resigned w.e.f. 11 th May, 2021) Jagran Prakash Limited (Independent Director) Sterling Tools Limited (Independent Director)
Mr. Vivek Jain	9	5	1	Inox Leisure Limited (Non – Executive Director) GFL Limited (Non-Executive Director - resigned w.e.f.12 th May, 2021)
Mr. Om Prakash Lohia	4	1	0	Indo Rama Synthetics (India) Limited (Managing Director) GFL Limited (Independent Director- resigned w.e.f. 11 th May, 2021)
Mr. Shanti Prashad Jain	6	9	4	Inox Wind Limited (Independent Director) GFL Limited (Independent Director)
Ms. Vanita Bhargava	3	5	0	Pilani Investment and Industries Corporation Limited (Independent Director) GFL Limited (Independent Director)
Mr. Chandra Prakash Jain	0	0	0	-
Mr. Sanath Kumar Muppirlala	0	0	0	-
Mr. Sanjay Borwankar	0	0	0	-

(*) Committee means Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations.

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

During the Financial Year 2020-21, Mr. Deepak Asher and Mr. Pavan Jain had resigned as Directors of the Company with effect from 13th October, 2020 and 07th February, 2021 respectively. Hence, no disclosure about their other Directorship is given in the above table.

During the Financial Year 2020-21, none of the Directors were Directors in more than 10 Public Limited Companies. Further, none of the Directors hold directorship in more than 8 Listed Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Directors was a Member of more than 10 Committees, or acted as a Chairman of more than 5 Committees across all Listed Companies.

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

Kindly refer to the Company's website <https://www.gfl.co.in/upload/pages/cc01d1426f95965830a63052c6d2919d.pdf> for details of the familiarization programme for IDs 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 per the compliance of 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, a separate Meeting of the Independent Directors of the Company was held on 09th February, 2021 with the following agenda:

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

(f) Independent Directors confirmation by the Board

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

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

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies possessed by our individual 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 Mupiralla	✓	✓			
Mr. Sanjay Borwankar	✓	✓			
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 statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision i.e. 1.4.2019;
21. Review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant Related Party Transactions, (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses;
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
 - f. Statement of deviations: - quarterly statement of deviation(s)
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

The Audit Committee comprises of four Directors with 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 2020-21, the Audit Committee met 4 (Four) times on following dates, namely, 29th June, 2020, 30th July, 2020, 12th November, 2020 and 09th February, 2021. Hence, the Audit Committee Meetings held during the Financial Year 2020-21 are in compliance with the Listing Regulations.

The details of composition of Audit Committee and the Meetings attended by the Directors during Financial Year 2020-21 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 (Appointed with effect from 12 th November, 2020)	Member	1 out of 1 (&)
Mr. Deepak Asher, Non-Executive and Non Independent Director (Resigned with effect from 13 th October, 2020)	Member	2 out of 2 (#)
Mr. Shailendra Swarup, Non-Executive and Independent Director	Member	4 out of 4
Ms Vanita Bhargava, Non-Executive and Independent Director	Member	4 out of 4

(&) from date of appointment

(#) Upto date of resignation

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 the Listing Regulations read with Part D of Schedule II of the Listing Regulations, which are mainly as follows:

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by NRC Committee and recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director's performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

Selection of New Directors and Board Membership Criteria

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

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

The composition of Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations. During the Financial Year 2020-21, the Nomination and Remuneration Committee met 1(one) time on 09th February, 2021.

The details of composition of Nomination and Remuneration Committee and the Meeting attended by the Directors during the Financial Year 2020-21 are given below:

Name of Director	Position	Number of Meetings Attended during year
Mr. Shanti Prashad Jain, Non-Executive & Independent Director	Chairman	1 out of 1
Mr. Devendra Kumar Jain, Non Independent Director (Appointed with effect from 12 th November, 2020)	Member	1 out of 1
Mr. Om Prakash Lohia, Non-Executive & Independent Director	Member	1 out of 1
Mr. Deepak Asher, Non-Executive & Non-Independent Director (Resigned with effect from 13 th October, 2020)	Member	-

(c) Performance Evaluation Criteria for Independent Directors

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board, Individual Directors and Chairperson of the Company, fulfillment of the independence criteria and independence of Independent Directors from the management for the Financial Year 2020-21. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 09th February, 2021 had noted that the Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

5. REMUNERATION OF DIRECTORS

(a) Remuneration to Executive Directors:

The Board of Directors on the recommendations of Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director, Whole-Time Directors, subject to the approval of the Members and Central Government, if required. The remuneration structure comprises of Salary, Perquisites, Retirement Benefits as per the law/rules and commission. Apart from drawing sitting fees, none of the Independent Directors have any other pecuniary relationship or transactions with the Company which in the judgment of the Board would affect the independence or judgement of Directors.

Details of the remuneration paid / payable to the Executive Directors of the Company for the Financial Year 2020-21 is as follows:

Name and Designation of Director	Mr. Vivek Jain, Managing Director	Mr Sanath Kumar Muppirlala-Whole Time Director (Re-appointed with effect from 28 th April,2021)	(Mr. Sanjay Borwankar (@) – Whole Time Director (Re-appointed with effect from 15 th February, 2021)	(₹ In Lakhs)
Salary & Allowances	132.66	93.99		68.97
Perquisites	70.88	-		-
Contribution to PF	15.18	4.82		2.80
Commission	500.00	-		-
Stock Options	-	-		-
TOTAL	718.72	98.81		71.77
Service Contract	1 st August, 2019 to 31 st December, 2022	28 th April, 2021 to 27 th April, 2022	15 th February, 2021 to 14 th February, 2022	
Notice Period	3 Months	3 Months	3 Months	3 Months

(b) Remuneration to Non -Executive Directors:

As per Shareholders' approval accorded in the 2nd Annual General Meeting of the Company held on 25th September, 2020, Mr. Devendra Kumar Jain, Non- Executive Director of the Company is being paid a remuneration by way of Commission which was exceeding fifty percentage of the total remuneration paid to all the non- executive directors of the Company during the Financial Year 2020-21. 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 2020-21 is as follows:

Name of the Director	Sitting Fees for attending Board / Committee Meetings	Professional fees	Commission*	Total	(₹ In Lakhs)
Mr. Devendra Kumar Jain	1.50	Nil	451.24	452.74	
Mr. Pavan Jain	Nil	Nil	Nil	Nil	
Mr. Shailendra Swarup	4.50	Nil	Nil	4.50	
Mr. Deepak Asher	2.00	90.00	Nil	92.00	
Mr. Shanti Prashad Jain	4.50	Nil	Nil	4.50	
Ms Vanita Bhargava	4.50	Nil	Nil	4.50	
Mr. Chandra Prakash Jain	2.00	Nil	Nil	2.00	
Mr. Om Prakash Lohia	Nil	Nil	Nil	Nil	
Total	19.00	90.00	451.24	560.24	

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



During the Financial Year 2020-21, the Company has not issued stock options at a discount.

(c) Non- Executive Directors with materially significant related party transactions, pecuniary or business relationship with the Company.

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors during the Financial Year 2020-21 that may have potential conflict with the interests of the Company at large.

Apart from drawing sitting fees none of the independent directors have any other pecuniary relationship or transactions with the Company which in the judgment of the Board would affect the independence or judgment of Directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee of the Company was constituted and the Role and the Terms of Reference were defined by the Board of Directors in their meeting held on 13th August, 2019 which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 20 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

(a) Name of Non-Executive Director heading the Committee	Mr. Devendra Kumar Jain
(b) Name and designation of Compliance Officer:	Mr. Bhavin Desai, Company Secretary
(c) Number of Shareholders complaints received during the Financial Year 2020-21	4
(d) Number of Complaints not resolved to the satisfaction of Shareholders	Nil
(e) Number of pending complaints	Nil

The Chairman of the Committee has attended the last Annual General Meeting.

7. GENERAL BODY MEETINGS

The particulars of last Annual General Meeting of the Company and details of Special Resolutions passed, if any, at these Meetings are given hereunder:

Financial Year	Location, Date and Time	Details of Special Resolution passed
2018-19	6 th August,2019 at 4:00 pm Registered Office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghambha, District Panchmahal	<ul style="list-style-type: none"> - Approval of payment of remuneration to Mr. Devendra Kumar Jain - Approval for continuation of Mr. Dinesh Kumar Sachdeva (DIN: 00050740) as Whole-time Director of the Company and his re-appointment for a further period of one year - Approval to give loan to / give guarantee to / provide any security in connection with any loan taken by the person in whom the Director of the Company is interested under Section 185 of the Companies Act, 2013

Financial Year	Location, Date and Time	Details of Special Resolution passed
2019-20	25 th September, 2020 at 3:00 p.m. through Video Conferencing / Other Audio Visual Mean	<ul style="list-style-type: none"> - Continuation of Directorship of Mr. Devendra Kumar Jain (DIN:00029782) as Non-executive Director of the Company - Continuation of Directorship of Mr. Shanti Prashad Jain (DIN: 00023379) as Non-Executive and Independent Director of the Company - Continuation of Directorship of Mr. Shailendra Swarup (DIN: 00167799) as Non-Executive and Independent Director of the Company - Continuation of Directorship of Mr. Chandra Prakash Jain (DIN: 00011964) as Non-Executive and Independent Director of the Company - Approval of payment of remuneration to Mr. Devendra Kumar Jain, Non-Executive Director of the Company for the Financial Year 2019-20 which is in excess of fifty percent of the total remuneration to all Non-Executive Directors of the Company for the Financial Year 2019-20

During the Financial Year ended 31st March, 2021, no Extraordinary General Meeting was held.

During the Financial Year ended 31st March, 2021, no Special Resolution was passed by the Company's Members through postal ballot.

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

8. MEANS OF COMMUNICATION

The Quarterly Results of the Company during the Financial Year ended 31st March, 2021 were submitted with the Stock Exchanges immediately after they were approved by/taken on record by the Board and published in well-circulated Gujarati (Vadodara Samachar) and English dailies (Financial Express/Business Standard) as well. The said results along with official news releases and presentations made to the investors / analysts have been submitted to the Stock Exchanges and also posted on the Company's website viz. www.gfl.co.in. The Company organizes investor earnings calls to discuss its financial results every quarter where investors' queries are answered by the executive management of the Company.

9. GENERAL SHAREHOLDER INFORMATION

9.1	Annual General Meeting	
	Date	30 th day September, 2021
	Time	11:30 am
	Venue / Mode	To be conducted by Video Conferencing or Any Other Audio Visual Means hosted from the office of the Company Situated at Second Floor, ABS Towers, Old Padra Road, Vadodara- 390007
9.2	Financial Year	April 2020 to March 2021
9.3	Dividend Payment Date	No dividend proposed for the year ended 31 st March, 2021
9.4	Listing of Equity Shares on Stock Exchanges	National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051 BSE Limited, Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
	Listing Fees	The Company has paid the Annual Listing Fees for the Financial Year 2020-21 to the NSE and BSE on which the securities are listed.
9.5	Stock Code	
	BSE Limited	542812
	National Stock Exchange of India Limited (symbol)	FLUOROCHEM
	Demat ISIN Number in NSDL and CDSL	INE09N301011

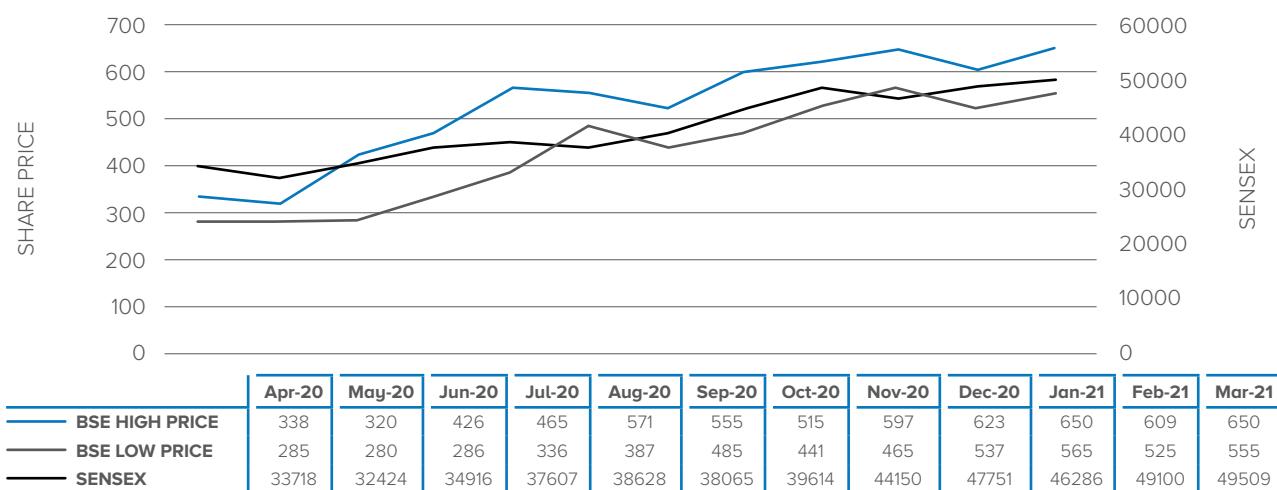


9.6 Market Price Data: High, Low during each month in the Financial Year 2020-21 and Comparison to broad-based indices viz. Nifty 500 and BSE Sensex.

Month	BSE HIGH PRICE (in ₹)	BSE LOW PRICE (in ₹)	SENSEX	NSE HIGH PRICE (in ₹)	NSE LOW PRICE (in ₹)	NIFTY
April, 2020	338	285	33718	338	280	9860
May, 2020	320	280	32424	325	268	9580
June, 2020	426	286	34916	422	285	10302
July, 2020	465	336	37607	466	335	11073
August, 2020	571	387	38628	572	401	11388
September, 2020	555	485	38068	554	485	11248
October, 2020	515	441	39614	515	442	11642
November, 2020	597	465	44150	598	462	12969
December, 2020	623	537	47751	640	536	13982
January, 2021	650	565	46286	650	565	13635
February, 2021	609	525	49100	609	525	14529
March, 2021	650	555	49509	635	555	14691

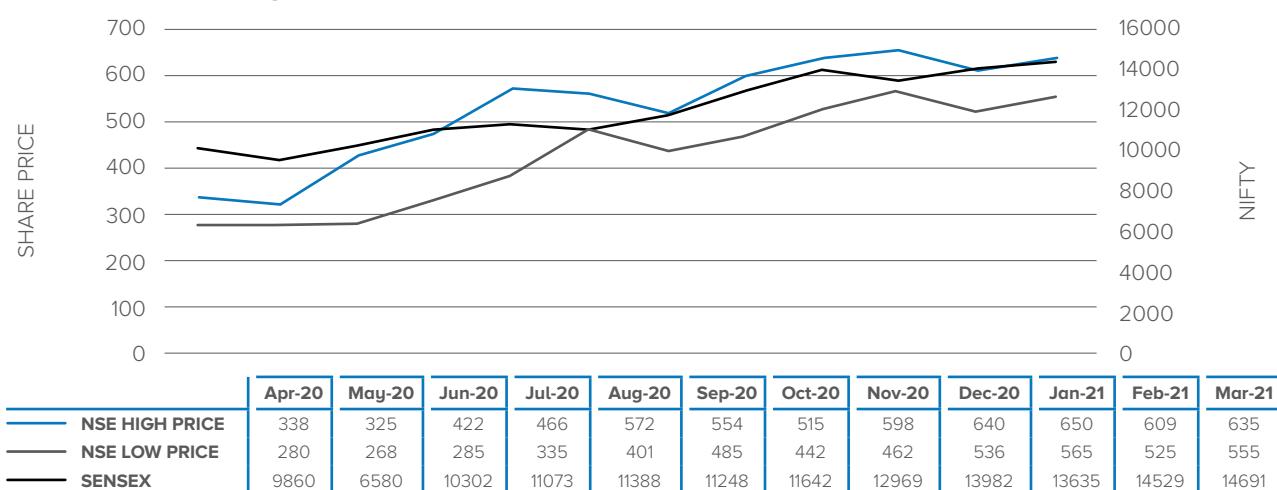
Share performance of the Company in graphical comparison at **BSE (Sensex)**:

Share Price at BSE for the year 2020-21



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

Share Price at BSE for the year 2020-21



9.7	Suspension from Trading	The Equity Shares of the Company were not suspended from Trading during the Financial Year 2020-21		
9.8	Registrar and Transfer Agents	<p>Link Intime India Private Limited</p> <p>B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.</p> <p>Phone : +91 265 2356573, 6136011 Fax : 2356791.</p> <p>E-mail : vadodara@linkintime.co.in</p>		
9.9	Share Transfer System	Transfer of shares in electronic form are processed by NSDL/CDSL through respective Depository Participants. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.		
9.10	Distribution of Shareholding as on 31st March, 2021:			
No. of shares ranging From – To	Number of shareholders	% to total shareholders	Number of shares	% to total
1 to 500	16,148	82.97	12,71,656	1.16
501 to 1000	1,983	10.19	18,11,705	1.65
1001 to 2000	491	2.52	8,09,814	0.74
2001 to 3000	195	1.00	5,16,060	0.47
3001 to 4000	109	0.56	3,99,762	0.36
4001 to 5000	115	0.59	5,52,211	0.50
5001 to 10000	183	0.94	13,72,149	1.25
10001 and above	240	1.23	10,31,6,643	93.87
Total	19,464	100.00	10,98,50,000	100.00
9.11	Dematerialization of shares as on 31st March, 2021:			
Particulars	No. of Shares	% to Total Share Capital		
No. of Shares Dematerialized				
NSDL	104,160,762	94.82		
CDSL	4,770,738	4.34		
No. of Shares in Physical Form	9,18,500	0.84		
TOTAL	10,98,50,000	100.00		
9.12	Outstanding GDRs/ADRs/Warrants	The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.		
9.13	Commodity price risk or foreign exchange risk and hedging activities	<p>(a) The Company had no exposure to commodity price risk during the year ended 31st March, 2021. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.</p> <p>(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.</p>		
9.14	Plant Locations	<p>Ranjitnagar Plant Survey No. 16/3, 26 and 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal, State Gujarat</p> <p>Dahej Plant</p> <p>A) Plot No. 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch, State, Gujarat.</p> <p>B) Plot No. D-2/CH/173/222, GIDC Industrial Estate, Village Galenda, Vagra, Bharuch, Gujarat, 392130</p>		



9.15	Address for Investor Correspondence	Link Intime India Private Limited B -102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020. Phone : +91 265 2356573, 6136011 Fax : 2356791. E-mail : vadodara@linkintime.co.in
9.16	List of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31 st March, 2021. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1 (+) and AA(-) respectively.

10. OTHER DISCLOSURES

(a) Materially significant Related Party Transactions:

There were no transactions with related parties during the Financial Year which were in conflict with the interest of the Company. Suitable disclosure of Related Party Transactions as required by the Accounting Standards (Ind AS 24) has been made in the Note No. 46 to the Standalone Financial Statements and in the Board's Report as required under Section 134 of the Companies Act, 2013.

The Board has also approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's Website. The same can be viewed at https://gfl.co.in/assets/pdf/gfcl_related_party_transaction_policy_13082019.pdf.

(b) Details of non-compliance:

There are no instances of non-compliance, penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets;

(c) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy at its Board Meeting held on 13th August, 2019 to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/ Employees. No personnel have been denied access to the Audit Committee. A copy of Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at https://gfl.co.in/assets/pdf/gfcl_whistleblower_policy_13082019.pdf

- (d) The Company has formulated a policy for determining '**Material Subsidiaries**' and such policy has been disclosed on the Company's Website. The same can be viewed at <http://www.gfl.co.in/pdf/GFL%20-%20Material%20Subsidiary%20Company%20Policy.pdf>
- (e) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of the Listing Regulations.
- (f) Disclosure of commodity price risks and commodity hedging activities: Discussed in Point 9.14 above.
- (g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): During the Financial Year 2020-21, 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 2020-21, 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 ₹ 89.00 Lakhs for all services, on a consolidated basis, to the statutory auditor's 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, 2021 is given in the Board's report.
- (l) 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.
- (m) All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.
- (n) Adoption of Non Mandatory requirement: The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:
 - Shareholders rights: The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
 - Modified opinion(s) in audit report: For the Financial Year ended 31st March, 2021, there is no modification in the audit report issued by the statutory auditors on the Company's financial statements.
 - Reporting of Internal Auditors: In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed firms of Internal Auditors who report to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action, if required.

11. CEO / CFO CERTIFICATION

The Company has obtained a certificate from the Managing Director and Chief Financial Officer in respect of matters stated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

12. CODE OF CONDUCT

The Board of Directors of the Company had laid down a Code of Conduct for all the Board Members and Senior Management of the Company including duties of Independent Directors. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at <https://qfl.co.in/assets/pdf/Code-of-Conduct-GFCL.pdf>

13. DECLARATION BY CHIEF EXECUTIVE OFFICER

Declaration signed by Mr. Vivek Jain, Managing Director of the Company, stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report at **Annexure – A**.

14. COMPLIANCE CERTIFICATE FROM THE AUDITORS

Compliance Certificate from the independent auditors of the Company regarding compliance of conditions of Corporate Governance is annexed with the Board's Report.

15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

Not Applicable

By Order of the Board of Directors

Devendra Kumar Jain

Chairman

DIN- 00029782

Date: 13th August, 2021
Place: New Delhi



Statutory
Report

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Annexure A

DECLARATION BY THE CEO UNDER CLAUSE D OF SCHEDULE V OF THE LISTING REGULATIONS:

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the Financial Year ended 31st March, 2021.

By Order of the Board of Directors

Vivek Jain

Managing Director
DIN - 00029968

Date: 13th August, 2021

Place: New Delhi

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To,
The Members of
Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited),

This report contains details of compliance of conditions of Corporate Governance by Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) ('the Company') for the year ended 31st March, 2021 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2021.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms

that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations in all material respects.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Patankar & Associates

Chartered Accountants
Firm Registration No. 107628W

S S Agrawal

(Partner)
Membership Number: 049051

Place: Pune
Date: 13/08/2021
UDIN: 21049051AAABBB7765



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 Ranjithnagar, Taluka Ghoghamba, Panchmahal – 389 380, Gujarat, India, as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V - Para C - Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Original Date of Appointment
1.	Mr. Chandra Prakash Jain	00011964	06-12-2018
2.	Mr. Deepak Ranjit Asher*	00035371	06-12-2018
3.	Mr. Devendra Kumar Jain	00029782	06-12-2018
4.	Mr. Om Prakash Lohia	00206807	06-12-2018
5.	Mr. Pavan Kumar Jain*	00030098	06-12-2018
6.	Mr. Sanath Kumar Muppirlala	08425540	28-04-2019
7.	Mr. Sanjay Sudhakar Borwankar	08640818	15-02-2020
8.	Mr. Shailendra Swarup	00167799	06-12-2018
9.	Mr. Shanti Prashad Jain	00023379	06-12-2018
10.	Ms. Vanita Bhargava	07156852	06-12-2018
11.	Mr. Vivek Kumar Jain	00029968	06-12-2018

* Mr. Deepak Ranjit Asher and Mr. Pavan Kumar Jain has resigned with effect from October 13, 2020 and February 07, 2021 respectively.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

ICSI Peer Review UIN: P2008GJ016300

FCS No. 3677; CP No. 2863

UDIN: F003677C000493298

Place: Vadodara

Date: June 18, 2021

ANNEXURE – B

Business Responsibility Report

As stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as stipulated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019 read with relevant SEBI circulars issued from time to time, a Business Responsibility Report (BRR) in the format prescribed by the SEBI, is required to be published in the Annual Report for the Financial Year 2020-21.

The BRR represents the approach of the Company towards creation of long association for all its stakeholders. The BRR is aligned with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs (MCA) and it describes initiatives taken by the Company during the Financial Year 2020-21 are as under:

Section A – General Information about the Company

1	Corporate Identification Number	L24304GJ2018PLC105479																				
2	Name of the Company	Gujarat Fluorochemicals Limited																				
3	Registered Address	Survey Number 16/3, 26 & 27, Ranjitnagar - 389380, Taluka Ghoghambha, District Panchmahal, Gujarat																				
4	Website	www.gfl.co.in																				
5	Email Address	bvdesai@gfl.co.in																				
6	Financial year reported	2020-21																				
7	Sector(s) that the Company is engaged in	<table><thead><tr><th>Description</th><th>NIC Code</th></tr></thead><tbody><tr><td>Refrigerant Gases</td><td>24111</td></tr><tr><td>Caustic Soda</td><td>24111</td></tr><tr><td>(Caustic Soda Lye & Flakes)</td><td></td></tr><tr><td>Chloromethanes</td><td>24111</td></tr><tr><td>(Methylene Chloride and Carbon Tetrachloride)</td><td></td></tr><tr><td>Poly Tetrafluoroethylene (PTFE)</td><td>24111</td></tr><tr><td>1. Refrigerant Gases, Poly Tetrafluoroethylene (PTFE)</td><td></td></tr><tr><td>2. Caustic Soda (Lye & Flakes),</td><td></td></tr><tr><td>3. Chloromethane</td><td></td></tr></tbody></table>	Description	NIC Code	Refrigerant Gases	24111	Caustic Soda	24111	(Caustic Soda Lye & Flakes)		Chloromethanes	24111	(Methylene Chloride and Carbon Tetrachloride)		Poly Tetrafluoroethylene (PTFE)	24111	1. Refrigerant Gases, Poly Tetrafluoroethylene (PTFE)		2. Caustic Soda (Lye & Flakes),		3. Chloromethane	
Description	NIC Code																					
Refrigerant Gases	24111																					
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(Methylene Chloride and Carbon Tetrachloride)																						
Poly Tetrafluoroethylene (PTFE)	24111																					
1. Refrigerant Gases, Poly Tetrafluoroethylene (PTFE)																						
2. Caustic Soda (Lye & Flakes),																						
3. Chloromethane																						
8	3 key products/services manufactured/provided by the Company	<ol style="list-style-type: none">1. Refrigerant Gases, Poly Tetrafluoroethylene (PTFE)2. Caustic Soda (Lye & Flakes),3. Chloromethane																				
9	Total number of locations where business activity is undertaken by the Company																					
(a)	Number of International Locations (Provide details of major 5)	<ol style="list-style-type: none">1. Gujarat Fluorochemicals Americas LLC, Irving, TX 75038, USA;2. Gujarat Fluorochemicals Singapore Pte Ltd; 158 Cecil Street, Singapore.3. Gujarat Fluorochemicals GmbH; Hamburg, Germany4. GFL GM Flourspar SA Morocco																				
(b)	Number of National Locations	Total 8 (Eight) <ol style="list-style-type: none">1. Manufacturing Plants – Dahej (2 nos) (Gujarat) and Ranjitnagar (Gujarat)2. Branch Offices – Gujarat, Delhi, Chennai and Thane3. Corporate Office – Noida																				
10	Markets served by the Company	National and International																				



Section B - Financial details of the Company

Paid up capital (INR)	1098.50 lakhs
Total turnover (INR)	2,52,361 lakhs
Total loss after tax (INR)	(22,817) lakhs
Total spending on CSR as percentage of PAT (%)	The Company has spent over the statutory requirement towards CSR activities i.e. 5.717 %
List of the activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> • Promoting Education including Special Education and Employment enhancing vocation skills • Animal Welfare, Environmental Sustainability and Protecting of Flora & Fauna • Eradication of Hunger • Promoting Healthcare • Livelihood Enhancement Projects • Empowering Women • Rural Development Projects • Training to promote rural, nationally recognised, Paralympic and Olympic sports

Section C - Other details

Does the Company have any Subsidiary Company/ Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D - BR information

1. Details of Director(s) responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	00029782	00029968
Name	Mr. Devendra Kumar Jain	Mr. Vivek Kumar Jain
Designation	Chairman	Managing Director

b. Details of the BR head:

DIN Number (if applicable)	08425540	08640818
Name	Mr. Sanath Kumar Muppirlala, Dahej Plant	Mr. Sanjay Borwankar, Ranjitnagar Plant
Designation	Whole-time Director	Whole-time Director
Telephone number	02641-618060	02678-248127
E-mail id	sanath.kumar@gfl.co.in	sanjay.borwankar@gfl.co.in

2. Principle-wise (as per NVGs) BR policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	N	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y		Y	Y	Y		Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y (ISO, OHSAS)		Y	Y	Y (ISO, OHSAS)		Y	Y (ISO)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y		Y	Y		Y	Y	
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y		Y	Y	Y		Y	Y
6.	Indicate the link for the policy to be viewed online?	#	#		#	#	#		#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y		Y	Y	Y		Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y		Y	Y	Y		Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	N	N		N	N	N		N	N
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N		N	N	N		N	N

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b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)				1				2	

- 1) While the Company does not have a specific policy for this principle, it has an HR Operations Manual that provides guidance for governing various aspects related to its employees, including employee grievance redressal.
- 2) As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy.

3. Governance related to BR:

a)	Indicate frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.	The Business Responsibility Performance of the Company is assessed Annually by the Board
b)	Does the Company publish BR or Sustainability Report? What is hyperlink of viewing this report? How frequently it is published?	Yes, BR is published annually in the Annual Report and available on the Company's website www.gfl.co.in

Section E Principle –wise performance

Certain key principles to assess fulfilment of the requirement by the Company and a description of core elements under the principles as detailed in Annexure II of the referred SEBI circular are narrated below:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

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

Code of Conduct:- It encourages each and every Director and Officer of the Company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's premises, at offsite locations, at the Company's sponsored business and social events, and / or at any other place where they represent the Company. Any instance of non-compliance of any of the provisions of the said policy is treated as a breach of ethical conduct and is viewed seriously by the Company

Whistle Blower Policy:- Whistle Blower Policy is a mechanism to reinforce implementation of the Company's Code of Conduct which encourages each and every Director and officer of the Company to take positive actions which not only commensurate with the Company's belief but are also perceived to be so. This Policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the policy relating to ethics, bribery and corruption covers the Company and its Subsidiary Companies (refer to para 1(a) of Whistle Blower Policy for subsidiary companies).

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders Complaint Received	17
Stakeholders Complaint Resolved	17
Percentage of Stakeholders Complaint Resolved	100%

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

For more details on Principle 1, kindly refer to Human and Social Relationship Capital of Integrated Section.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Integrated Management Systems Policy for the Ranjitnagar plant and the Policies for Quality and Environment, Health & Safety for the Dahej plant are the Company's guiding documents for protection of environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a. AHCl: The design of AHCl cylinders has incorporated safety measures that ensure no leakage occurs during transportation. Also, a special cage has been designed for the cylinders so that they do not get damaged in case of any accident.
 - b. AHF storage facility: As hydrogen fluoride is a health hazard, an automatic sprinkler system has been installed around AHF bullets to prevent it from spreading, in case of any leakage.
 - c. R-22: The R-22 production process is designed in such a way that it eliminates organic effluents by recycling them.

In addition to these, regular safety trainings are conducted for all the drivers. Also, there is an established procedure for pre-loading inspection of all containers, racks and vehicles used to transport the chemicals.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Atmospheric emission of Volatile Organic Components is being continuously monitored to be well within the limit specified Gujarat Pollution Control Board.

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

While the Company manufactures products that are not directly used by end consumers but are used as raw materials in the production of other goods, it makes continuous efforts to improve the environmental attributes of its products.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.

The Company has proper procedures in place for sustainable sourcing and procures more than 75% of inputs directly from the manufacturer. The Company continuously re-designs its activities to better manage the procurement process and works closely with its suppliers. To decrease the fuel consumption and emissions due to transportation, GFCL is gradually shifting to 20-30 MT capacity vehicles from 10-16 MT ones. Also, the import consignments are now being received at nearer ports like Dahej and Hazira, instead of distant ones like Kandla and Mumbai.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, at the Ranjitnagar plant, services are being procured from local producers/ contractors for construction of new projects. At the Dahej plant, the Company has taken a lead in helping a local vendor set up a drum manufacturing unit which supplies drums to various industrial plants in the area.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Ranjitnagar plant is a zero effluent discharge plant where around 90% of the wastewater is recycled. This has been achieved by installation of Single Effect Evaporator (SEE) and Multiple Effect Evaporator (MEE). The plant also turns all of its canteen waste to compost, thereby reducing the burden on landfill sites. The Dahej plant has a well-developed Environment Management Plan (EMP) in place which mainly focusses on reduction, reuse and recycling of resources. This plant also has well defined targets for reduction of water usage and to achieve these targets, a water recycling plan has been implemented within each area in the plant.

For more details on the Principle 2, kindly refer to Natural Capital of the Integrated Section.

Principle 3: Businesses should promote the well-being of all employees

The Company has an HR Operations Manual that provides guidance and policies for governing various aspects related to its employees. It includes guidelines on employee evaluation and performance management, training and development, employee/contractor grievance redressal and employee relationship management. It also includes guidelines on prevention, prohibition and redressal of sexual harassment of women at workplace.

1. Please indicate the Total number of permanent employees.

The Company has a total of 2,220 permanent employees.

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

A total of 2,420 employees have been hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.

The Company has 51 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities

The Company has 11 permanent employees with disabilities.

5. Do you have an employee association that is recognized by management?

The Company does not have any employee association recognized by its management.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable since the Company does not have a recognized employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil



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

Permanent Employees	Safety - 100 %; Skill Upgradation - 85%
Permanent Women Employees	Safety - 100 %; Skill Upgradation - 70 %
Casual/Temporary/ Contractual Employees	Safety - 100 %; Skill Upgradation - 85%
Employees with Disabilities	Safety - 100 %; Skill Upgradation - 50%

For more details on the Principle 3, kindly refer to the Human Capital of Integrated Section.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has a Corporate Social Responsibility (CSR) Policy, which is guided by the philosophy of GFCL and delineates its responsibility as a responsible corporate citizen. The CSR Policy of the Company lays down the guidelines and mechanism to undertake programmes for social welfare and sustainable development of the community at large. The objective of the Policy is to enhance value creation by the Company in the communities in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company ensures that its business is conducted in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.

1. Has the Company mapped its internal and external stakeholders? Yes/No

GFL takes into account the wellbeing of all individuals directly or indirectly associated with it, though a formal mapping of the internal and external stakeholders has not been conducted.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

While there has not been any formal identification of the disadvantaged stakeholders, the Company's primary welfare activities are focussed on children, women, elderly, the differently abled, farmers, and socially & economically backward groups in the communities in the areas surrounding the Company's operations.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.

Some of the initiatives undertaken by the Company include:

- Financial assistance to students from poor families for covering education related expenses.

- Support to development of social infrastructure in neighbouring villages in order to provide access to better education and health facilities to the local populace.
- Financial assistance to poor patients and provision of Mobile Medical Unit to the locals.

For more details on the Principle 4, kindly refer to Social Relationship Capital of the Integrated Section

Principle 5: Businesses should respect and promote human rights

The HR Operations Manual of the Company contains detailed guidelines on protection of human rights and is committed to respect human rights of workforce, communities and those affected by the operations of the Company wherever the Company does its business including the Company's contractors and suppliers

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?
- The policy extends to Contract Labour, Vendors and all other stakeholders.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the FY 2020-21, the Company has received 17 complaints from the different stakeholders of the company and that were resolved by the Company Satisfactorily.

Principle 6: Business should respect, protect, and make efforts to restore the environment

The Integrated Management Systems Policy for the Ranjitnagar plant and the policies for Quality and Environment, Health & Safety for the Dahej plant are GFCL's guiding documents for protection of the environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?

While the policy also only covers its own operations, the Company, encourages its suppliers to adopt environment friendly practices in their operations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

In its effort to do its bit towards fighting climate change, GFCL has adopted a number of initiatives to increase its energy efficiency, thereby reducing its carbon emissions.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Dahej plant regularly conducts risk assessment to identify risks related to environment and safety. To this end, the plant has a well-defined Management of Change (MOC) procedure and HIRA & HAZOP processes. These procedures ensure that environmental risks are identified and addressed on a timely basis.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company currently does not have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company has undertaken a number of energy efficiency initiatives like installation of variable frequency drives and LEDs, which decrease electricity consumption. At the Ranjitnagar plant, a co-generation plant has been installed to increase efficiency of the power plant to about 80%, by the usage of waste heat from exhaust gas and jacket water. This plant has also installed a groundwater recharge system that includes filter modules for removing suspended solids and total dissolved solids from the water. This system enables the replenishment of almost 450 mt water each year. Besides these initiatives, the Company's Dahej plant procures renewable power generated by wind turbines.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB for FY 2020-21.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices from CPCB/SPCB are pending as on 31st March 2021.

For more details on the Principle 6, kindly refer to the Natural Capital of the Integrated Section.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

As a business, which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant

policy. However it will continue to assess the evolving business and regulatory environment in future in this regard.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is a member of the following trade associations:

- Federation of Indian Chamber of Commerce and Industries
- Baroda Management Association
- Federation of Gujarat Industries

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No, the Company has not advocated/lobbied through the above associations.

For more details on the Principle 7, kindly refer to page the Social Relationship Capital of the Integrated Section.

Principle 8: Businesses should support inclusive growth and equitable development

The CSR policy of GFCL aims to enhance value creation in the society and in the community in which it operates. It aims to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof

Some of the CSR programmes of the Company are:

- Animal Welfare, Environment Sustainability and Protecting of Flora & Fauna
- Livelihood enhancement Projects
- Promoting gender equality and empowering women
- Promotion of health care including preventive health care
- Promotion of sanitation
- Rural Development Projects
- Promoting Education including Vocational Skills and Research and Development
- Training to promote rural, nationally recognised, Paralympic and Olympic sports



2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The programmes are undertaken through in-house teams as well as through NGOs.

3. Have you done any impact assessment of your initiative?

The Company follows a systematic five step approach towards releasing funds for a project. The fifth step in this process includes a provision for seeking information regarding the impact of money spent, on the life of the beneficiary.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken: ₹ 1,157.23 lakhs.

Details of projects undertaken. Please refer Social and Relationship Capital Integrated Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company regularly engages with the local communities in the areas surrounding its plants, since they are the prime and direct beneficiaries of its welfare activities. Through these interactions it ensures that its CSR initiatives are adopted by the local community and fulfil the needs of the target population.

For more details on the Principle 8, kindly refer to the Social and Relationship Capital of the Integrated Section.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Integrated Management Systems Policy for the Ranjitnagar plant and the Quality Policy for the Dahej plant enable the

Company's employees to adhere to set Quality Standards in all products and services. The objective of these policies is to guide employees in providing quality products to the customers in a stipulated time frame. This can be achieved by incorporating customer feedback and improving on a continual basis.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

There is no customer complaints/ consumer cases are pending as on 31st March, 2021.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company displays all product information on the product label as mandated by the local laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There was no pending stakeholder complaint against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2021.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company conducts an annual customer satisfaction survey for all its customers in India and abroad. The outcome of this survey helps the Company in identifying steps to further improve its performance.

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

ANNEXURE – C

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

Part A – Subsidiaries

Sr. No.	Gujarat	Gujarat	GFL GM Fluorspar	Gujarat
	Fluorochemicals	Fluorochemicals	(SA)	Fluorochemicals
	Americas LLC	Singapore Pte Limited		GmbH
	1	2	3	4
The date since when the subsidiary was acquired	02/09/2009	25/07/2011	15/08/2011	19/08/2013
Reporting period, if different from the holding Company				
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	USD @ 73.11	USD @ 73.11	MAD @ 8.07	EURO @ 85.91
Share Capital	1012.28	7671.48	1349.96	21.82
Reserves and Surplus	4,136.07	1591.30	(6689.70)	3,744.27
Total Assets	15,566.37	9279.31	12338.22	16,577.75
Total Liabilities	10,418.02	16.53	17677.96	12811.66
Investments		991.54		
Turnover	27,374.54	227.73	4153.05	32,700.66
Profit/(Loss) before taxation	958.37	212.59	(1057.07)	1,522.94
Provision for taxation	199.22	22.41	24.93	486.97
Profit/(Loss) after taxation	759.15	190.18	(1082.00)	1,035.97
Proposed Dividend	Nil	Nil	Nil	Nil
% of Shareholding	100.00	100.00	74.00 held by GFL Singapore PTE Limited	100.00

Name of subsidiaries which are yet to commence operations: NIL

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

Part B – Associates and Joint Ventures

Statement related to Associate Companies and Joint Ventures

(₹ In Lakhs)

Sr. No.	Particulars	Swarnim Gujarat Fluorspar Private Limited	
1	Latest Balance Sheet date	31 st March, 2021	31 st March, 2020
2	Shares of Associates/Joint Ventures held by the Company on the year end		
	Number	1182500	1182500
	Amount of investment in Associates/ Joint Venture	118.25	118.25
	Extended holding %	49.47*	49.47*
3	Description of how there is significant influence		
4	Reason why the associate/joint venture is not consolidated	NA	NA
5	Net worth attributable to Shareholding as per latest balance sheet	87.33	87.84
6	Profit/(Loss) for the year considered in consolidation	(0.51)	(0.49)
	Not considered in consolidation		

*As per JV agreement, GFL to hold 25% of the total equity capital of SGFPL. In view the fact that 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 associates or joint ventures which are yet to commence operations: Swarnim Gujarat Fluorspar Private Limited

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



ANNEXURE – D

Annual Report on CSR Activities

(₹ In Lakhs)

Sr. No.	Particulars	Details																		
1	Brief outline on CSR Policy of the Company	The CSR Policy adopted by the Company intends to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate. It includes to carry out the projects and activities which are prescribed under Schedule VII of the Companies Act, 2013. For more details please visit our website i.e. www.gfl.co.in .																		
2	Composition of CSR Committee:	<table border="1"> <thead> <tr> <th>Name of Director</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr> </thead> <tbody> <tr> <td>Mr. Devendra Kumar Jain</td><td>Non-Executive Director</td><td></td><td></td></tr> <tr> <td>Mr. Vivek Kumar Jain</td><td>Executive Director</td><td></td><td></td></tr> <tr> <td>Mr. Shanti Prashad Jain</td><td>Independent Director</td><td></td><td></td></tr> </tbody> </table>	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	Mr. Devendra Kumar Jain	Non-Executive Director			Mr. Vivek Kumar Jain	Executive Director			Mr. Shanti Prashad Jain	Independent Director				
Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																	
Mr. Devendra Kumar Jain	Non-Executive Director																			
Mr. Vivek Kumar Jain	Executive Director																			
Mr. Shanti Prashad Jain	Independent Director																			
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	www.gfl.co.in																		
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable																		
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)																	
	2020-21	Nil	Nil																	
6	Average net profit of the company as per section 135(5)		₹ 20,242.09 Lakhs																	
7	(a) Two percent of average net profit of the company as per section 135(5)		₹ 404.84 Lakhs																	
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Nil																	
	(c) Amount required to be set off for the financial year		Nil																	
	(d) Total CSR obligation for the financial year (7a + 7b- 7c)		₹ 404.84 Lakhs																	
8	(a) CSR amount spent or unspent for the financial year:																			
	Total Amount Spent for the Financial Year (in ₹)	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																
₹ 1,157.23 Lakhs	Nil	Nil	Nil	Nil																

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	Name of Project (Sch. VII)	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1	Promotion of health care including preventive health care	Promotion of health care including preventive health care	Yes	Gujarat Bharuch	3.50	Yes	N.A N.A
2	Promotion of health care including preventive health care	Promotion of health care including preventive health care	No	Delhi Delhi	150.00	Yes	N.A N.A
3	Promotion of health care including preventive health care	Promotion of health care including preventive health care	Yes	Gujarat Panchmahal	37.57	Yes	N.A N.A
4	Eradication of Hunger and Poverty	Promoting health care including preventive health care	Yes	Gujarat Panchmahal	3.91	Yes	N.A N.A
5	Eradication of Hunger and Poverty	Promoting health care including preventive health care	Yes	Gujarat Bharuch	6.98	Yes	N.A N.A
6	Donation to Swatch Bharat Kosh of Central Govt	Promotion of sanitation	Yes	Gujarat Panchmahal	12.74	Yes	N.A N.A
7	Promoting Education and Special Education including Vocational Skills	Promoting Education and Special Education including Vocational Skills	Yes	Gujarat Panchmahal	25.04	Yes	N.A N.A
8	Promoting Education and Special Education including Vocational Skills	Promoting Education and Special Education including Vocational Skills	No	Rajasthan Jaipur	700.00	Yes	N.A N.A
9	Treatment of Cattles and support for agricultural allied activities	Animal Welfare, Environment Sustainability and Protecting of Flora & Fauna	Yes	Gujarat Panchmahal	32.72	Yes	N.A N.A
10	Support to Widows	Livelihood enhancement Projects	Yes	Gujarat Panchmahal	18.19	Yes	N.A N.A
11	Support to Farmers, Villagers and handicap	Livelihood enhancement Projects	Yes	Gujarat Panchmahal	19.18	Yes	N.A N.A
12	Beti Bacho Beti Padho Initiative	Promoting gender equality and empowering women	Yes	Gujarat Panchmahal	6.73	Yes	N.A N.A
13	Providing infrastructure support for development of Villages	Rural Development Projects	Yes	Gujarat Panchmahal	114.53	Yes	N.A N.A
14	Training to promote rural, nationally recognised, paralympic and olympic sports	Training to promote rural, nationally recognised, paralympic and olympic sports	No	Delhi Delhi	25.00	Yes	N.A N.A
15	Training to promote rural, nationally recognised, paralympic and olympic sports	Training to promote rural, nationally recognised, paralympic and olympic sports	Yes	Gujarat Bharuch	0.75	Yes	N.A N.A
16	Training to promote rural, nationally recognised, paralympic and olympic sports	Training to promote rural, nationally recognised, paralympic and olympic sports	Yes	Gujarat Panchmahal	0.40	Yes	N.A N.A
Total					1,157.23		
(d) Amount spent in Administrative Overheads					Nil		
(e) Amount spent on Impact Assessment, if applicable					Not Applicable		
(f) Total amount spent for the Financial Year (Total amount spent for the Financial Year)					₹ 1,157.23 Lakhs		

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
1	Two percent of average net profit of the company as per section 135(5)	404.84
2	Total amount spent for the Financial Year	1,157.23
3	Excess amount spent for the financial year [(2)-(1)]	752.39
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(3)-(4)]	752.39

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

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

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

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

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

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	The Company has complied with Section 135 of the Companies Act, 2013.

Vivek Jain

Managing Director

DIN : 00029968

Shanti Prashad Jain

Chairman CSR Committee

DIN : 00023379

ANNEXURE – E

Secretarial Audit Report

For the Financial Year ended March 31, 2021

[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 Disclosures Requirements) Regulations, 2015]

The Members,
Gujarat Fluorochemicals Limited
(Formerly Known as Inox Fluorochemicals Limited)
Survey No. 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghambha,
Panchmahal – 389 380,
Gujarat, India.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 (“period under review”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the period under review, according to the provisions of:

- i. Companies Act, 2013 (“Act”) and the rules made thereunder;
- ii. Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- iii. 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - (d) SEBI (Depositories and Participants) Regulations, 2018;
 - (e) SEBI (Share Based Employee Benefits) Regulations, 2014, however, the same were not applicable;
 - (f) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, however, the same were not applicable;
 - (g) SEBI (Issue and Listing of Debt Securities) Regulations, 2008, however, the same were not applicable;
 - (h) SEBI (Delisting of Equity Shares) Regulations, 2009, however, the same were not applicable;
 - (i) SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, however, the same were not applicable;
 - (j) SEBI (Buy-back of Securities) Regulations, 2018, however, the same were not applicable.

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 Agreement 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 period under review 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 period under review were carried out in compliance with the provisions of the Act;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable Laws, Rules, Regulations and Guidelines;
- E. During the period under review, there were no specific instances / actions in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc., having major bearing on the Company's affairs.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

ICSI Peer Review UIN: P2008GJ016300

FCS No. 3677; CP No. 2863

UDIN: F003677C000493276

Place: Vadodara

Date: June 18, 2021

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

Appendix A

The Members,
Gujarat Fluorochemicals Limited
(Formerly Known as Inox Fluorochemicals Limited)
Survey No. 16/3, 26 & 27,
Village Ranjitnagar,
Taluka Ghoghambha,
Panchmahal – 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. We have conducted the Secretarial Audit for the period under review through virtual verification of documents, records, etc., as made available to us by the Company, due to the Covid-19 pandemic situation.
- iv. Wherever required, we have obtained the management representations about the Compliance of Laws, Rules and Regulations, happening of events, etc.
- v. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

ICSI Peer Review UIN: P2008GJ016300

FCS No. 3677; CP No. 2863

UDIN: F003677C000493276

Place: Vadodara

Date: June 18, 2021



ANNEXURE – F

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

A. CONSERVATION OF ENERGY

The steps taken or impact on conservation of energy are as listed below –

- Replacement of 25 Nos. of old identified FRP CT (Cooling Tower) fans by ENCON make high efficiency energy saving E-GLASS EPOXY FRP fans for CA, CMS, S&A and VDF Cooling Towers of respective Plants & Utilities,
 - Achieved Power savings of 868 MW/Yr,
- Further, throughput increase of ERS : Effluent Recycling Systems & utilization of its treated water as a make up for most of the Cooling Towers (CT's),
 - Achieved Gross Water Savings = 160.606 MegaLtr/ Annum,
- Installation & Commissioning of Acoustic Cabin for Utilities Control Room,
 - Achieved Sound level reduction,
- Utilization of generated flash steam based on forbes marshall energy audit at A & D-PTFE plant
 - Achieved 7 MT steam reduction/Ton of Production.
- Reduction of Specific Steam consumption at TFE plants,
 - Achieved 0.1 MT steam reduction/Ton of TFE Production.
- Reduction in NG: Natural Gas consumption at TFE Plant,
 - Achieved 1.5 MMBTU NG reduction/Ton of TFE Production.
- Reduction of Sp. Coal consumption at both the Steam Boilers i.e.,
 - Achieved Specific Coal Saving of 0.001 MT/Ton,
- Reduction of Specific Steam consumption at STG-1 steam turbine,
 - Achieved 0.02 MT steam reduction/MW of power generation,
- Reduction of Specific Steam consumption at STG-2 steam turbine,
 - Achieved 0.1 MT steam reduction/MW of power generation,
- Reduction in power consumption by changing motor of Heating media (P-617 A/B) at TFE1 plant
 - Achieved Power savings of 17 MW/Annum,
- P-804B Brine Pump's Impeller trimming works,
 - Achieved Power savings 265.6 MW/Annum,
- Conversion of old wooden MOC cooling tower from cross flow to Pultruded FRP MOC counter flow & stoppage of @ 20 KW fan motor to save power,
 - Achieved Power savings 148.7 MW/Annum,
- Commissioning of 2 Nos. (-35) DegC & 1 No. (-15) DegC BRINE chilling plants at Polymer Complex with high quality Cold Insulation for Power Savings,
 - Achieved Power savings 3333.2 MW/Annum,
- Interconnection of refrigeration compressor's suction pipe line of (-15) DegC to (-5) DegC for power savings through maximum utilization of (-15) DegC refrigeration compressors energy,
 - Achieved Power savings 784.8 MW/Annum,
- Utilities: Refrigeration system's Condenser – A & Condenser - B tubes cleaning / de-scaling followed by polymer coatings of tube sheets of both the Condensers with silicon putty,
 - Achieved drastic reliability improvement of both the Condensers with positive impact on power savings (indirect power),

- B.** Steps taken by the Company for utilising alternate source of energy : Please refer to Natural Capital Section of Integrated report
- C.** Capital Investment on energy conservation equipments: Please refer to Natural Capital Section of Integrated report

D. TECHNOLOGY ABSORPTION

Efforts made towards technology absorption, adaptation and innovation.

- GFL has made further investments in PFA grade polymer for high end market in semi conductor applications. The product has reached second level of acceptance at reputed customers. Business volume is expected to increase further from Q3 21-22.
- GFL has made breakthrough in PTFE micro powder & additives for printing ink, lubricant & coating application. The company has further invested in manufacturing different grades of micro powder under patent novel processes to venture into newer applications. Global leaders have endorsed the product and the company.
- GFL has increased nearly 25% capacity in dispersion grade of PTFE over a period of 2 years for the application of liners, wire & cables, electrical tapes, metal coating & impregnation.
- GFL is pursuing hard in the endeavour of working towards new age surfactants which are environmental friendly. Initial results are encouraging and gaining acceptance.
- GFL has developed additional key PVDF based grades being used for solar films. This is in sync with focus on renewable and green energy.

- GFL has successfully developed New value added TFE based chemicals and new intermediates of fluoropolymers for backward integration through in-house R&D. GFL can take either of the product to scale upto capacity on demand of market.
- GFL has invested into commercial production of ISAN, new age additive using in-house developed encapsulation technology.
- New grades were developed in FKM to meet the requirement of various customers.
- GFL has invested in backward integration of the non PTFE polymers with expansion in VDF.

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

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

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

F. Foreign exchange Earnings and Outgo:

Foreign Exchange used : ₹ 63,664.86 Lakhs
Foreign Exchange earned : ₹ 1,17,566.38 Lakhs



ANNEXURE – G

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21.

(₹ in Lakhs)

Sr. No.	Name of Director / KMP	Remuneration of Director /KMP for FY 2020-21	% increase in remuneration in the Financial Year 2020-21	Ratio of Remuneration of each of Director to median remuneration of employees
1	Mr. Devendra Kumar Jain, Non-executive Director*	452.74*	7.98%	1:95.20
2	Mr. Vivek Jain, Managing Director and CEO	718.72**	0.11%	1:151.64
3	Mr. Shailendra Swarup, Independent Director	4.50*	104.55%	1:0.95
4	Mr. Sanjay Borwankar, Whole Time Director	71.77**	4.68%	1:15.14
5	Mr. Sanath Kumar Muppirlala, Whole-Time Director	98.81**	36.61%	1:20.85
6	Mr. Om Prakash Lohia, Independent Director**	0.00	-	-
7	Mr. Deepak Asher, Director and Group Head (Corporate Finance) (From 1 st April, 2020 to 12 th October, 2020)@	92.00*	Not applicable	-
8	Mr. Shanti Prashad Jain, Independent Director	4.50*	21.62%	1:0.95
9	Ms. Vanita Bhargava, Independent Director	4.50*	36.36%	1:0.95
10	Mr. Chandra Prakash Jain, Independent Director	2.00*	(15.00%)	1:0.42
11	Mr. Pavan Jain, Non-executive Director (From 1 st April, 2020 to 06 th February, 2021) #	0.00	Not applicable	Not applicable
12	Mr. Manoj Agrawal, CFO	85.51	11.20%	1:18.04
13	Mr. Bhavin Desai, Company Secretary	25.00	47.49%	1:5:27

* Including Sitting Fees and professional fees are subject to the approval of shareholders at Annual General Meeting

** No sitting fees paid.

@ Resigned w.e.f 13th October, 2020

Resigned w.e.f 07th February, 2021

- The percentage increase in the median remuneration of employees for the Financial Year was 4 %
- The Company had 2,220 permanent employees on the rolls of Company as on 31st March, 2021.
- Average percentage increase in remuneration of employees other than the remuneration of managerial personnel was in the tune of 2 %.
- It is affirmed that the remuneration is as per the remuneration policy of the Company.

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

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



Standalone Financial Statements





Independent Auditor's Report

To the members of Gujarat Fluorochemicals Limited (earlier known as Inox 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"), earlier known as Inox Fluorochemicals Limited, which comprise the Standalone Balance Sheet as at 31st March 2021, 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 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described

in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Commission of ₹ 451.24 lakhs to a non-executive director requires approval of the shareholders in the forthcoming Annual General Meeting as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations. Our report is not modified in respect of 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. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. Key Audit Matter No.	Auditor's Response
1 Evaluation of direct tax position	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> • Review of the orders passed by the Income tax department under Vivad-se-Vishwas Scheme • Review the scheme of arrangement for demerger as approved by NCLT • Discussion on the matter with the senior management • Checking the calculations made by the management in this regard for mathematical accuracy; and • Assessment of the relevant disclosures made within the financial statements to ensure the effect is appropriately disclosed in the financial statements.

This has been identified as a key audit matter due to magnitude of the amount involved and the significant impact on the financial statements.

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 Report, 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 Report, 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, based on our audit, we report that:
 - 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.
 - 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.
 - 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.
 - 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other matters

Due to the COVID-19 related lockdown, we were not able to attend the year end physical verification of inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on the standalone financial statements. Our report on the standalone financial statements is not modified in respect of this matters.

For **Patankar & Associates**
Chartered Accountants
Firm's Registration No. 107628W

S S Agrawal
Partner

Place: Pune
Date: 18th June 2021

Membership No. 049051
UDIN: 21049051AAAAAU5389

Annexure I

to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the standalone financial statements for the year ended 31st March 2021 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

Particulars of immovable properties where the title deeds are not in the name of the Company are as under:

(₹ in Lakhs)

Particulars	No. of cases	Original cost	Carrying amount	Remarks
Freehold land	8	46.86	46.86	These immovable properties are transferred and vested with the Company on demerger as per the Scheme of Arrangement, as described in Note 1, and are in the process of being registered in the name of the Company.
Building	7	31,235.22	19,975.10	
Leasehold land	14	4,963.53	4,359.42	
Investment property (building)	3	1,258.70	989.46	
Building	1	2,580.18	2,537.06	As per the purchase agreement, the property will be registered in the name of the Company after payment of the final installment of the deferred purchase consideration.

- The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.
- The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
- The Company has complied with the provisions of section 185 and section 186 of the Act in respect of investments made or loans given or guarantee or security provided.
- The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
- 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(l) of the Companies Act, 2013 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.
- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, cess and other material statutory dues applicable to it. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2021 for a period of more than six months from the date they become payable.

Particulars of dues of service tax, duty of excise, duty of customs and value added tax which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
Central Excise Act, 1944	Cenvat Credit availed on various items, including interest and penalty a) April 2007 to November 2007 b) April 2011 to June 2017	363.34 2.31	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad



Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
	c) April 2012 to December 2012	154.88	
	d) April 2013 to March 2017	349.36	
	e) June 2016 to June 2017	9.10	
	Cenvat Credit on inter unit transactions	809.75	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Cenvat Credit availed on various items, including interest and penalty July 2015 to March 2017	3.22	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Customs Act, 1962	Differential duty on high seas import March 2012 to May 2013	890.56	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Gujarat Value Added Tax Act, 2003	Proportionate ITC on Capital goods - F.Y. 2011-2012	40.34	Gujarat Value Added Tax, Tribunal, Ahmedabad
	On account of non-submission of C-forms F.Y. - 2017-2018 (upto 30.06.2017)	43.27	Joint Commissioner of Commercial Tax (Appeal) (filed after 31/03/2021)

There are no dues of income tax or sales tax which have not been deposited on account of disputes.

8. The Company has not defaulted in repayment of dues to banks or financial institutions and the Company did not have any borrowings from Government or by way of debentures.
9. The Company has applied the moneys raised by way of term loans for the purpose for which these loans were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has complied with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or

private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

Place: Pune

Date: 18th June 2021

Annexure II to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the standalone financial statements for the year ended 31st March 2021 - referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Gujarat Fluorochemicals Limited**, earlier known as Inox Fluorochemicals Limited, ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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



Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with

reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2021 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

Place: Pune

Date: 18th June 2021

Standalone Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS				
(1) Non-current assets				
(a)	Property, plant & equipment	5	2,19,950.00	2,23,064.97
(b)	Capital work-in-progress		40,006.30	31,837.34
(c)	Right-of-use assets	43	4,416.64	4,533.78
(d)	Investment property	6	989.46	1,010.73
(e)	Intangible assets	7	1,241.81	1,891.30
(f)	Financial assets			
(i)	Investments	8		
a)	Investments in subsidiaries	8(a)	8,705.58	8,705.58
b)	Investments in joint venture	8(b)	118.25	118.25
c)	Other investments	8(c)	1,863.22	19,037.85
(ii)	Loans	9	948.11	733.65
(iii)	Other non current financial assets	10	30,510.60	888.29
(g)	Deferred tax assets (net)	22	-	23,307.56
(h)	Income tax assets (net)	11	-	1,629.86
(i)	Other non-current assets	12	93,754.31	93,040.49
Sub-total			4,02,504.28	4,09,799.65
(2) Current assets				
(a)	Inventories	13	70,844.09	65,862.53
(b)	Financial assets			
(i)	Other investments	8(d)	6,849.94	6,739.23
(ii)	Trade receivables	14	73,198.77	63,964.99
(iii)	Cash & cash equivalents	15	416.02	982.50
(iv)	Bank balances other than (iii) above	16	1,014.78	0.25
(v)	Loans	9	4,811.12	4,073.44
(vi)	Other current financial assets	10	16,679.61	5,297.03
(c)	Current tax assets	11	-	30,690.72
(d)	Other current assets	12	7,990.24	8,251.84
Sub-total			1,81,804.57	1,85,862.53
Assets held for sale				
Total Assets				
EQUITY & LIABILITIES				
Equity				
(a)	Equity share capital	17	1,098.50	1,098.50
(b)	Other equity	18	3,45,379.90	3,68,143.58
Sub-total			3,46,478.40	3,69,242.08
LIABILITIES				
(1) Non-current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	19	37,327.56	46,438.98
(ii)	Other non current financial liabilities	20	374.53	1,075.43
(b)	Provisions	21	2,862.63	2,522.89
(c)	Deferred tax liabilities (net)	22	27,115.77	-
(d)	Income tax liabilities (net)	26	1,001.36	-
Sub-total			68,681.85	50,037.30
(2) Current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	23	1,00,616.26	1,02,697.05
(ii)	Trade payables			
a)	total outstanding dues of micro enterprises and small enterprises	24	141.02	82.63
b)	total outstanding dues of creditors other than micro enterprises and small enterprises	24	32,181.60	33,891.74
(iii)	Other current financial liabilities	20	34,333.76	35,623.63
(b)	Other current liabilities	25	1,205.32	1,554.20
(c)	Provisions	21	1,550.33	1,365.80
(d)	Current tax liabilities (net)	26	1,101.17	1,167.75
Sub-total			1,71,129.46	1,76,382.80
Total Equity & Liabilities				

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

Place: Pune

Dated: 18th June 2021

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

V. K. JAIN

Managing Director

DIN: 00029968

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

MANOJ AGRAWAL

Chief Financial Officer



Standalone Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Lakhs)

Sr. Particulars No.	Note No.	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I Revenue from operations	27	2,52,360.58	2,49,638.88
II Other income	28	18,048.11	22,127.20
III Total Income (I+II)		2,70,408.69	2,71,766.08
IV Expenses			
Cost of materials consumed	29	87,511.55	94,692.02
Purchases of stock-in-trade		-	58.69
Changes in inventories of finished goods, work in progress, stock-in-trade and by products	30	(4,355.67)	(7,471.48)
Power & fuel		43,787.78	47,628.88
Employee benefits expense	31	19,790.01	18,660.58
Net loss on fair value changes in investments classified at FVTPL	32	-	8,158.23
Finance costs	33	10,918.77	10,137.85
Depreciation and amortisation expense	34	18,455.57	17,606.61
Other expenses	35	47,272.10	47,388.16
Total expenses (IV)		2,23,380.11	2,36,859.54
V Profit before exceptional items and tax (III-IV)		47,028.58	34,906.54
VI Exceptional items	47	-	(2,604.05)
VII Profit before tax (V+VI)		47,028.58	32,302.49
VIII Tax expense	36		
(i) Current tax		11,932.00	13,922.00
(ii) Deferred tax		(385.36)	507.32
(iii) Tax pertaining to earlier years and impact of net deferred tax liability remeasurement on account of change in tax rate		58,298.94	(1,121.58)
		69,845.58	13,307.74
IX Profit/(loss) for the year (VII-VIII)		(22,817.00)	18,994.75
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefits plans		29.75	(107.37)
(ii) Tax on above		(7.49)	37.52
B. Items that will be reclassified to profit or loss			
(i) Gains and (loss) on effective portion of hedging instruments in a cash flow hedge		41.50	(213.44)
(ii) Tax on above		(10.44)	74.58
Total other comprehensive income		53.32	(208.71)
XI Total comprehensive income for the year (IX+X)		(22,763.68)	18,786.04
Earnings/(loss) per equity share of ₹ 1 each			
Basic and Diluted (in ₹)	41	(20.77)	17.29

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

For GUJARAT FLUOROCHEMICALS LIMITED

S S Agrawal

Partner

Mem No: 049051

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

V. K. JAIN

Managing Director

DIN: 00029968

B. V. DESAI

Company Secretary

MANOJ AGRAWAL

Chief Financial Officer

Place: Pune

Dated: 18th June 2021

Place: Vadodara

Dated: 18th June 2021

Standalone Statement of Changes in Equity

for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at 31st March 2019	1.00
Movement during the year ended 31 st March, 2020	
pursuant to demerger (see Note 1, 17 and 51)	
a) Shares issued during the year	1,098.50
b) Shares cancelled during the year	(1.00)
	1,097.50
Balance as at 31st March, 2020	1,098.50
Movement during the year ended 31 st March, 2021	-
Balance as at 31st March, 2021	1,098.50

B. Other Equity

Particulars	Reserves & Surplus			Items of other comprehensive income	Total
	Capital Reserve	General Reserve	Retained Earnings		
Balance as at 31st March 2019	-	-	(1.25)	-	(1.25)
On account of demerger (see Note 1 and 50)					
Transferred pursuant to demerger	12,827.46	3,20,000.00	16,726.31	84.98	3,49,638.75
Cancellation of existing share capital	1.00	-	-	-	1.00
Adjusted as per the scheme of demerger	(280.96)	-	-	-	(280.96)
Net effect of demerger	12,547.50	3,20,000.00	16,726.31	84.98	3,49,358.79
Balance as at 1st April, 2019	12,547.50	3,20,000.00	16,725.06	84.98	3,49,357.54
Movement during the year ended 31 st March 2020					
Profit for the year	-	-	18,994.75	-	18,994.75
Other comprehensive income for the year, net of income tax (*)	-	-	(69.85)	(138.86)	(208.71)
Total comprehensive income for the year	-	-	18,924.90	(138.86)	18,786.04
Balance as at 31st March 2020	12,547.50	3,20,000.00	35,649.96	(53.88)	3,68,143.58
Movement during the year ended 31 st March 2021					
Loss for the year	-	-	(22,817.00)	-	(22,817.00)
Other comprehensive income for the year, net of income tax (*)	-	-	22.26	31.06	53.32
Total comprehensive income for the year	-	-	(22,794.74)	31.06	(22,763.68)
Balance as at 31st March 2021	12,547.50	3,20,000.00	12,855.22	(22.82)	3,45,379.90

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

V. K. JAIN

Managing Director

DIN: 00029968

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

MANOJ AGRAWAL

Chief Financial Officer

Place: Pune

Dated: 18th June 2021



Standalone Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
A Cash flow from operating activities		
Profit/(loss) for the Year	(22,817.00)	18,994.75
Adjustments for :		
Tax expense	69,845.58	13,307.74
Depreciation and amortisation expense	18,455.57	17,606.61
(Gain)/loss on retirement /disposal of property, plant and equipment (net)	247.12	(3.43)
Allowance for doubtful trade receivables and expected credit losses	4.07	189.66
Liabilities and provisions no longer required, written back	-	(232.07)
Deposits, advances and claims written off	63.34	511.51
Unrealised foreign exchange (gain)/loss (net)	(577.88)	111.57
Net (gain)/loss on fair value changes in investments classified at FVTPL	(3,524.96)	8,158.23
Mark-to-market (gain)/loss on derivative financial instruments (net)	638.76	(354.74)
Interest income	(10,492.44)	(17,101.98)
Finance costs	10,918.77	10,137.85
Operating profit before working capital changes	62,760.93	51,325.70
Movements in working capital:		
Increase/(decrease) in provisions	554.02	567.11
Increase/(decrease) in trade payables	(1,561.45)	11,958.01
Increase /(decrease) in other financial liabilities	3,377.57	474.16
Increase /(decrease) in other liabilities	(412.22)	634.77
(Increase)/decrease in loans	(674.93)	(393.13)
(Increase)/decrease in inventories	(4,981.56)	(12,831.17)
(Increase)/decrease in trade receivables	(9,156.26)	3,862.57
(Increase)/decrease in other financial assets	(2,625.00)	95.86
(Increase)/decrease in other assets	320.07	2,146.81
Cash generated from operations	47,601.17	57,840.69
Income-tax (paid)/refund (net)	14,285.00	(4,409.75)
Net cash generated from operating activities	61,886.17	53,430.94
B Cash flow from investing activities		
Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances)	(27,343.60)	(1,19,537.66)
Proceeds from disposal of property, plant and equipment	-	3.81
Purchase of other investments	(26,806.93)	(5,000.00)
Redemption/sale of investments	47,395.82	5,168.79
Inter-corporate deposits/loans received back	-	225.00
Interest received	766.83	71.92
Movement in other bank balances	(31,275.60)	(25.74)
Net cash used in investing activities	(37,263.48)	(1,19,093.88)
C Cash flow from financing activities		
Proceeds from non-current borrowings	9,851.38	49,178.36
Repayment of non-current borrowings	(22,320.25)	(7,466.50)

Standalone Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Proceeds from/(repayment of) current borrowings (net)	(1,674.80)	31,668.27
Payment of lease liabilities	(98.01)	(113.28)
Finance costs	(10,947.49)	(9,745.15)
Net cash generated from/(used in) financing activities	(25,189.17)	63,521.70
Net decrease in cash and cash equivalents	(566.48)	(2,141.24)
Cash and cash equivalents as at the beginning of the year	982.50	1.00
Cash and cash equivalents received pursuant to Demerger scheme	-	3,122.74
Cash and cash equivalents as at the end of the year	416.02	982.50

Changes in liabilities arising from financing activities during the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance as on 1st April 2020	1,03,036.28	65,081.65
Cash flows	(1,674.80)	(12,468.87)
Interest expense	5,740.20	4,042.70
Interest paid	(5,896.78)	(4,144.34)
Foreign exchange adjustment	(405.99)	-
Closing balance	1,00,798.91	52,511.14

Changes in liabilities arising from financing activities during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance as on 1st April 2019 pursuant to demerger - see Note 50	69,613.53	22,384.26
Cash flows	31,668.27	41,711.86
Interest expense	6,035.89	2,447.45
Interest paid	(5,964.98)	(2,154.63)
Foreign exchange adjustment	1,683.57	692.71
Closing balance	1,03,036.28	65,081.65

Notes:

- (a) Components of cash and cash equivalents are as per Note 15.
- (b) The above standalone statement of cash flows has been prepared under the indirect method.
- (c) The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

For GUJARAT FLUOROCHEMICALS LIMITED

S S Agrawal

Partner

Mem No: 049051

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

V. K. JAIN

Managing Director

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B. V. DESAI

Company Secretary

MANOJ AGRAWAL

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Place: Pune

Dated: 18th June 2021

Place: Vadodara

Dated: 18th June 2021

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

1. Company information

Gujarat Fluorochemicals Limited ("the Company"), earlier known as Inox Fluorochemicals Limited, is a public limited company incorporated and domiciled in India. The Company was incorporated on 6th December 2018 as a wholly-owned subsidiary of GFL Limited (earlier known as Gujarat Fluorochemicals Limited) for the purpose of vesting of the demerged Chemical Business undertaking of GFL Limited into the Company, as a going concern.

As per the Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the demerged company was demerged into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stood transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. All the shareholders of demerged company were allotted one fully paid-up equity share of ₹ 1 each in the Company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company. Simultaneously, the shares held by the demerged company in the resulting company were cancelled and the Company ceased to be a subsidiary of the demerged company. The demerger was accounted in accordance with Ind AS 103: Business Combinations. See Note 51 for further details.

The Company is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoromonomers, specialty fluorointermediates, specialty chemicals and allied activities. The Company caters to both domestic and international markets. The Company's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. 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) and the disclosures in respect of significant accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 18th June 2021.

2.2 Basis of preparation, presentation and measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on an accrual basis and under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period

- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Ministry of Corporate Affairs (MCA), vide its Notification dated 24th March 2021, amended Schedule III to the Companies Act, 2013 with effect from 1st April 2021. In the opinion of the management since the changes are effective from 1st April 2021, they are applicable to financial statements in respect of accounting years commencing on or after 1st April 2021. Therefore, the related disclosure requirements are not considered in these financial statements for the year ended 31st March 2021.

2.3 Particulars of investments in subsidiaries and joint venture as at 31st March, 2021 are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiaries		
Gujarat Fluorochemicals Americas, LLC	USA	100%
Gujarat Fluorochemicals GmbH	Germany	100%
Gujarat Fluorochemicals Singapore Pte. Ltd.	Singapore	100%
b) Joint Venture		
Swarnim Gujarat Flourspar Private Limited	India	25%

All the above investments are measured at cost.

2.4 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

There is no new accounting standard which has been become effective during the year.

b. Amendments to existing accounting standards applicable to the Company

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24th July 2020 amendments to

the existing standards have been notified and all these amendments are effective for annual periods beginning from 1st April 2020. Amendments to the following accounting standards have become applicable for the current reporting period:

- Amendments to Ind AS 103 Business Combination: The amendments substitute the existing definition of "business" with a more detailed definition and also provides optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive. These amendments will apply to future business combinations.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

- Amendments to Ind AS 107 Financial Instruments – Disclosures: The amendments prescribe additional disclosures in respect of uncertainty arising from interest rate benchmark reform. These amendments did not have any impact on the Company's financial statements.
- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. These amendments did not have any impact on the Company's financial statements.
- Amendments to Ind AS 116 Leases: The amendments provide a practical expedient for treatment of rent concessions occurring as a direct consequence of COVID-19 pandemic and related clarifications. These amendments did not have any impact on the Company's financial statements.
- Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments provide a new definition of the term "material" and also provides related clarifications.
- Amendments to Ind AS 10 Events after the Reporting Period: The conditions requiring disclosure for a non-adjusting event has been elaborated.
- Amendments to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequent to amendments to Ind AS 1, Ind AS 8 and Ind AS 10, and also provides clarifications in respect of restructuring plans.

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which is applicable from 1st April 2021.

3. Significant Accounting Policies

3.1 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the

pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.2 Revenue recognition

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are generally made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Contract balances

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.3 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) The Company as lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Company comprise of only operating leases.

b) The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liabilities" and "Right of use assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

3.5 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1), as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets;
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.17 below for hedging accounting policies); and

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits:

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans:

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits:

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.8 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as a deferred tax assets in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Presentation of current and deferred tax:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.9 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking (see Note 1), in respect of accounting period commencing on or after 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (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. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of a PPE at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1), the Company has continued with the carrying value of its property, plant and equipment recognised as of 1st April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

3.10 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of investment properties at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1), the Company 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.

3.11 Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method

are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets: An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

• Technical know-how	10 years
• Product development cost	5 years
• Operating software	3 years
• Other software	6 years

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1), the Company has continued with the carrying value of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.13 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture are carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries/joint venture the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.15 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate,

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.16 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant

period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.



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for the year ended 31st March, 2021

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company other than derivative instruments for cash flow hedges.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiaries and joint ventures. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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for the year ended 31st March, 2021

f) Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities

a) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.



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for the year ended 31st March, 2021

The Company has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

d) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.17 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of

the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) Fair value hedge

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'Other income' line item.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.18 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting judgements, assumptions and use of estimates

The preparation of Company's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.9 and 3.11 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets at the end of each reporting period.

b) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

c) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

d) Defined employee benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

e) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions

and selecting the inputs for the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

g) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

5. Property, plant & equipment

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures
Carrying amount of:				
Freehold land			46.86	46.86
Buildings		25,864.50		23,581.79
Plant and equipment		1,93,006.94		1,98,429.53
Furniture and fixtures		307.82		357.33
Vehicles		326.83		184.30
Office equipment		397.05		465.16
		2,19,950.00		2,23,064.97

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost							
As at 1 st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	46.86	24,638.17	2,45,403.63	995.84	347.20	1,244.62	2,72,676.32
Additions	-	3,817.27	19,742.99	3.57	21.10	223.43	23,808.36
Effect of foreign currency exchange differences	-	-	268.59	-	-	-	268.59
Disposals	-	-	(370.92)	-	(27.77)	(0.24)	(398.93)
Balance as at 31st March, 2020	46.86	28,455.44	2,65,044.29	999.41	340.53	1,467.81	2,96,354.34
Additions	-	3,414.61	12,948.61	47.84	190.09	158.60	16,759.75
Reclassified as asset held for sale	-	-	(4,795.13)	-	-	-	(4,795.13)
Disposals	-	-	-	-	(4.99)	-	(4.99)
Balance as at 31st March, 2021	46.86	31,870.05	2,73,197.77	1,047.25	525.63	1,626.41	3,08,313.97

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation							
As at 1 st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	-	3,853.36	51,668.41	532.31	150.94	788.31	56,993.33
Eliminated on disposal of assets	-	-	(370.92)	-	(27.42)	(0.24)	(398.58)
Depreciation expense for the year	-	1,020.29	15,317.27	109.77	32.71	214.58	16,694.62
Balance as at 31st March, 2020	-	4,873.65	66,614.76	642.08	156.23	1,002.65	73,289.37
Eliminated on disposal of assets	-	-	-	-	(4.99)	-	(4.99)
Eliminated on reclassification as held for sale	-	-	(2,567.14)	-	-	-	(2,567.14)
Depreciation expense for the year	-	1,131.90	16,143.21	97.35	47.56	226.71	17,646.73
Balance as at 31st March, 2021	-	6,005.55	80,190.83	739.43	198.80	1,229.36	88,363.97

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

5. Property, plant & equipment (Contd..)

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount							
As at 31 st March, 2020	46.86	23,581.79	1,98,429.53	357.33	184.30	465.16	2,23,064.97
As at 31st March, 2021	46.86	25,864.50	1,93,006.94	307.82	326.83	397.05	2,19,950.00

Note: Assets mortgaged/pledged as security for borrowings are as under:

(See Note 37)

(₹ in Lakhs)

Assets at Carrying Value	As at 31 st March, 2021	As at 31 st March, 2020
Building	2,271.44	2,372.32
Plant and equipment	88,126.09	1,08,604.46
Vehicles	198.31	111.77
Total	90,595.84	1,11,088.55

6. Investment property

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Carrying amount of:		
Building	989.46	1,010.73
Total	989.46	1,010.73

(₹ in Lakhs)

Particulars	Building
I. Cost or Deemed Cost	
As at 1 st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	1,117.08
Balance as at 31 st March, 2020	1,117.08
Balance as at 31st March, 2021	1,117.08

(₹ in Lakhs)

Particulars	Building
II. Accumulated depreciation	
As at 1 st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	85.08
Depreciation expense for the year	21.27
Balance as at 31st March, 2020	106.35
Depreciation expense for the year	21.27
Balance as at 31st March, 2021	127.62

(₹ in Lakhs)

Particulars	Building
III. Net carrying amount	
As at 31 st March, 2020	1,010.73
As at 31st March, 2021	989.46

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

6. Investment property - (Contd..)

6.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2021 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 3 and the fair values are as under:

Particulars	(₹ in Lakhs)
Fair value as at 31st March, 2021	10,172.50
Fair value as at 31st March, 2020	10,172.50

6.2 Amounts recognized in profit or loss in respect of investment properties

Particulars	2020-2021	2019-2020
Rental income	507.56	560.30
Direct operating expenses in respect of properties that generated rental income	150.86	174.75
Depreciation	21.27	21.27

7. Intangible assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Carrying amount of:		
Product Development	-	-
Technical Know How	1,228.69	1,846.66
Software	13.12	44.64
	1,241.81	1,891.30

Particulars	Product Development	Technical Know How	Software	Total
I. Cost or Deemed Cost				
As at 1st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	695.80	5,205.80	220.23	6,121.83
Balance as at 31st March, 2020	695.80	5,205.80	220.23	6,121.83
Balance as at 31st March, 2021	695.80	5,205.80	220.23	6,121.83

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

7. Intangible assets (Contd..)

Particulars	Product Development	Technical Know How	Software	(₹ in Lakhs)	
				Total	
II. Accumulated amortisation					
As at 1 st April 2019 - transferred pursuant to demerger (see Note 1 and 51)	614.48	2,741.18	137.22	3,492.88	
Amortisation expense for the year	81.32	617.96	38.37	737.65	
Balance as at 31st March, 2020	695.80	3,359.14	175.59	4,230.53	
Amortisation expense for the year	-	617.97	31.52	649.49	
Balance as at 31st March, 2021	695.80	3,977.11	207.11	4,880.02	

Particulars	Product Development	Technical Know How	Software	(₹ in Lakhs)	
				Total	
III. Net Carrying amount					
As at 31 st March, 2020	-	1,846.66	44.64	1,891.30	
As at 31st March, 2021	-	1,228.69	13.12	1,241.81	

8. Investments

8(a) Investment in subsidiaries (measured at cost)

Particulars	Face Value	As at 31 st March, 2021		As at 31 st March, 2020		
		Nos.	Amounts	Nos.	Amounts	
Non - Current, fully paid-up						
<i>Unquoted Investments</i>						
<i>Investments in Equity Instruments</i>						
Gujarat Fluorochemicals Singapore Pte. Limited (#)	USD 1	12091000	7,671.48	12091000	7,671.48	
Gujarat Fluorochemicals GmbH	Par value		21.82		21.82	
Gujarat Fluorochemicals Americas LLC	Par value		1,012.28		1,012.28	
Total investment in subsidiaries (a)			8,705.58		8,705.58	

(#)The Company has provided undertaking to the lenders of a subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited, that the Company will not dilute its stake below 100% in the subsidiary.

8(b) Investment in Joint Venture (measured at cost)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020		
		Nos.	Amounts	Nos.	Amounts	
Non - Current, fully paid-up						
<i>Unquoted Investment</i>						
<i>Investments in Equity Instruments</i>						
Swarnim Gujarat Fluorspar Private Limited	10	1182500	118.25	1182500	118.25	
Total investment in joint ventures (b)			118.25		118.25	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

8. Investments (Contd..)

8(c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020		
		Nos.	Amounts	Nos.	Amounts	
Non-current investments						
<i>I. Quoted Investments (fully paid up)</i>						
Investments in Mutual Funds						
Franklin India Fixed Maturity Plans - Series 1- Plan B 1104D - Direct Growth	10	-	-	5000000	613.11	
Kotak FMP Series 204-Direct-Growth	10	-	-	10000000	1,227.83	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.2-Direct-Growth	10	-	-	10000000	1,232.64	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.3-Direct-Growth	10	-	-	5000000	616.08	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.7-Direct-Growth	10	-	-	15000000	1,823.28	
PGIM India (DHFL Pramerica) Fixed Duration Fund-Series AH-Direct Plan-Growth	1000	-	-	100000	1,207.34	
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	10000000	1,231.15	10000000	1,158.27	
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	10000000	1,242.40	10000000	1,156.47	
Kotak FMP - Series 240 - Growth (Regular Plan)	10	10000000	1,246.77	10000000	1,165.59	
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	10000000	1,248.03	10000000	1,166.11	
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	10000000	1,239.59	10000000	1,156.79	
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	5000000	623.02	5000000	581.21	
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,792.50	15000000	1,653.21	
Total quoted Investments			8,623.46		14,757.93	
Less: Current portion of non current investments disclosed under current investments			(6,830.96)		(6,720.28)	
Total quoted Investments			1,792.50		8,037.65	
<i>II. Unquoted Investments (fully paid up)</i>						
Investments in Equity Instruments						
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs)	1	562500	-	562500	-	
Investments in Mutual Funds						
SBI Blue Chip Fund - Regular Plan - Growth	10	-	-	3692780	1,098.66	
Kotak Std. Multicap Fund Growth (formerly Kotak Select Focus) Fund - Growth (Regular Plan)	10	-	-	4634850	1,251.87	
Principal Emerging Blue Chip Fund - Regular Plan Growth	10	-	-	1327857	1,082.87	
L&T India Value Fund - Growth	10	-	-	1246296	308.56	
Franklin Build India Fund - Growth	10	-	-	3891078	1,075.11	
Franklin India Smaller Companies Fund - Growth	10	-	-	411175	138.80	
Nippon India Large Cap Fund - Growth option	10	-	-	2896402	699.94	
Tata Equity P/E Fund Regular Plan-Growth	10	-	-	697682	685.64	
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	281601	70.72	3054096	419.33	
			70.72		6,760.78	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

8. Investments (Contd..)

8(c) Other Investments (measured at FVTPL) (Contd..)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020	
		Nos.	Amounts	Nos.	Amounts
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.98	250000	18.95
Less: Current portion disclosed under current investments			(18.98)		(18.95)
		-	-	-	-
Investments in Alternate Investment Fund					
Varanium Dynamic Fund	100	-	-	15503388	4,239.42
				70.72	11,000.20
				1,863.22	19,037.85
				10,687.05	27,861.68
Total Unquoted Investments					
Total non-current other investments (I + II)					
Total non-current investments (8a + 8b + 8c)					
Aggregate amount of quoted investments			1,792.50		8,037.65
Aggregate market value of quoted investments			1,792.50		8,037.65
Aggregate amount of unquoted investments			8,894.55		19,824.03
Aggregate amount of impairment in value of investments			60.75		60.75

8(d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020	
		Nos.	Amounts	Nos.	Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			6,830.96		6,720.28
II. Unquoted Investments (fully paid up)					
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.98	250000	18.95
			6,849.94		6,739.23
Aggregate amount of quoted investments			6,830.96		6,720.28
Aggregate market value of quoted investments			6,830.96		6,720.28
Aggregate amount of unquoted investments			18.98		18.95
Aggregate amount of impairment in value of investments			-		-
Summary of other investments					
Non-current investments			1,863.22		19,037.85
Current investments			6,849.94		6,739.23
Total			8,713.16		25,777.08
Category-wise other investments - as per Ind AS 109 classification:					
Investments carried at fair value through profit or loss			8,713.16		25,777.08
Total			8,713.16		25,777.08

Notes:

- 1) The Company has pledged certain mutual fund investments having carrying amount of ₹ 70.72 lakhs (as at 31st March 2020 : ₹ 14,639.33 lakhs against the borrowings of a fellow subsidiary (see Note 38).
- 2) The Company has pledged certain mutual fund investments having carrying value of Nil (as at 31st March 2020 : ₹ 5,226.17 lakhs) against a term loan (see Note 38).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

9. Loans

(Unsecured, considered good, unless otherwise stated)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Security deposits	948.11	733.65
Total	948.11	733.65
Current		
Inter-corporate deposits/loans to others (see Note 49)		
- Considered good	3,903.29	3,596.00
Security deposits	907.83	477.44
Total	4,811.12	4,073.44

10. Other financial assets

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Non-current bank balances (from Note 16)	30,290.09	29.02
Derivative financial assets	220.51	859.27
Total	30,510.60	888.29
Current		
Other receivables		
- from related parties (including interest on capital advance of ₹ 12,426.10 Lakhs (as at 31 st March 2020: ₹ 4,325.34 Lakhs) - (see Note 46)	16,470.54	5,271.54
- from others	209.07	25.49
Total	16,679.61	5,297.03

11. Income tax assets (net)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Income tax Asset	-	1,629.86
Total	-	1,629.86

Current tax assets (net)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Current tax assets (net)	-	30,690.72
Total	-	30,690.72

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

12. Other assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Capital advances		
to related parties (see Note 46)	87,780.00	87,188.58
to others	5,759.12	5,578.25
	93,539.12	92,766.83
Security deposits with Government authorities	205.03	261.70
Prepayments - others	10.16	11.96
Total	93,754.31	93,040.49
Current		
Advance to suppliers		
Considered good		
to related parties (see Note 46)	1,565.86	2,016.33
to others	3,707.46	3,205.72
	5,273.32	5,222.05
Considered doubtful	101.33	59.04
	5,374.65	5,281.09
Allowance for doubtful advances	(101.33)	(59.04)
	5,273.32	5,222.05
Custom duty refund claimed	185.67	270.28
Balance with government authorities:		
Balance in GST accounts	1,158.52	1,718.21
Other advances	518.92	156.04
Prepayments - others	853.81	885.26
Total	7,990.24	8,251.84

13. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Raw materials		
Work-in-progress	17,842.20	19,695.56
Finished goods	9,670.74	6,216.65
Stock in trade	26,945.28	25,995.96
Stores and spares	25.03	4.18
Others	14,868.95	10,196.97
- Fuel	935.80	2,990.36
- Packing materials	484.37	622.54
- By products	71.72	140.31
Total	70,844.09	65,862.53

Notes:

- (i) The cost of inventories recognised as an expense includes ₹ 926.46 Lakhs (as at 31st March 2020 : ₹ 2,130.84 Lakhs) in respect of write downs of inventory to net realisable value.
- (ii) The mode of valuation of inventories has been stated in Note 3.13

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

14. Trade receivables

(Unsecured, considered good, unless otherwise stated)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Current		
Considered good	73,198.77	63,964.99
Trade receivables which have significant increase in credit risk	51.61	46.55
Trade receivables - credit impaired	538.44	539.43
	73,788.82	64,550.97
Provision for expected credit loss and Impairment	(590.05)	(585.98)
Total	73,198.77	63,964.99

15. Cash & cash equivalents

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks in current accounts	411.26	971.04
Cash on hand	4.76	11.46
Total	416.02	982.50

16. Other bank balances

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Bank deposits with original maturity of more than 12 months	31,304.87	29.27
	31,304.87	29.27
Amount disclosed under Note 10 - Other non-current financial assets	(30,290.09)	(29.02)
Total	1,014.78	0.25

Other bank balances includes ₹ 27.92 lakhs (as at 31st March 2020 : ₹ 21.11 lakhs) margin money deposits kept as security against bank guarantee and fixed deposits of ₹ 29,600 lakhs (as at 31st March 2020 : Nil) kept as security against working capital facilities to fellow subsidiaries - see Note 38.

17. Equity share capital

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Authorized		
20,00,00,000 (31 st March, 2020: 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 (31 st March, 2020: 10,98,50,000) equity shares of ₹ 1 each	1,098.50	1,098.50
Total	1,098.50	1,098.50

The Company was incorporated with the name Inox Fluorochemicals Limited. The name of the Company was changed from Inox Fluorochemicals Limited to Gujarat Fluorochemicals Limited with effect from 26th July, 2019 pursuant to the order of the National Company Law Board Tribunal dated 4th July, 2019 approving the scheme of arrangement for Demerger of Chemical Business of Gujarat Fluorochemicals Limited (Now known as GFL Limited) - see Note 1.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

17. Equity share capital (Contd..)

17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31st March, 2021	Nos.	(₹ in Lakhs)
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, 2020	Nos.	(₹ in Lakhs)
At the beginning of the year	1,00,000	1.00
Movement during the year ended 31 st March, 2020		
pursuant to demerger (see Note 1 and 50)		
Shares issued during the year	10,98,50,000	1,098.50
Shares cancelled during the year	(1,00,000)	(1.00)
At the end of the year	10,98,50,000	1,098.50

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 Shares held by holding company

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2021		
Inox Leasing and Finance Limited	5,77,64,316	577.64
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	577.64

17.4 Details of shareholders holding more than 5% shares in the Company

As at 31st March, 2021	Nos.	holding %
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%

As at 31st March, 2020	Nos.	holding %
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
Meenu Bhanshali	54,95,182	5.00%

17.5 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company has issued 10,98,50,000 fully paid-up equity share of ₹ 1 each, pursuant to the Scheme of demerger to the shareholders of the demerged company (see Note 51)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

18. Other equity

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital reserves	12,547.50	12,547.50
General reserve	3,20,000.00	3,20,000.00
Cash flow hedge reserve	(22.82)	(53.88)
Retained Earnings	12,855.22	35,649.96
Total	3,45,379.90	3,68,143.58

18.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	12,547.50	-
Transferred pursuant to demerger (see Note 1 and 51)	-	12,827.46
Cancellation of existing share capital	-	1.00
Adjusted as per the scheme of demerger	-	(280.96)
Balance at the end of the year	12,547.50	12,547.50

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismanteling of plant, unless otherwise used, as stipulated.

18.2 General reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	3,20,000.00	-
Transferred pursuant to demerger (see Note 1 and 51)	-	3,20,000.00
Balance at the end of the year	3,20,000.00	3,20,000.00

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

18.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	(53.88)	-
Transferred pursuant to demerger (see Note 1 and 51)	-	84.98
Other comprehensive income for the year, net of income tax	31.06	(138.86)
Balance at the end of the year	(22.82)	(53.88)

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedge. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non-financial hedged item, or when it becomes ineffective.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

18.4 Retained Earnings

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Balance at beginning of the year	35,649.96	(1.25)
Transferred pursuant to demerger (see Note 1 and 51)	-	16,726.31
35,649.96	16,725.06	
Profit/(loss) for the year	(22,817.00)	18,994.75
Other comprehensive income for the year, net of income tax	22.26	(69.85)
Balance at the end of the year	12,855.22	35,649.96

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

19. Non-current borrowings

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	2,417.58	8,204.66
- Rupee loans	49,919.52	52,318.56
(b) From others - rupee loans	174.04	4,558.43
	52,511.14	65,081.65
Less: Disclosed under Note 20 : Other current financial liabilities		
(i) Current maturities	14,919.07	18,276.52
(ii) Interest accrued	264.51	366.15
Total	37,327.56	46,438.98

Notes:

- (i) There is no default on repayment of principal or interest on borrowings.
- (ii) For terms of repayment and securities etc. see Note 37.

20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Non-current		
Premium payable on option contracts	21.32	70.97
Creditors for capital expenditure	322.90	958.74
Lease liabilities (see Note 43)	30.31	45.72
Total	374.53	1,075.43
Current		
Current maturities of long term borrowings (see Note 19)	14,919.07	18,276.52
Interest accrued	447.16	705.38
Creditors for capital expenditure (*)	5,743.60	6,750.36
Derivative financial liabilities	41.32	82.82
Security deposits	523.67	547.44

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

20. Other financial liabilities (Contd..)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Employees dues payable	3,377.11	3,076.78
Expenses payables	9,201.07	6,021.33
Premium payable on option contracts	49.65	78.73
Lease liabilities (see Note 43)	31.11	84.27
Total	34,333.76	35,623.63

*Includes dues to micro enterprises and small enterprises (see Note 42).

21. Provisions

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	2,025.02	1,729.56
- for Compensated absences	837.61	793.33
Total	2,862.63	2,522.89
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	599.12	555.01
- for Compensated absences	951.21	810.79
Total	1,550.33	1,365.80

22. Deferred tax assets/(liabilities)

Year ended 31st March, 2021

22.1 The major components of deferred tax assets/(liabilities) in relation to :

Particulars	Balance as on 1 st April 2020	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	(₹ in Lakhs)
					Balance as on 31 st March 2021
Property, plant and equipment	(40,837.43)	11,807.55	-	-	(29,029.88)
Expenses allowable on payment basis	438.21	(159.33)	-	-	278.88
Allowance for doubtful trade receivables and expected credit losses	204.77	(42.68)	-	-	162.09
Effect of measuring derivative instruments at fair value	(53.03)	31.07	(10.44)	-	(32.40)
Expenses allowable in subsequent years	727.97	(334.74)	-	-	393.23
Gratuity and leave benefits	1,358.87	(240.73)	(7.49)	-	1,110.65
Others	2.16	(0.50)	-	-	1.66
(38,158.48)	11,060.64	(17.93)	-	-	(27,115.77)
MAT credit entitlement	61,466.04	(61,466.04)	-	-	-
Net Deferred tax assets/(liabilities)	23,307.56	(50,405.40)	(17.93)	-	(27,115.77)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

22. Deferred tax assets/(liabilities) (Contd..)

Year ended 31st March, 2020

22.2 The major components of deferred tax assets/(liabilities) in relation to :

Particulars	As at 1 st April 2019 on demerger (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	(₹ in Lakhs)	
					Balance as on 31 st March 2020	
Property, plant and equipment	(36,410.73)	(4,426.70)	-	-	(40,837.43)	
Expenses allowable on payment basis	174.45	263.76	-	-	438.21	
Allowance for doubtful trade receivables and expected credit losses	138.49	66.28	-	-	204.77	
Effect of measuring financial instruments at fair value	(125.44)	125.44	-	-	-	
Effect of measuring derivative instruments at fair value	(94.05)	(33.56)	74.58	-	(53.03)	
Expenses allowable in subsequent years	-	727.97	-	-	727.97	
Gratuity and Leave Benefits	1,123.17	198.18	37.52	-	1,358.87	
Others	-	2.16	-	-	2.16	
	(35,194.11)	(3,076.47)	112.10	-	(38,158.48)	
MAT credit entitlement	66,720.12	2,985.40	-	(8,239.48)	61,466.04	
Net Deferred tax assets/(liabilities)	31,526.01	(91.07)	112.10	(8,239.48)	23,307.56	

*See Note 1

22.3 Refer Note 1 and 51 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April 2019. The assets of the demerged Chemical Business Undertaking included MAT credit entitlement of ₹ 69,705.52 lakhs (comprising of ₹ 66,720.12 lakhs as at 1st April 2019 and ₹ 2,985.40 lakhs recognised during the previous year, see Note 36.2). The said MAT credit was transferred to the Company as per the aforesaid Scheme which was approved by Hon'ble NCLT. On the basis of legal position available, it was concluded by the management that the Company is entitled to utilise this MAT credit.

23. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured		
(a) From banks		
(i) Foreign currency loans		
- Packing credit / Buyers credit / Import finance	30,135.76	33,887.44
(ii) Rupee loan		
- Short term / working capital demand loans	65,992.15	58,918.38
- Cash credit / overdraft	2,271.00	8,430.46
- Packing credit	2,400.00	1,800.00
	1,00,798.91	1,03,036.28
Less: Interest accrued disclosed under Note 20 : Other current financial liabilities	182.65	339.23
Total	1,00,616.26	1,02,697.05

Notes:

- (i) There is no default on repayment of principal or interest on borrowings.
- (ii) For terms of repayment and securities etc. see Note 37.
- (iii) Maximum balance of Commercial papers during the year was Nil (as at 31st March 2020: ₹ 39,000 Lakhs).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

24. Trade payables

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see Note 42)	141.02	82.63
- total outstanding dues of creditors other than micro enterprises and small enterprises	32,181.60	33,891.74
Total	32,322.62	33,974.37

25. Other current liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Advances from customers	646.33	847.15
Statutory dues and taxes payable	558.99	707.05
Total	1,205.32	1,554.20

26. Income tax liabilities (net)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Income tax liabilities (net of payment)	1,001.36	-
Total	1,001.36	-

Current tax liabilities (net)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Current tax liabilities (net of payments)	1,101.17	1,167.75
Total	1,101.17	1,167.75

27. Revenue from operations

Particulars	Year ended 31 st March, 2021		Year ended 31 st March, 2020	
	India	Europe	USA	Rest of the world
(a) Revenue from contracts with customers				
Sale of products			2,49,527.04	2,47,177.04
(b) Other operating revenue			2,833.54	2,461.84
Total	2,52,360.58			2,49,638.88

27.1 Disaggregated revenue information

For FY 2020-21

Particulars	(₹ in Lakhs)				
	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	13,483.40	397.52	-	20,500.96	34,381.88
Caustic Soda	22,676.18	290.44	-	191.37	23,157.99
Chloromethane	31,290.87	-	-	-	31,290.87

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

27. Revenue from operations (Contd..)

27.1 Disaggregated revenue information (Contd..)

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Poly Tetrafluoroethylene (PTFE)	26,712.03	30,588.52	15,168.25	17,920.71	90,389.51
Other products	37,798.16	18,223.72	7,309.54	6,975.37	70,306.79
Total	1,31,960.64	49,500.20	22,477.79	45,588.41	2,49,527.04

For FY 2019-20

(₹ in Lakhs)

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	14,610.99	28.53	1,201.04	28,030.83	43,871.39
Caustic Soda	35,200.68	-	-	-	35,200.68
Chloromethane	30,462.73	-	-	-	30,462.73
Poly Tetrafluoroethylene (PTFE)	23,178.88	32,010.41	21,456.57	16,019.29	92,665.15
Other products	17,198.10	13,675.24	4,800.45	9,303.30	44,977.09
Total	1,20,651.38	45,714.18	27,458.06	53,353.42	2,47,177.04

27.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade receivables	73,198.77	63,964.99
Contract liabilities - advance from customers	646.33	847.15

During the year ended 31st March 2021, the Company has recognized revenue of ₹ 493.13 lakhs (as at 31st March 2020: ₹ 290.06 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	2020-2021	2019-2020
Gross revenue	2,50,447.88	2,48,479.28
Less: Discounts, rebates etc.	920.84	1,302.24
Net revenue recognised from contracts with customers	2,49,527.04	2,47,177.04

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

28. Other income

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(a) Interest income		
(I) On financial assets using effective interest method:		
- on fixed deposits with banks	726.28	4.45
- on Inter-corporate deposits and loans	301.71	301.71
(II) Other interest income		
- on income tax refunds	690.83	11,969.46
- on capital advances	8,757.58	4,805.93
- other interest	16.04	20.43
	10,492.44	17,101.98
(b) Other non-operating income		
Liabilities and provisions no longer required, written back	-	232.07
Rental income from operating leases	508.28	564.32
Miscellaneous income	886.55	458.17
	1,394.83	1,254.56
(c) Other gains and losses		
Net gain on investments carried at FVTPL	3,524.96	-
Net gain on foreign currency transactions and translation	3,274.64	3,412.49
Net gain/(loss) on fair value changes in derivatives classified at FVTPL	(638.76)	354.74
Net gain on retirement/disposal of property, plant and equipment	-	3.43
	6,160.84	3,770.66
Total	18,048.11	22,127.20
Note: Realised gain/(loss) on sale of investments	(9,285.46)	(119.23)

29. Cost of materials consumed

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Raw materials consumed	79,891.79	85,686.81
Packing materials consumed	7,619.76	9,005.21
Total	87,511.55	94,692.02

30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Opening inventories		
Finished goods	25,995.96	16,846.64
Stock-in-trade	4.18	17.90
Work-in-progress	6,216.65	7,855.11
By-products	140.31	165.97
	32,357.10	24,885.62
Less : Closing inventories		
Finished goods	26,945.28	25,995.96
Stock-in-trade	25.03	4.18

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products (Contd..)

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Work-in-progress	9,670.74	6,216.65
By-products	71.72	140.31
	36,712.77	32,357.10
(Increase) / Decrease in stock	(4,355.67)	(7,471.48)

31. Employee benefits expense

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Salaries and wages	17,877.90	16,804.91
Contribution to provident and other funds	850.17	847.10
Gratuity	481.51	425.66
Staff welfare expenses	580.43	582.91
Total	19,790.01	18,660.58

32. Net loss on fair value changes in investments classified at FVTPL

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Net loss on fair value changes in Investment classified at FVTPL	-	8,158.23
Total	-	8,158.23

Note: Realised gain/(loss) on sale of investments

(9,285.46) (119.23)

33. Finance Costs

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	9,782.90	8,483.34
b) Interest on lease liabilities - (see Note 43)	8.50	16.97
c) Interest on income tax	221.00	12.00
d) Other interest expenses	126.30	91.58
	10,138.70	8,603.89
(B) Net foreign exchange loss on borrowings (considered as finance costs)	744.90	1,480.62
(C) Other borrowing costs	35.17	53.34
Total	10,918.77	10,137.85

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

34. Depreciation and amortisation expense

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Depreciation on property, plant and equipment	17,646.73	16,694.62
Depreciation on right-of-use assets - (see Note 43)	138.08	153.07
Depreciation on Investment property	21.27	21.27
Amortisation of intangible assets	649.49	737.65
Total	18,455.57	17,606.61

35. Other expenses

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Stores and spares consumed	9,858.32	9,902.37
Freight	6,166.05	6,105.40
Insurance	1,355.52	1,195.76
Indirect tax expenses	607.73	563.51
Production labour charges	3,017.59	2,976.15
Processing charges	562.91	514.83
Factory expenses	3,213.11	1,745.96
Repairs to		
- Buildings	668.47	659.68
- Plant and equipments	6,153.10	5,926.27
- Others	632.19	678.08
	7,453.76	7,264.03
Directors' sitting fees	19.00	17.00
Commission to non-executive director	451.24	417.46
Rates and taxes	922.53	610.28
Travelling and conveyance	1,399.77	1,792.33
Communication expenses	145.51	151.05
Legal and professional fees and expenses	4,039.43	4,122.31
Rent, lease rentals and hire charges	1,760.60	1,790.83
Net loss on retirement/disposal of property, plant and equipment	247.12	-
Allowance for doubtful trade receivables and expected credit loss	4.07	189.66
Corporate Social Responsibility (CSR) expense (see Note 50)	1,978.23	-
Commission	195.48	252.30
Royalty	1,432.58	1,687.27
Miscellaneous expenses	2,441.55	6,089.66
Total	47,272.10	47,388.16

Donation to Electoral Trust and political party

During the year ended 31st March 2020, the Company had given donation of ₹ 1,200 Lakhs to a Electoral Trust and ₹ 15 Lakhs to Bhartiya Janata Party. The same was included in miscellaneous expenses above.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

36. Tax expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(i) Income tax recognized in Statement of Profit and Loss		
Current Tax		
In respect of current year	11,932.00	13,922.00
In respect of earlier years	7,508.18	(705.33)
	19,440.18	13,216.67
Deferred Tax		
In respect of current year	(385.36)	507.32
Impact of net deferred tax liability remeasurement on account of change in tax rate	(10,675.28)	-
In respect of earlier years	61,466.04	(416.25)
	50,405.40	91.07
Sub-total		
(ii) Income tax recognized in Other Comprehensive Income		
Deferred tax on remeasurement of defined benefit plans	7.49	(37.52)
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	10.44	(74.58)
	17.93	(112.10)
Total Tax expense	69,863.51	13,195.64

36.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Profit before tax	47,028.58	32,302.49
Income tax using the Company's domestic tax rate @ 25.168% (2019-20: 34.944%)	11,836.15	11,287.78
Effect of expenses that are not deductible in determining taxable profits	614.00	456.81
Effect of income that is taxed at special rates	(28.92)	(4.82)
Effect of loss on fair value of investments on which deferred tax asset is not recognised	(887.16)	2,683.71
Others (net)	12.57	5.84
	11,546.64	14,429.32
Effect on deferred tax balances due to the change in income tax rate from 34.994% to 25.168 %	(10,675.28)	-
Taxation pertaining to earlier years	68,974.22	(1,121.58)
Tax expense as per the Statement of Profit and Loss	69,845.58	13,307.74

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 with effect from 1st April 2020. Thus, for the financial year 2020-21 the applicable tax rate for the company is 25.168% as against the earlier rate of 34.944%.

36.2 The Company has filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14, in respect of demerged Chemical Business Undertaking vested with the Company, which were being contested by the Income-tax Department before Hon'ble Supreme Court. The applications filed were accepted and accordingly the Company was required to pay 50% of disputed income-tax aggregating to ₹ 2,944.18 lakhs in respect of these years. The total impact of the settlement of ₹ 68,974.22 lakhs (mainly on account of reduction in MAT credit entitlement) is recognized and included in 'tax pertaining to earlier years'.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

36. Tax expense (Contd..)

36.2 (Contd..)

Consequent to settlement of above income-tax matters and reversal of MAT credits, the Company now proposes to exercise the option under section 115BAA of the Income-tax Act, 1961 from the current financial year ending 31st March 2021 and thus, applicable tax rate for the Company will be 25.168% as against the earlier rate of 34.944%. Accordingly, the net deferred tax liability as on 1st April 2020 is also re-measured and the reduction of ₹ 10,675 lakhs in the deferred tax liability is recognized during the year.

36.3 Refer Note 1 and 51 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April, 2019. After recording the assets and liabilities, acquired on demerger, at book values, the Company has reassessed and recomputed the deferred tax assets/liabilities which has resulted in increase in deferred tax liability by ₹ 2,591.39 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which was charged to the statement of profit and loss and included in 'tax pertaining to earlier years'. Further, on receipt of ITAT orders during the year, the Company is entitled to net incremental tax benefit of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which is also included in 'tax pertaining to earlier years'.

37. Nature of securities and terms of repayment

37.1 The terms of repayment of secured term loans are as under:

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign Currency Loan	1,624.72	Half yearly repayment, final maturity on 20 th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign Currency Loan	787.99	Half yearly repayment, final maturity on 20 th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Kotak Mahindra Bank Limited	Rupee Loan	7,581.12	Quarterly repayment, final maturity on 19 th May, 2027	6M MCLR + 0.15% p.a.	(d)
4	Daimler Financial Services India Pvt. Ltd	Rupee Loan	72.87	Monthly repayment, final maturity on 7 th August, 2021	11.25% p.a.	(e)
5	Daimler Financial Services India Pvt. Ltd	Rupee Loan	100.00	Monthly repayment, final maturity on 7 th March, 2023	10.00% p.a.	(e)
6	Kotak Mahindra Bank Limited	Rupee Loan	2,554.46	Quarterly repayment, final maturity on 30 th August, 2021	3M MCLR + 0.05 % p.a.	(f)
7	Kotak Mahindra Bank Limited	Rupee Loan	2,601.71	Quarterly repayment, final maturity on 31 st August, 2021	3M MCLR + 0.05 % p.a.	(f)
8	HDFC Bank Ltd	Rupee Loan	26,953.75	Quarterly repayment, final maturity on 27 th December, 2025	Repo Rate + 2.75 % p.a.	(g)
9	HDFC Bank Ltd	Rupee Loan	9,970.00	Quarterly repayment, final maturity on 26 th June, 2027	Repo Rate + 2.40 % p.a.	(i)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.1 The terms of repayment of secured term loans are as under: (Contd..)

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign Currency Loan	2,518.17	Half yearly repayment, final maturity on 20 th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign Currency Loan	1,221.31	Half yearly repayment, final maturity on 20 th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign Currency Loan	2,221.02	Quarterly repayment, final maturity on 15 th March, 2021	Fully Hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign Currency Loan	2,221.02	Quarterly repayment, final maturity on 15 th March, 2021	Fully Hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	8,312.50	Quarterly repayment, final maturity on 19 th May, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	95.23	Monthly repayment, final maturity on 7 th August, 2021	11.25% p.a.	(e)
7	Kotak Mahindra Bank Limited	Rupee Loan	7,500.00	Quarterly repayment, final maturity on 30 th August, 2021	3M MCLR + 0.05 % p.a.	(f)
8	Kotak Mahindra Bank Limited	Rupee Loan	6,250.00	Quarterly repayment, final maturity on 31 st August, 2021	3M MCLR + 0.05 % p.a.	(f)
9	HDFC Bank Ltd	Rupee Loan	29,913.75	Quarterly repayment, final maturity on 27 th December, 2025	Repo Rate + 2.75 % p.a.	(g)
10	Axis Finance Ltd	Rupee Loan	4,462.50	Bullet repayment at the end of 24 months from the date of first disbursement, maturity on 16 th November, 2021	12M MCLR + 0.90% p.a.	(h)

Notes:

- a) **ICICI Bank Limited:** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/mortgage/hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.
- b) **The Hongkong and Shanghai Banking Corporation Limited:** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation was secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender had assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.1 The terms of repayment of secured term loans are as under: (Contd..)

- c) **Mizuho Bank Limited:** The foreign currency term loan from Mizuho Bank Limited, was secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender had assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.
- d) **Kotak Mahindra Bank Limited:** The term loan from Kotak Mahindra Bank Limited is secured by way of first and exclusive charge by way of hypothecation of movable fixed assets pertaining to Chloralkali Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- e) **Daimler Financial Services India Pvt. Limited:** The vehicle loans from Daimler Financial Services India Pvt. Limited are secured by way of hypothecation of vehicles.
- f) **Kotak Mahindra Bank Limited:** The working capital term loan from Kotak Mahindra Bank Limited is secured by way of first charge of hypothecation of movable fixed assets pertaining to A & H Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- g) **HDFC Bank Limited:** The term loan from HDFC Bank Ltd, is secured by way of exclusive first charge of hypothecation of specific tangible movable assets pertaining to CMS, CACL2 & TFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- h) **Axis Finance Limited:** The term loan from Axis Finance Limited was secured by way of first charge of lien on FMP/other select debt mutual funds of the Company.
- i) **HDFC Bank Limited:** The term loan from HDFC Bank Limited is secured by way of exclusive charge on specific movable fixed assets of the Company pertaining to DPTFE Plant and FKM Plant, located at Dahej Plant, 121A, GIDC Dahej Industrial Estate, Taluka Vagra, District - Bharuch, Guiarat.

37.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Yes Bank Limited	Foreign Currency Loan- Import Finance	4,070.14	Repayment range from 29 th April, 2021 to 6 th July, 2021	Interest range from 6M LIBOR + 0.45% to 6 M LIBOR + 0.70%
2	ICICI Bank Limited	Foreign Currency Loan- Import Finance	5,743.16	Repayment range from 7 th April, 2021 to 17 th September, 2021	Interest range from 6M LIBOR + 0.67% to 6 M LIBOR + 1.65% and interest range from 6M EURIBOR +0.75% to 6M EURIBOR 0.95%
3	DBS Bank India Ltd	Foreign Currency Loan- Import Finance	2,709.13	Repayment range from 9 th April, 2021 to 9 th June, 2021	Interest 6M LIBOR + 1.25% and 6M EURIBOR + 1.25%
4	Axis Bank Limited	Foreign Currency Loan- Import Finance	3,781.39	Repayment range from 14 th April, 2021 to 19 th August, 2021	Interest range from 6M LIBOR + 0.50% to 6M LIBOR + 1.70%
5	RBL Bank Limited	Foreign Currency Loan- Import Finance	578.91	Repayment on 20 th April, 2021	Interest 6M LIBOR + 0.85%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
6	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,064.85	Repayment range from 9 th April, 2021 to 20 th August, 2021	Interest range from 6M EURIBOR + 0.65% to 6M EURIBOR + 0.75%
7	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,147.68	Repayment on 1 st April, 2021	Interest 6M EURIBOR + 0.90%
8	CTBC Bank Company Limited	Rupee Loan - Packing Credit	2,400.00	Bullet repayment on 9 th July, 2021	Interest range from 3M MIBOR + 1.94% and 1M MIBOR + 2.01%
9	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 6 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
10	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	500.00	Bullet repayment on 12 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
11	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 12 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
12	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 22 nd April, 2021	Repo Rate + 2.50% (Repo Rate Reset every 1 M)
13	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	2,000.00	Bullet repayment on 9 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
14	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	2,000.00	Bullet repayment on 9 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
15	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	3,000.00	Bullet repayment on 26 th May, 2021	Repo Rate + 1.95% (Repo Rate Reset every 1 M)
16	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	1,500.00	Bullet repayment on 29 th June, 2021	Repo Rate + 1.90% (Repo Rate Reset every 1 M)
17	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 16 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
18	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 27 th May, 2021	Repo Rate + 1.75% (Repo Rate Reset every 1 M)
19	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 1 st September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
20	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	1,450.00	Bullet repayment on 2 nd September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
21	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	5,000.00	Bullet repayment on 24 th April, 2021	8.45% p.a.
22	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	300.00	Bullet repayment on 27 th August, 2021	7.50% p.a.
23	DBS Bank India Ltd	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 8 th April, 2021	6.95% p.a.
24	Bank of Baroda	Rupee Loan -Short Term Loan	5,500.00	Bullet repayment on 2 nd June, 2021	7.80% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
25	Bank of Baroda	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 2 nd June, 2021	7.80% p.a.
26	Bank of Baroda	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29 th June, 2021	7.80% p.a.
27	Bank of Baroda	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 22 nd September, 2021	7.80% p.a.
28	Bank of Baroda	Rupee Loan -Short Term Loan	4,000.00	Bullet repayment on 18 th March, 2021	7.80% p.a.
29	Bank of Baroda	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 30 th April, 2021	7.00% p.a.
30	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8 th June, 2021	1M Mibor + 2.30% (1M Mibor reset every 1 M)
31	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	1,600.00	Bullet repayment on 23 rd July, 2021	1M Mibor + 2.26% (1M Mibor reset every 1 M)
32	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7 th May, 2021	1M Mibor + 2.48% (1M Mibor reset every 1 M)
33	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 16 th August, 2021	5.75% p.a.
34	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 26 th August, 2021	5.75% p.a.
35	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5 th June, 2021	6.25% p.a.
36	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 20 th July, 2021	5.60% p.a.
37	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 31 st May, 2021	6.25% p.a.
38	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 29 th June, 2021	5.60% p.a.
39	BNP Paribas	Rupee Loan - Cash Credit Limit	2,138.59	Daily working capital Limit / cash Credit	Overnight MCLR (Reset every 1 M)
40	Kotak Mahindra Bank	Rupee Loan - Cash Credit Limit	132.41	Daily working capital Limit / cash Credit	6M MCLR (Reset every 6 M)

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Yes Bank Limited	Foreign Currency Loan- Import Finance	1,352.84	Repayment range from 13 th April, 2020 to 9 th July, 2020	Interest range from 6M LIBOR + 0.20% to 6 M LIBOR + 0.83%
2	ICICI Bank Limited	Foreign Currency Loan- Import Finance	9,511.99	Repayment range from 7 th April, 2020 to 26 th June, 2020	Interest range from 6M LIBOR + 0.30% to 6 M LIBOR + 0.85%



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2020 (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
3	IndusInd Bank Limited	Foreign Currency Loan- Import Finance	2,243.60	Repayment range from 4 th June, 2020 to 28 th August, 2020	Interest range from 6M LIBOR + 0.25% to 6M LIBOR + 1.50%
4	RBL Bank Limited	Foreign Currency Loan- Import Finance	3,540.24	Repayment range from 6 th July, 2020 to 25 th August, 2020	Interest range from 6M LIBOR + 0.46% to 6M LIBOR + 0.84%
5	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,315.24	Repayment range from 17 th April, 2020 to 25 th September, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 1.15%
6	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,486.87	Repayment on 10 th June, 2020	Interest range from 6M EURIBOR + 0.70%
7	BNP Paribas	Foreign Currency Loan - Packing Credit	3,315.82	Repayment range from 8 th April, 2020 to 22 nd April, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.88%
8	BNP Paribas	Rupee Loan - Packing Credit	1,800.00	Bullet repayment on 2 nd September, 2020	7.80% p.a.
9	BNP Paribas	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 2 nd May, 2020	7.92% p.a.
10	BNP Paribas	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 12 th May, 2020	7.89% p.a.
11	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,500.00	Bullet repayment on 6 th July, 2020	1M MCLR +0.05% p.a.
12	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,500.00	Bullet repayment on 11 th September, 2020	1M MCLR + 0.20% p.a.
13	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 12 th June, 2020	1M MCLR + 0.15% p.a.
14	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	4,000.00	Bullet repayment on 15 th May, 2020	1M MCLR + 0.10% p.a.
15	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	3,000.00	Bullet repayment on 23 rd June, 2020	1M MCLR
16	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	4,000.00	Repayment of ₹ 2,875.75 Lakhs on 30 th April, 2020 Repayment of ₹ 1,124.25 Lakhs on 16 th May, 2020	1M MCLR
17	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 13 th July, 2020	8.10% p.a.
18	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 17 th July, 2020	8.10% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

37. Nature of securities and terms of repayment (Contd..)

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

As at 31st March, 2020 (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
19	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 4 th September, 2020	8.10% p.a.
20	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 1 st September, 2020	8.25% p.a.
21	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 1 st September, 2020	8.25% p.a.
22	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	500.00	Bullet repayment on 28 th May, 2020	8.35% p.a.
23	DBS Bank India Ltd	Rupee Loan -Short Term Loan	5,000.00	Bullet repayment on 5 th May, 2020	8.70% p.a.
24	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	925.17	Bullet repayment on 8 th August, 2020	3M MCLR + 0.80% p.a.
25	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	3,276.15	Bullet repayment on 15 th August, 2020	3M MCLR + 0.80% p.a.
26	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	1,798.68	Bullet repayment on 22 nd August, 2020	3M MCLR + 0.80% p.a.
27	RBL Bank Ltd	Rupee Loan -Short Term Loan	500.00	Bullet repayment on 3 rd September, 2020	10.30% p.a.
28	RBL Bank Ltd	Rupee Loan -Short Term Loan	700.00	Bullet repayment on 6 th May, 2020	10.30% p.a.
29	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	5,000.00	Bullet repayment on 6 th June, 2020	9.50% p.a.
30	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 12 th June, 2020	9.50% p.a.
31	BNP Paribas	Rupee Loan - Cash Credit Limit	2,507.57	Daily working capital Limit / cash Credit	Overnight MCLR
32	HDFC Bank Ltd	Rupee Loan - Cash Credit Limit	1,239.36	Daily working capital Limit / cash Credit	1Y MCLR + 0.40% p.a.
33	Kotak Mahindra Bank	Rupee Loan - Cash Credit Limit	2,327.42	Daily working capital Limit / cash Credit	6M MCLR
34	ICICI Bank Ltd	Rupee Loan - Cash Credit Limit	2,356.10	Daily working capital Limit / cash Credit	6M MCLR + 0.90% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

38. Contingent Liabilities

(₹ in Lakhs)

Particulars	As on 31 st March, 2021	As on 31 st March, 2020
a In respect of Excise Duty matters -		
i) Demands for which the Company has received various show cause notices regarding input credit on certain items and freight charges recovered from buyers for supply of goods at buyers' premises. The Company has filed the replies or is in the process of filing replies	930.88	930.88
ii) Demands on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and credit transfer to Dahej Unit on inter unit transactions. The Company has filed appeals before CESTAT.	2,682.06	2,682.06
Total of Excise Duty matters	3,612.94	3,612.94
b In respect of Custom Duty matters -		
i) Demands for which the Company had received show cause notices regarding inadmissible EPCG benefit on consumables imported. The Company has filed replies in this regard.	11.82	11.82
ii) Demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeals before CESTAT and the matters are pending.	1,372.12	1,372.12
Total of Custom Duty matters	1,383.94	1,383.94
c In respect of Sales Tax matters -		
i) Demands under VAT on account of disallowance of proportionate Input tax credit on Capital Goods	6.00	18.00
ii) Demands under CST on account of disallowance of proportionate Input tax credit on Capital Goods	49.33	49.33
iii) Demands under CST on account of non-submission of C forms. The Company has filed appeals before appropriate appellate authorities against the said orders.	52.87	28.49
Total of Sales Tax matters	108.20	95.82
Total Contingent Liability in respect of Taxation matters	5,105.08	5,092.70
In respect of Other matters		
d Details of corporate guarantees given to banks and financial institutions for loans taken by a step down subsidiary and fellow subsidiaries, lien on investments of the Company and working capital facilities of the Company used by fellow subsidiaries	1,27,244.00	47,630.69
Total Contingent Liability in respect of Other matters	1,27,244.00	47,630.69

Notes:

- 1 In respect of above Excise duty, Custom duty and Sales tax matters, the Company has paid an amount of ₹ 156.81 Lakhs (as at 31st March 2020: ₹ 146.81 Lakhs) and not charged to Statement of Profit and Loss.
- 2 In respect of above matters, no additional provision is considered necessary as the company expects 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.

39. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 8,168.52 Lakhs (as at 31st March 2020: ₹ 9,263.41 Lakhs).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

40. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' -comprising of Refrigeration gases, Caustic soda, Chloromethane, polytetrafluoroethylene (PTFE), Fluoropolymers, Fluoromonomers, Specialty Fluorointermediates, Specialty Chemicals and allied activities. Electricity generated by captive power plant is consumed in chemical business and not sold outside. Hence the Company is having only one reportable business segment under Ind AS 108 on "Operating segment". The information is further analysed based on the different classes of products.

40.1 Breakup of revenue from operations

a) Product-wise breakup

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
a) Sale of products		
Refrigerant Gases	34,381.88	43,871.39
Caustic Soda (Caustic Soda Lye & Flakes)	23,157.99	35,200.68
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	31,290.87	30,462.73
Poly Tetrafluoroethylene (PTFE)	90,389.51	92,665.15
Other products	70,306.79	44,977.09
	2,49,527.04	2,47,177.04
b) Other operating revenue		
Export Incentives	1,043.83	1,021.51
Sale of scrap	637.98	504.68
Others	1,151.73	935.65
	2,833.54	2,461.84
Total revenue from operations	2,52,360.58	2,49,638.88

b) Geographical breakup

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
India	1,34,794.18	1,23,113.22
Europe	49,500.20	45,714.18
USA	22,477.79	27,458.06
Rest of the world	45,588.41	53,353.42
Total	2,52,360.58	2,49,638.88

40.2 Information about major customers

There is no single external customer who contributed more than 10% to the Company's revenue during the financial year 2020-2021 and 2019-2020 .

41. Earnings/(loss) per share

Particulars	Year ended	
	31 st March, 2021	31 st March, 2020
Profit/(loss) for the year (₹ in Lakhs)	(22,817.00)	18,994.75
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	1
Basic and Diluted Earnings/(Loss) per share (in. ₹)	(20.77)	17.29

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

42. The particulars of dues to micro, small and medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Principal amount due to suppliers under MSMED Act, 2006 at the year end		
Trade payables	141.02	82.63
Payable towards capital expenditure	6.49	20.49
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.13	0.14
Payment made to suppliers (other than interest) beyond the appointed date during the year	360.19	391.29
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	3.55	2.36
Interest due and payable to suppliers under MSMED Act for payments already made	3.91	3.41
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end	4.05	3.55

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

43. Leases

A. Company as a lessee

- (a) The Company's significant leasing arrangements are in respect of leasehold lands. The Company has also taken certain plants and commercial premises on lease.

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 (transferred and vested with the Company on demerger - see Note 1 and 51) using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and had measured right of use asset an amount equal to lease liability. The Company was not required to restate the comparative information.

- (b) On transition to Ind AS 116, the opening balances in 'Prepayment - leasehold lands' (transferred and vested with the Company on demerger - see Note 1 and 51) were reclassified as right-of-use assets.

The lease arrangements of the Company comprises of lease arrangements transferred and vested with the Company pursuant to demerger (see Note 1 and 51). The following is the summary of practical expedients elected on initial application of Ind AS 116:

- 1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- 2) Applied the exemption not to recognize right-of-use assets and liabilities for leases expiring within 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified by the demerged company, as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 was 10% p.a.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31st March, 2019, discounted to the present value at the date of initial application of Ind AS 116, and the value of the lease liability as at 1st April, 2019 (transferred and vested with the Company, pursuant to demerger), was on account of exclusion of short term leases.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

43. Leases (Contd..)

(c) Particulars of right-of-use assets and lease liabilities

- i. Carrying value of right-of-use assets by class of underlying assets

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
Gross Block				
On recognition and reclassification as at 1 st April, 2019	4,460.55	177.45	48.85	4,686.85
Balance as at 31st March 2020	4,460.55	177.45	48.85	4,686.85
Addition	-	-	20.94	20.94
Balance as at 31st March 2021	4,460.55	177.45	69.79	4,707.79
Accumulated depreciation and impairment				
On recognition and reclassification as at 1 st April, 2019	-	-	-	-
Depreciation expense for the year	50.57	72.16	30.34	153.07
Balance as at 31st March 2020	50.57	72.16	30.34	153.07
Depreciation for the year	50.57	66.44	21.07	138.08
Balance as at 31st March 2021	101.14	138.60	51.41	291.15

Carrying amounts	Land-leasehold	Plant & Equipment	Buildings	Total
As at 31st March 2020	4,409.98	105.29	18.51	4,533.78
As at 31st March 2021	4,359.41	38.85	18.38	4,416.64

- ii. Movement in lease liability during year ended

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance as the beginning of the year	129.99	-
On recognition as at 1 st April, 2019	-	226.30
Addition	20.94	-
Interest on lease liabilities	8.50	16.97
Payment of lease liabilities	(98.01)	(113.28)
Balance as the end of the year	61.42	129.99

- iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	35.28	94.83
One to five years	32.72	47.07
Total undiscounted lease liabilities	68.00	141.90

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

43. Leases (Contd..)

- iv. Amount recognized in statement of profit and loss

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Interest on lease liabilities	8.50	16.97
Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases	517.75	574.61

- v. Amounts recognised in the statement of cash flows

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Total cash outflow for leases	98.01	113.28

B. Company as a lessor

Operating leases relate to Investment Properties transferred and vested with the Company pursuant to demerger, with lease terms between 11 to 60 months and are usually renewable by mutual consent. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

As a lessor, the transition to Ind AS 116 'Leases' from Ind AS 17 'Leases' effective from 1st April, 2019 does not have any impact on the financial statements of the Company. The Company has used the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases, by the demerged company, and hence not reassessed whether a contract is, or contains, a lease at the date of the initial application.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Less than one year	383.04	403.96
One to five years	63.84	251.33

44. Employee Benefits

(a) Defined Contribution Plans

The Company contributes to the Government managed provident & pension fund for all qualifying employees. Contribution to Provident fund of ₹ 849.11 Lakhs (as at 31st March 2020: ₹ 846.39 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Company.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2021 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

44. Employee Benefits: (Contd..)

(b) Defined Benefit Plans: (Contd..)

(i) Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Opening defined benefit obligation	2,284.57	-
Transferred pursuant to demerger (see Note 1 and 50)	-	1,839.85
Current Service Cost	328.45	304.57
Interest cost	153.06	121.09
Actuarial gains / (losses) on obligation:		
a) arising from changes in financial assumptions	1.97	143.09
b) arising from experience adjustments	(31.72)	(35.72)
Benefits Paid/transferred	(112.19)	(88.31)
Present value of defined benefit obligation as at year end	2,624.14	2,284.57

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current Service Cost	328.45	304.57
Interest expense	153.06	121.09
Amount recognized in profit & loss	481.51	425.66
Actuarial gains / (losses):		
a) arising from changes in financial assumptions	1.97	143.09
b) arising from experience adjustments	(31.72)	(35.72)
Amount recognized in other comprehensive income	(29.75)	107.37
Total	451.76	533.03

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Discount rate	6.69%	6.70%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5.00%	5.00%
Mortality IALM (2012-14) Ultimate Mortality Table		

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically expose the company to actuarial risks such as interest rate risk and salary risk

- a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
- b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

44. Employee Benefits: (Contd..)

(b) Defined Benefit Plans: (Contd..)

(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions 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	
	31 st March, 2021	As at 31 st March, 2020
if discount rate increased by 1%	(192.29)	(157.83)
if discount rate decreased by 1%	20710	184.06
if salary escalation rate increased by 1%	204.11	175.47
if salary escalation rate decreased by 1%	(190.89)	(153.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	As at 31 st March, 2020
Expected outflow in 1 st Year	599.12	555.01
Expected outflow in 2 nd Year	128.33	118.08
Expected outflow in 3 rd Year	153.21	111.83
Expected outflow in 4 th Year	168.61	112.38
Expected outflow in 5 th Year	142.80	174.86
Expected outflow in 6 th to 10 th Year	1,432.05	822.57

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.74 years (as at 31st March 2020: 12.55 years)

(c) Other short term and long term employment benefits

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2021 based on actuarial valuation carried out by using Projected unit credit method resulted in increase in liability by ₹ 70.21 lakhs (as at 31st March 2020: ₹ 292.58 lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at	
	31 st March, 2021	As at 31 st March, 2020
Discount rate	6.69%	6.70%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortality IALM (2012-14) Ultimate Mortality Table		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments

45.1 Capital management

The Company manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirement. The Company has complied with the financial covenants in respect of its borrowings.

The Company's risk management committee reviews the capital structure of the Company. As part of this review, the committee considers the cost of capital and risk associated with each class of capital. The Company has a target gearing ratio of less than 100 % determined as the proportion of net debt to equity.

45.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Total debt	1,53,310.06	1,68,117.93
Cash & bank balance	(2,092.97)	(990.66)
Net debt	1,51,217.09	1,67,127.27
Total equity	3,46,478.40	3,69,242.05
Net debt to equity Ratio	43.64%	45.26%

Notes:

Debt is defined as non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon.

Cash and bank balances include cash & cash equivalents and other bank balances (excluding margin money deposits and fixed deposits kept as security).

45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
a) Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured as at FVTPL		
(i) Investments in mutual funds	8,694.18	21,518.71
(ii) Investments in venture capital funds	18.98	18.95
(iii) Investments in alternate investment fund	-	4,239.42
(b) Derivative instruments designated as Fair value hedge in hedge accounting	220.51	859.27
Sub total	8,933.67	26,636.35
Measured at amortised cost		
(a) Cash and bank balances	31,720.89	1,011.77
(b) Other financial assets at amortised cost		
(i) Trade receivables	73,198.77	63,964.99
(ii) Loans	5,759.23	4,807.09
(iii) Others	16,679.61	5,297.03
Sub total	1,27,358.50	75,080.88
Total financial assets	1,36,292.17	1,01,717.23

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.2 Categories of financial instruments (Contd..)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,53,310.06	1,68,117.93
(b) Trade payables	32,322.62	33,974.37
(c) Other financial liabilities	19,300.73	17,625.22
Sub total	2,04,933.41	2,19,717.52
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)		
Derivative instruments designated as cash flow hedge accounting relationship	41.32	82.82
Sub total	41.32	82.82
Total Financial Liabilities	2,04,974.73	2,19,800.34

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

45.3 Financial risk management

The Company's corporate finance function provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Company doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

45.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates
2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues, imports of material/capital goods, services/royalty and borrowings etc. Exchange rate exposures are managed within approved policy parameters by entering 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.5 Foreign Currency Risk Management (Contd..)

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Liabilities		
USD	25,271.37	26,676.31
Euro	14,573.89	17,785.39
Others	0.50	38.86
Assets		
USD	21,245.66	20,681.54
Euro	17,622.67	15,260.08

45.5. 1 Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Company.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

USD impact (net of taxes)	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Impact on profit or loss for the year	301.25	390.00
Impact on total equity as at the end of the reporting period	301.25	390.00
 (₹ in Lakhs)		
Euro impact (net of taxes)	As at 31 st March, 2021	As at 31 st March, 2020
Impact on profit or loss for the year	(228.15)	164.29
Impact on total equity as at the end of the reporting period	(228.15)	164.29

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.5 Foreign Currency Risk Management (Contd..)

45.5. 2 Forward Foreign Exchange Contracts

Company enters into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period included in Note 10 and Note 20 to the financial statements are as under:

Outstanding Contracts	Foreign currency	Exchange Rate		Foreign currency (USD in Lakhs)		Nominal amounts (₹ in Lakhs)		Fair Value derivative assets / (liabilities) (₹ in Lakhs)	
		As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
Fair value hedges									
Principal only swaps (POS) contracts (Financial Assets)	USD	73.11	75.55	22.22	92.13	1,624.72	6,960.21	220.51	859.27

The line-items in the standalone balance sheet that include the above hedging instruments are 'other financial assets'.

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Company's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. The short term foreign currency borrowings are at fixed rate of interest. Certain rupee term loans and short term loans carry variable rate of interest. The financial assets i.e. bank fixed deposits are at a fixed rate of interest. Thus, the Company has no significant exposure to the risk of changes in the interest rate.

45.6. 1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities in foreign currency, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit/loss for the year ended 31st March, 2021 would decrease/increase by ₹ 8.56 Lakhs (net of tax) (for the year ended 31st March, 2020, decrease/increase by ₹ 89.73 Lakhs (net of tax)). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

45.6. 2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.6. 2 Interest Rate Swap Contracts (Contd..)

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 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
HSBC Bank	-	8.24%	-	2,221.02	-	(1.76)
MIZUHO Bank	-	8.24%	-	2,221.02	-	(1.76)
ICICI BANK	10.55%	10.55%	1,624.72	2,518.17	(41.32)	(79.30)
1 to 5 years			1,624.72	6,960.21	(41.32)	(82.82)
Total			1,624.72	6,960.21	(41.32)	(82.82)
Balance in the cash flow hedge reserve (net of tax)					(22.82)	(53.88)

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the Standalone balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Company is exposed to equity price risks arising from equity and equity based investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes and the Company does not actively trade these investments. In respect of debt mutual funds, the exposure to risk of changes in market rates is low since the underlying investments are debt instruments. The Company is exposed to price risk arising from investments in other equity based investments.

45.7. 1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for equity oriented investments at the end of the reporting period.

If equity prices had been 5% higher/lower, profit/loss for the year ended 31st March, 2021 would increase/decrease by ₹ 3.12 Lakhs (for the year ended 31st March, 2020 : increase/decrease by ₹ 485.94 Lakhs) as a result of the change in fair value of equity investments which are designated as FVTPL.

45.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. 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%
> 3 Years	5.00%

Movement in the expected credit loss allowance	(₹ in Lakhs)	
Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the year	46.55	-
Transferred pursuant to demerger - see Note 1	-	19.01
Movement in expected credit loss allowance	5.06	27.54
Balance at the end of the year	51.61	46.55

b) Loans and other receivables

The Company applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

c) Other financial assets

Credit risk arising from balances with banks, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies. There are no collaterals held against such investments.

45.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the committee of Board of Directors for operations, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

45.9.1 Liquidity and interest risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	1 to 5 years	5 years and above	(₹ in Lakhs)
As at 31st March, 2021				
Borrowings	1,15,960.56	33,833.28	3,516.22	1,53,310.06
Trade payables	32,322.62	-	-	32,322.62
Security deposits	523.67	-	-	523.67
Other payables	18,402.53	374.53	-	18,777.06
Derivative financial liabilities	41.32	-	-	41.32
Total	1,67,250.70	34,207.81	3,516.22	2,04,974.73
As at 31st March, 2020				
Borrowings	1,21,628.06	39,542.99	6,946.88	1,68,117.93
Trade payables	33,974.37	-	-	33,974.37
Security deposits	547.44	-	-	547.44
Other payables	16,002.35	1,075.43	-	17,077.78
Derivative financial liabilities	82.82	-	-	82.82
Total	1,72,235.04	40,618.42	6,946.88	2,19,800.34

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities

45.10.1 Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at 31 st March, 2021	Fair Value hierarchy 31 st March, 2020	Valuation technique(s) and key input(s)		Significant unobservable input(s)	Relationship of unobservable inputs to fair value
			Fair Value	Valuation technique(s) and key input(s)		
1. Principal only swaps designated in hedge accounting relationships (Note 10)	Assets - ₹ 220.51 Lakhs and Liabilities Nil	Assets - ₹ 859.27 Lakhs and Liabilities Nil	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 20)	Assets - Nil and Liabilities ₹ 41.32 Lakhs	Assets - Nil and Liabilities ₹ 82.82 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3. Investments in Mutual Funds (Note 8(c) & 8(d))	Equity and Debt based mutual funds managed by various fund house	Equity and Debt based mutual funds managed by various fund house	Level 1	Quoted prices in an active market	NA	NA
				- aggregate fair value of ₹ 21,518.71 Lakhs		
				- fair value of ₹ 8,694.18 Lakhs		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.10 Fair Value Measurements (Contd..)

45.10.1 Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis (Contd..)

Financial Assets / financial liabilities	Fair Value as at 31 st March, 2021	Fair Value hierarchy	Fair Value	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
			31 st March, 2020			
4. Investment in Venture Capital Funds (Note 8(c) & 8(d))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.98 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.98 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of investment in venture capital fund
5. Alternate Investment Funds (Note 8(c))	Nil	Alternate Investment Funds:	Level 1	Quoted prices in an active market	NA	NA

During the year, there were no transfers between Level 1, Level 2 and Level 3.

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the 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, 2021

46. Related Party disclosures

(A) Where control exists:

Holding company –

Inox Leasing and Finance Limited (see Note 1 and 51)

Subsidiary companies – (On demerger - see Note 1 and 51)

Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)

Gujarat Fluorochemicals GmbH, Germany

Gujarat Fluorochemicals Singapore Pte. Limited

GFL GM Fluorspar SA -Subsidiary of GFL Singapore Pte. Limited

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Executive directors

Mr. V K Jain (also appointed as Managing Director w.e.f. 01.08.2019)

Mr. Sanath Kumar Muppirlala (w.e.f. 28.04.2019)

Mr. Sanjay Borwankar (w.e.f. 15.02.2020)

Mr. D K Sachdeva (upto 14.02.2020)

Mr. Anand Bhusari (upto 27.04.2019)

b) Non-executive directors

Mr. D K Jain	Mr. Shanti Prasad Jain
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Mr. P K Jain (upto 06.02.2021)	Ms. Vanita Bhargava
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Mr. Deepak Asher (upto 12.10.2020)	Mr. Chandra Prakash Jain
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Mr. Shailendra Swarup	Mr. Rajagopalan Doraiswami (upto 24.09.2019)
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Mr. Om Prakash Lohia	
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Enterprises over which a Key Management Personnel, or his relatives, have significant influence

Devansh Gases Private Limited	Refron Valves Limited
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Devansh Trademart LLP	Rajni Farms Private Limited
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Inox India Private Limited	Siddhapavan Trading LLP
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Inox Air Products Private Limited	Siddho Mal Trading LLP
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Inox Chemicals LLP	Swarup & Company
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Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Fellow subsidiaries and their associates

GFL Limited - see Note 1 and 51

Inox Leisure Limited

Inox Wind Limited

Inox Wind Energy Limited

Inox Wind Infrastructure Services Limited

Inox Renewables Limited (Merged With GFL Limited w.e.f. 01.04.2020)

Sri Pawan Energy Private Limited (upto 21.05.2020)

Waft Renergy Private Limited

Haroda Wind Energy Private Limited

Khatiyu Wind Energy Private Limited

Vigodi Wind Energy Private Limited

Ripudaman Urja Private Limited

Vasuprada Renewables Private Limited

Suswind Power Private Limited

Vibhav Energy Private Limited

Vuelta Wind Energy Private Limited

Tempest Wind Energy Private Limited

Ravapar Wind Energy Private Limited

Nani Virani Wind Energy Private Limited

Aliento Wind Energy Private Limited

Flurry Wind Energy Private Limited

Flutter Wind Energy Private Limited

Associates of Inox Wind Infrastructure Services Limited

Wind One Renergy Private Limited

Wind Two Renergy Private Limited

Wind Three Renergy Private Limited

Wind Four Renergy Private Limited

Wind Five Renergy Private Limited

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Particulars of transactions

Particulars	Particulars of transactions						Total (₹ in Lakhs)		
	Subsidiary Companies	Fellow Subsidiary Companies and their Associates	Key Management Personnel	Enterprises over which KMP or his relatives have significant influence	2019-20	2020-21			
					2019-20	2020-21	2019-20	2020-21	2019-20
Sale of Goods									
Inox Air Products Private Limited					0.84	1.39	23,304.23	23,304.23	1.39
GFL Americas LLC	23,304.23	27,527.39					24,178.86	24,178.86	27,527.39
GFL GmbH, Germany	24,178.86	20,935.89					1,474.45	0.16	20,935.89
Refron Valves Limited							108.16	0.08	0.08
Inox Wind Limited									-
Inox Wind Infrastructure Services Limited									1,474.45
Total	47,483.09	48,463.28			1,582.61		100	1.47	49,066.70
Sales return									
GFL Americas LLC	236.01	633.30							236.01
GFL GmbH, Germany	-	918.76							918.76
Total	236.01	1,552.06					236.01	1.46	1,552.06
Sale of Services									
Inox India Private Limited							146	-	146
Total							1.46		1.46
Purchase of Power									
Inox Wind Limited									284.68
Total							284.68		284.68
Purchase of Assets									
Inox Wind Limited									2,062.02
Total							2,062.02		2,062.02
Purchase of Goods									
Inox Air Products Private Limited							1,027.90	1,319.51	1,319.51
Inox India Private Limited							2,784.18	2,784.18	3,755.60
Refron Valves Limited							-	-	0.24
GFL GM Flourspar SA									3,132.10
Total							890.93	890.93	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Particulars of transactions (Contd..)

Particulars	Subsidiary Companies	Fellow Subsidiary Companies and their Associates	Key Management Personnel	Enterprises over which KMP or his relatives have significant influence			(₹ in Lakhs)
				2020-21	2019-20	2020-21	
GFL GmbH, Germany	3.37	-	-	-	-	-	3.37
GFL Americas LLC	521.43	171.74	-	-	-	-	521.43
Total	1,415.73	3,303.84					171.74
Purchase of Services							8,379.19
Inox India Private Limited	-	-	-	616	13.78	616	13.78
Inox Air Products Private Limited	-	-	-	1.48	-	1.48	-
Total				7.64	13.78	7.64	13.78
Purchase of Movie Tickets							8.87
Inox Leisure Limited	-	-	-	8.87	-	-	8.87
Total				8.87			8.87
Advances given towards purchases of goods							8.87
GFL GM Flourspar SA	424.60	2,016.33	-	-	-	-	424.60
Total	424.60	2,016.33					2,016.33
Advances given towards purchases of assets							424.60
Inox Wind Limited	591.42	70,439.60	-	-	-	-	591.42
Inox Wind Infrastructure Services Limited	-	16,748.98	-	-	-	-	16,748.98
Total	591.42	87,188.58					87,188.58
Interest income (On Capital Advances)							591.42
Inox Wind Infrastructure Services Limited	1,674.90	962.65	-	-	-	-	1,674.90
Inox Wind Limited	7,082.68	3,843.27	-	-	-	-	7,082.68
Total	8,757.58	4,805.92					8,757.58
							4,805.92

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Particulars of transactions (Contd..)

Particulars	Subsidiary Companies	Fellow Subsidiary Companies and their Associates	Key Management Personnel	Enterprises over which KMP or his relatives have significant influence			Total (₹ in Lakhs)
				2020-21	2019-20	2020-21	
Guarantees given							
GFL GM Flourspar SA Inox Wind Infrastructure Services Limited	1,992.00 54,433.00	4,337.53 41,793.16					54,433.00 41,793.16
Total	1,992.00	4,337.53	1,08,627.00	43,293.16			1,10,619.00
Guarantees extinguished/exposure reduced							
GFL GM Flourspar SA Inox Wind Infrastructure Services Limited	1,075.53 -	- 29,929.00					29,929.00 -
Total	1,075.53	-	29,929.00				31,004.53
Reimbursement of expenses (paid)/ Payments made on behalf of the Company							
GFL Americas LLC GFL GmbH, Germany Devansh Gases Private Limited GFL Limited	31.25 10.79	63.94 11.49					31.25 10.79 7.32 7.32
Total	42.04	75.43	871.39				7.32
Reimbursement of expenses (received)/Payments made on behalf by the Company							
Inox Leisure Limited Inox Renewables Limited Inox Wind Limited GFL GM Flourspar SA Inox Air Products Private Limited GFL GmbH, Germany	2.80 - 43.72 22.35 0.69	8.08 8.23 159.53 5.38 4.37 1.32					2.80 - 43.72 - 5.38 1.32
							8.08 8.23 159.53 22.35 5.38 0.69

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd.):

(R) Other related parties with whom there are transactions during the year: (Contd.)

Particulars of transactions (Contd...)

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have significant influence		Total (₹ in Lakhs)
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
GFL Americas LLC	-	0.11	328.29	359.99					0.11
Inox Wind Infrastructure Services Limited			66.30	114.83					359.99
GFL Limited			11.92	-					114.83
Inox Wind Energy Limited									-
Total	1.32	23.15	453.03	650.66			4.37	5.38	458.72
Guarantee Commission Income									679.19
Inox Wind Infrastructure Services Limited		455.53	328.38					455.53	328.38
Inox Wind Limited		373.26	-					373.26	-
GFL GM Flourspar SA	5776	50.88						5776	50.88
Total	57.76	50.88	828.79	328.38				886.55	379.26
Rent Received									
Inox Air Products Private Limited		72.39	72.39					20.92	75.19
Inox Wind Limited		27.21	29.69						72.39
Inox Leisure Limited		4.00	3.30						27.21
Others									29.69
Total	103.60	105.38			21.64	75.91	125.24	181.29	
Rent paid									
Inox Air Products Private Limited								1.00	1.00
Devanshi Gases Private Limited								24.00	24.00
D.K.Sachdeva									1.05
Total					1.05	24.00	25.00	24.00	26.05
O&M Charges & Lease Rents paid									
Inox Air Products Private Limited									200.85
Inox Wind Infrastructure Services Limited									487.25
Total	514.14	487.25					199.78	200.85	713.92
Total	514.14	487.25					199.78	200.85	688.10

Note: The above amounts are exclusive of duties and taxes, wherever applicable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Particulars of amounts outstanding as at 31st March, 2021

Particulars	Subsidiary Companies		Fellow Subsidiary Companies and their associates		Enterprises over which KMP or their relatives have significant influence		Total (₹ in Lakhs)
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
Amounts payable							
GFL Americas LLC	289.00	252.07	-	-	203.49	203.49	289.00
GFL GmbH, Germany	16.09	5.23	821.00	-	0.17	0.17	16.09
GFL Limited	-	-	-	503.77	224.05	164.88	821.00
Inox India Private Limited	-	-	-	-	224.05	164.88	503.77
Refron Valves Limited	-	-	-	164.88	331.96	331.96	-
Inox Air Products Private Limited	-	-	331.96	150.21	459.12	459.12	150.21
Inox Wind Infrastructure Services Limited	-	-	459.12	2,663.88	-	-	2,663.88
Total	305.09	257.30	1,612.08	2,814.09	668.65	427.71	2,585.82
Amounts Receivable							
a) Trade /Other Receivables							
GFL Americas LLC	9,667.93	8,615.46	-	-	0.56	0.56	9,667.93
GFL GmbH, Germany	10,455.42	10,657.05	30.48	3.70	-	-	10,455.42
Inox Leisure Limited	-	-	-	19.61	-	-	30.48
Inox Renewables Limited	-	-	3,455.87	1,260.64	0.56	3,455.87	-
Inox Wind Infrastructure Services Limited	-	-	-	-	-	-	1,260.64
Inox Air Products Private Limited	268.79	210.76	197.80	114.83	0.56	0.56	268.79
GFL GM Fluorspar SA	-	-	12,466.50	3,652.61	-	-	197.80
GFL Limited	-	-	32.36	-	-	-	12,466.50
Inox Wind Limited	-	-	18.33	14.44	-	-	32.36
Inox Wind Energy Limited	-	-	-	-	-	-	18.33
Others	-	-	-	-	-	-	14.44
Total	20,392.14	19,483.27	16,201.34	5,065.83	0.56	-	36,594.04
							24,549.10

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Particulars of amounts outstanding as at 31st March, 2021

Particulars	Subsidiary Companies	Fellow Subsidiary Companies and their associates	Enterprises over which KMP or their relatives have significant influence	Total		
				2019-20	2020-21	2019-20
b) Advances for purchase of goods						
GFL GM Fluorspar SA	1,565.86	2,016.33				1,565.86
Total	1,565.86	2,016.33				1,565.86
c) Advances for purchase of assets						
Inox Wind Limited	71,031.02	70,439.60				70,439.60
Inox Wind Infrastructure Services Limited	16,748.98	16,748.98				16,748.98
Total	87,780.00	87,188.58				87,188.58
Guarantees						
GFL GM Fluorspar SA	5,254.00	4,337.53				5,254.00
Inox Wind Infrastructure Services Limited		66,296.00	41,793.16			66,296.00
Inox Wind Limited		55,694.00	1,500.00			55,694.00
Total	5,254.00	4,337.53	1,21,990.00	43,293.16	1,27,244.00	47,630.69



Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(B) Other related parties with whom there are transactions during the year: (Contd..)

Compensation of Key Management Personnel during the year

(₹ in Lakhs)

Particulars	2020-21	2019-20
(i) Remuneration paid -		
Mr. V K Jain	718.72	717.90
Mr. D K Jain	451.24	417.46
Mr. D K Sachdeva	-	20.06
Mr. Anand Bhusari	-	10.96
Mr. Sanath Kumar Muppirlala	98.81	72.33
Mr. Sanjay Borwankar	71.77	8.55
Total	1,340.54	1,247.26
(ii) Director sitting Fees paid	19.00	17.00
(iii) Professional fees paid to		
Mr. Deepak Asher	90.00	180.00
Swarup & Co.	-	3.85
Total	90.00	183.85

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 22.80 lakhs (as at 31st March 2020: ₹ 23.23 lakhs) included in the amount of remuneration reported above.

Notes

- (a) Sales, purchases and service transactions with related parties are made at arm's length price.
- (b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- (c) No expense has been recognised for the year ended 31st March, 2021 and 31st March, 2020 for bad or doubtful trade receivables in respect of amounts owed by related parties.

47. Exceptional Items

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Expenses on demerger of Chemical Business Undertaking from GFL Limited (see Note 1 and 51)	-	2,604.05
Total	-	2,604.05

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

48. Payments to Auditor

Particulars	(₹ in Lakhs)	
	2020-2021	2019-2020
As Statutory auditor	43.00	33.00
Audit of Subsidiary Companies	9.50	9.50
Tax Audit	16.50	14.50
For taxation matters	16.50	2.50
Certification	3.50	3.00
	89.00	62.50

Note:

- (a) The above amounts for the year ended 31st March 2020 do not include ₹ 22.00 Lakhs for demerger and taxation related services rendered to GFL Limited (the demerged company) and borne by the Company.
- (b) All amounts are exclusive of goods and service tax.

49. Disclosure required under section 186(4) of the Companies Act, 2013

Inter-corporate deposits/loans to others:

Name of the party	Rate of Interest	(₹ in Lakhs)	
		As at 31 st March, 2021	As at 31 st March, 2020
Wearit Global Limited	10%	292.14	292.14
Castle Suppliers Private Limited	10%	2,725.00	2,725.00

The above inter-corporate deposits are given for general business purpose and are repayable at call.

50. Corporate Social Responsibility (CSR)

MCA has notified amendments relating to Corporate Social Responsibility (CSR) under Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January 2021 where a company is mandatorily required to utilise the amount quantified for CSR activities as per provisions of the Companies Act, 2020, failing which the same needs to be transferred within a specified period to a fund specified in Schedule VII to the Companies Act, 2013. Consequent to these changes, the Company is now required to recognise a provision in the financial statements towards unspent amount of CSR obligations. Further, as per the legal opinion obtained by the Company, such mandatory obligation towards expenditure to be incurred on CSR in respect of the profits of the Chemical Business Undertaking (referred and vested in this Company as per note 1) is also on this Company.

- (a) The gross amount required to be spent by the Company during the year towards CSR is as under:

Particulars	(₹ In Lakhs)
i) in respect of the Company	404.84
ii) towards CSR obligation in respect of the profits of the said Chemical Business Undertaking vested in this Company	821.00
Total	1,225.84

- (b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any fixed assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
On purposes other than above	1,157.23 (Nil)	821.00 (Nil)	1,978.23 (Nil)
	1,157.23	821.00	1,978.23

(Figures in brackets pertain to previous year)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

51. Demerger of Chemical Business during the previous year

The Scheme of Arrangement (“the Scheme”) for the demerger of Chemical Business Undertaking from Gujarat Fluorochemicals Limited, now known as GFL Limited (“the demerged company”) to Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited (“the resulting company” or “the Company”) and the respective shareholders of the two companies, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 was approved by Honourable National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 i.e. making the Scheme operative. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stood transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company.

The demerger was accounted as per ‘pooling of interest’ method in accordance with Appendix C of Ind AS 103 - Business Combinations, being common control business combination.

Accordingly, following effects were given in the books of account of the Company:

- (i) All the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in the Company, were recorded at their respective carrying values as appearing in the books of the demerged company.
- (ii) The Company had issued 10,98,50,000 fully paid-up equity shares of ₹ 1 each to the shareholders of the demerged company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company.
- (iii) The pre-demerger shareholding of the demerged company in the Company comprising of 1,00,000 fully paid-up equity share of ₹ 1 each, were cancelled and the amount was credited to the capital reserve.
- (iv) The identity of the reserves transferred by the demerged company was preserved and were carried in the same form and manner by the Company.
- (v) The difference between the net assets transferred from the demerged company, and the aggregate of the fresh share capital issued by the Company and the reserves transferred by the demerged company, was adjusted against the Capital Reserve as under:

Particulars	₹ in Lakhs)
Assets of the demerged undertaking	4,83,079.48
Less: Liabilities of the demerged undertaking	(1,32,623.19)
Net assets of the demerged undertaking (a)	3,50,456.29
Transferred reserves:	
Capital reserve	12,827.46
General reserve	3,20,000.00
Cash flow hedge reserve	84.98
Retained earnings	16,726.31
Total transferred reserves	3,49,638.75
Face value of fully paid-up equity shares issued to the shareholders of demerged company	1,098.50
Aggregate of transferred reserve and fresh issue of equity shares (b)	3,50,737.25
Net amount adjusted against the capital reserve (a) - (b)	(280.96)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2021

51. Demerger of Chemical Business during the previous year (Contd..)

Summary of the assets and liabilities of the Chemical Business Undertaking, transferred and vested with the Company was as under:

(₹ in Lakhs)

Particulars	Amount
a) Assets transferred	
Property, plant & equipment	2,15,682.99
Capital work-in-progress	22,867.56
Investment property	1,032.00
Intangible assets	2,628.95
Financial assets	
Investments	
Investments in subsidiaries and joint venture	8,823.83
Other investments	34,104.09
Trade receivables	65,729.56
Cash & cash equivalents	3,122.74
Loans	4,688.78
Other financial assets	990.48
Inventories	53,031.36
Deferred tax assets (net)	31,526.01
Income tax assets (net)	20,505.88
Other assets	18,345.25
Total assets transferred	4,83,079.48
b) Liabilities transferred	
Financial liabilities	
Borrowings	85,241.75
Trade payables	21,908.87
Other financial liabilities	21,076.56
Provisions	3,214.21
Current tax liabilities	262.37
Other liabilities	919.43
Total liabilities transferred	1,32,623.19

As per our report of even date attached

For Patankar & Associates

Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal

Partner
Mem No: 049051

Place: Pune

Dated: 18th June 2021

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman
DIN: 00029782
Place: New Delhi

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

V. K. JAIN

Managing Director
DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer

Consolidated Financial Statements

Independent Auditor's Report

To the members of Gujarat Fluorochemicals Limited (earlier known as Inox 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"), earlier known as Inox Fluorochemicals Limited, and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), and jointly controlled entity which comprise the Consolidated Balance Sheet as at 31st March, 2021, 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, 2021, the loss and total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Commission of ₹ 451.24 lakhs to a non-executive director requires approval of the shareholders in the forthcoming Annual General Meeting of the Holding Company as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations. Our report is not modified in respect of 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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of direct tax position in respect of the Holding Company	<p>The Holding Company had filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14. These matters were pertaining to the Chemical Business Undertaking vested with the Holding Company on demerger and were contested by the Income-tax Department before Hon'ble Supreme Court. The Income-tax Department has processed the applications filed by the Holding Company and accordingly the Holding Company was required to pay 50% of disputed income-tax aggregating to ₹ 2,944.18 lakhs in respect of these years. The total impact of the settlement of ₹ 68,974.22 lakhs (mainly on account of reduction in MAT credit entitlement) is recognized and included in 'tax pertaining to earlier periods' during the year.</p> <p>This has been identified as a key audit matter due to magnitude of the amount involved and the significant impact on the financial statements.</p> <p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none">• Review of the orders passed by the Income tax department under Vivad-se-Vishwas Scheme• Review the scheme of arrangement for demerger as approved by NCLT• Discussion on the matter with the senior management• Checking the calculations made by the management in this regard for mathematical accuracy; and• Assessment of the relevant disclosures made within the financial statements to ensure the effect is appropriately disclosed in the financial statements.



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 Report 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 Report 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.

Other Matter

1. We did not audit the financial statements of one joint venture whose unaudited financial statements reflects Group's share of net loss of ₹ 0.51 lakhs for the year ended 31st March, 2021, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, 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.
2. Due to the COVID-19 related lockdown, we were not able to attend the year end physical verification of inventory. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on the consolidated financial statements.

Our report on the consolidated financial statements is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and its jointly controlled entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of

the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
- (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, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding Company.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity;
- ii. The Group and its jointly controlled entity have made provision, as required under the applicable law or accounting standards including the Ind AS, for material foreseeable losses on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

UDIN: 21049051AAAAAV9849

Place: Pune

Date: 18th June 2021

Annexure to Independent auditor's report to the members of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) on the consolidated financial statements for the year ended 31st March, 2021 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

In conjunction with our audit of the consolidated financial statements of **Gujarat Fluorochemicals Limited** ("the Holding Company"), earlier known as Inox Fluorochemicals Limited as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Holding 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 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 internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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



Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, 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, 2021, based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S S Agrawal

Partner

Membership No. 049051

Place: Pune

Date: 18th June 2021

Consolidated Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS				
(1) Non-current assets				
(a)	Property, plant & equipment	5	2,28,883.31	2,32,701.12
(b)	Capital work-in-progress		40,006.30	31,837.34
(c)	Right-of-use assets	43	4,905.78	5,107.18
(d)	Investment property	6	989.46	1,010.73
(e)	Intangible assets	7	1,887.67	2,572.82
(f)	Investments accounted for using the equity method	8(a)	87.33	87.84
(g)	Financial assets			
(i)	Other investments	8(b)	1,863.22	19,037.85
(ii)	Loans	9	1,148.32	820.19
(iii)	Other non current financial assets	10	30,510.60	888.29
(h)	Deferred tax assets (net)	11	3.90	23,852.80
(i)	Other non-current assets	12	94,233.86	94,417.09
(j)	Income tax assets (net)	13	—	1,658.47
Sub-total			4,04,519.75	4,13,991.72
(2) Current assets				
(a)	Inventories	14	86,390.61	81,282.54
(b)	Financial assets			
(i)	Investments	8(c)	6,849.94	6,739.23
(ii)	Trade receivables	15	66,713.08	56,472.88
(iii)	Cash & cash equivalents	16	1,156.19	1,659.14
(iv)	Bank balances other than (iii) above	17	1,014.78	0.25
(v)	Loans	9	4,952.07	4,195.87
(vi)	Other current financial assets	10	16,411.08	4,834.20
(c)	Current tax assets (net)	13	—	30,690.72
(d)	Other current assets	12	6,879.31	6,829.96
Sub-total			1,90,367.06	1,92,704.79
Assets held for sale				
Total Assets				
EQUITY & LIABILITIES				
Equity				
(a)	Equity share capital	18	1,098.50	1,098.50
(b)	Other equity	19	3,48,183.86	3,70,462.36
(c)	Non-controlling interest	20	(1,388.34)	(1,069.03)
Sub-total			3,47,894.02	3,70,491.83
LIABILITIES				
(1) Non-current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	21	39,209.10	47,872.56
(ii)	Other non current financial liabilities	22	64516	1,474.82
(b)	Provisions	23	2,862.63	2,522.89
(c)	Deferred tax liabilities (net)	11	26,378.03	7.68
(d)	Income tax liabilities (net)	27	1,001.36	—
Sub-total			70,096.28	51,877.95
(2) Current liabilities				
(a)	Financial liabilities			
(i)	Borrowings	24	1,01,833.49	1,04,166.40
(ii)	Trade payables			
a)	total outstanding dues of micro enterprises and small enterprises	25	141.02	82.63
b)	total outstanding dues of creditors other than micro enterprises and small enterprises	25	33,724.34	36,629.58
(iii)	Other financial liabilities	22	37,288.05	38,228.42
(b)	Other current liabilities	26	2,025.22	1,785.56
(c)	Provisions	23	1,575.86	1,390.95
(d)	Current tax liabilities (net)	27	2,289.39	2,043.19
Sub-total			1,78,877.37	1,84,326.73
Total Equity & Liabilities				
The accompanying notes are an integral part of the consolidated financial statements				

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

Place: Pune

Dated: 18th June 2021

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

V. K. JAIN

Managing Director

DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended on 31st March, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Year ended 31 st March, 2021	Year ended 31 st March, 2020
I	Revenue from operations	28	2,65,049.70	2,60,637.29
II	Other income	29	20,108.32	21,628.20
III	Total Income (I+II)		2,85,158.02	2,82,265.49
IV	Expenses			
	Cost of materials consumed	30	89,764.59	95,387.33
	Material extraction and processing cost	31	3,247.75	3,892.43
	Purchases of stock-in-trade		—	58.69
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	32	(4,187.04)	(10,338.95)
	Power & fuel		44,194.24	48,127.99
	Employee benefits expense	33	21,789.53	20,487.37
	Net loss on fair value changes in investments classified at FVTPL	34	—	8,158.23
	Finance costs	35	11,256.73	10,479.08
	Depreciation and amortisation expense	36	20,206.54	19,241.32
	Other expenses	37	50,650.77	50,958.32
	Total expenses		2,36,923.11	2,46,451.81
V	Share of loss of joint venture		(0.51)	(0.49)
VI	Profit before exceptional items and tax (III-IV+V)		48,234.40	35,813.19
VII	Exceptional items	48	—	(2,604.05)
VIII	Profit before tax (VI+VII)		48,234.40	33,209.14
IX	Tax expense	38		
	(i) Current tax		12,676.88	14,593.23
	(ii) Deferred tax		(589.20)	814.10
	(iii) Tax pertaining to earlier years and impact of net deferred tax liability remeasurement on account of change in tax rate		58,298.94	(1,129.66)
	Total Tax expense		70,386.62	14,277.67
X	Profit/(Loss) for the year (VIII-IX)		(22,152.22)	18,931.47
XI	Other Comprehensive Income			
A.	Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefits plans		29.75	(107.37)
	(ii) Tax on above		(7.49)	37.52
B.	Items that will be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		(498.91)	1,063.43
	(ii) Gains and (losses) on effective portion of hedging instruments in a cash flow hedge		41.50	(213.44)
	(iii) Tax on (ii) above		(10.44)	74.58
	Total other comprehensive income		(445.59)	854.72
XII	Total comprehensive income for the year (X+XI)		(22,597.81)	19,786.19
	Profit/(loss) for the year attributable to:			
	– Owners of the Company		(21,870.90)	19,632.81
	– Non-controlling interest		(281.32)	(701.34)
	Other comprehensive income for the year attributable to:			
	– Owners of the Company		(407.60)	907.72
	– Non-controlling interest		(37.99)	(53.00)
	Total comprehensive income for the year attributable to:			
	– Owners of the Company		(22,278.50)	20,540.53
	– Non-controlling interest		(319.31)	(754.34)
	Basic and Diluted Earnings/(loss) per equity share of ₹ 1 each (in ₹)	47	(2017)	17.23

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

For GUJARAT FLUOROCHEMICALS LIMITED

S S Agrawal

Partner

Mem No: 049051

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

B. V. DESAI

Company Secretary

V. K. JAIN

Managing Director

DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer

Place: Pune

Dated: 18th June 2021

Place: Vadodara

Dated: 18th June 2021

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at 31st March 2019	1.00
Movement during the year ended 31 st March, 2020	
pursuant to demerger (see Note 1, 18 and 50)	
a) Shares issued during the year	1,098.50
b) Shares cancelled during the year	(1.00)
	1,097.50
Balance as at 31st March 2020	1,097.50
Movement during the year ended 31 st March, 2021	
Balance as at 31st March 2021	1,098.50

B. Other Equity

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 31st March 2019	-	-	(1.25)	(1.25)	-	-	-	(1.25)	-	(1.25)		
On account of demerger (see Note 1 and 50)												
Transferred pursuant to demerger	12,827.46	320,000.00	16,304.19	349,131.65	84.98	986.41	1,071.39	350,203.04	(314.69)	349,888.35		
Cancellation of existing share capital	1.00	-	-	1.00	-	-	-	1.00	-	1.00		
Adjusted as per the scheme of demerger	(280.96)	-	-	(280.96)	-	-	-	(280.96)	-	(280.96)		
Net effect of demerger	12,547.50	320,000.00	16,304.19	348,851.69	84.98	986.41	1,071.39	349,923.08	(314.69)	349,608.39		
Balance as at 1st April, 2019	12,547.50	320,000.00	16,302.94	348,850.44	84.98	986.41	1,071.39	349,921.83	(314.69)	349,607.14		
Movement during the year ended 31 st March 2020												
Profit for the year	-	-	19,632.81	19,632.81	-	-	-	19,632.81	(701.34)	18,931.47		
Other comprehensive income for the year, net of income tax (*)	-	-	(69.85)	(69.85)	(138.86)	1,116.43	977.57	907.72	(53.00)	854.72		
Total comprehensive income for the year	-	-	19,562.96	19,562.96	(138.86)	1,116.43	977.57	20,540.53	(754.34)	19,786.19		
Balance as at 31st March 2020	12,547.50	320,000.00	35,865.90	368,413.40	(53.88)	2,102.84	2,048.96	370,462.36	(1,069.03)	369,393.33		
Movement during the year ended 31 st March 2021												
Loss for the year	-	-	(21,870.90)	(21,870.90)	-	-	-	(21,870.90)	(281.32)	(22,152.22)		
Other comprehensive income for the year, net of income tax(*)	-	-	22.26	22.26	31.06	(460.92)	(429.86)	(407.60)	(37.99)	(445.59)		
Total comprehensive income for the year	-	-	(21,848.64)	(21,848.64)	31.06	(460.92)	(429.86)	(22,278.50)	(319.31)	(22,597.81)		
Balance as at 31st March 2021	12,547.50	320,000.00	14,017.26	346,564.76	(22.82)	1,641.92	1,619.10	348,183.86	(1,388.34)	346,795.52		

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

V. K. JAIN

Managing Director

DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer

Place: Pune

Dated: 18th June 2021

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
A Cash flow from operating activities		
Profit/(loss) for the Year	(22,152.22)	18,931.47
Adjustments for :		
Tax expense	70,386.62	14,277.67
Depreciation and amortisation expense	20,206.54	19,241.32
(Gain)/loss on retirement /disposal of property, plant and equipment (net)	247.12	(3.43)
Liabilities and provisions no longer required written back	(573.18)	(232.07)
Deposits, advances and claims written off	63.34	511.51
Exchange difference on translation of assets and liabilities	(1,578.05)	650.23
Unrealised foreign exchange (gain)/loss (net)	(577.88)	111.57
Net (gain)/loss on fair value changes in investments classified at FVTPL	(3,524.96)	8,158.23
Mark-to-market (gain)/loss on derivative financial instruments (net)	638.76	(354.74)
Allowance for doubtful trade receivables and expected credit losses (net of reversals)	45.05	189.66
Share of loss of a joint venture	0.51	0.49
Interest Income	(10,434.76)	(17,051.18)
Finance Costs	11,256.73	10,479.08
Operating profit before working capital changes	64,003.62	54,909.81
Adjustments for :		
Increase/(decrease) in provisions	554.44	572.31
Increase/(decrease) in trade payables	(2,398.52)	10,491.99
Increase /(decrease) in other financial liabilities	3,573.23	493.45
Increase /(decrease) in other liabilities	(748.14)	2,684.14
(Increase) /decrease in loans	(799.78)	(398.41)
(Increase)/decrease in inventories	(5,108.08)	(17,076.34)
(Increase)/decrease in trade receivables	(10,332.49)	6,431.72
(Increase)/decrease in other financial assets	(1,909.29)	(119.63)
(Increase)/decrease in other assets	750.74	1,828.74
Cash generated from operations	47,585.73	59,817.78
Income-tax paid/(refund) (net)	14,054.31	(5,178.41)
Net cash generated from operating activities	61,640.04	54,639.37
B Cash flow from investing activities		
Purchase of Property, Plant and Equipment (including change in capital work in progress and capital creditors/capital advances)	(27,366.55)	(11,609.78)
Proceeds from disposal of property, plant and equipment	—	3.81
Purchase of other investments	(26,806.93)	(5,000.00)
Redemption of other investments	47,395.82	5,168.79
Inter-corporate deposits received back	—	225.00
Interest received	709.06	21.04
Movement in Bank deposits	(31,275.60)	(25.74)
Net cash used in investing activities	(37,344.20)	(1,19,216.88)
C Cash flow from financing activities		
Proceeds from borrowings - non current	11,861.61	49,178.36
Repayment of borrowings - non current	(23,204.22)	(8,677.55)
Proceeds from/(repayment of) current borrowings (net)	(1,926.92)	32,024.15

Consolidated Statement of Cash Flows

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Payment of lease liability	(277.89)	(288.44)
Finance costs	(11,251.37)	(10,066.28)
Net cash generated from / (used in) financing activities	(24,798.79)	62,170.24
Net decrease in cash and cash equivalents	(502.95)	(2,407.27)
Cash and cash equivalents as at the beginning of the year	1,659.14	1.00
Cash and cash equivalents received pursuant to demerger scheme	–	4,065.41
Cash and cash equivalents as at the end of the year	1,156.19	1,659.14

Changes in liabilities arising from financing activities during the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Current borrowing	Non-current borrowing
Opening balance as on 1 st April 2020	1,04,511.60	67,963.91
Cash flows	(1,926.92)	(11,342.61)
Interest expense	5,808.13	4,271.27
Interest paid	(5,967.87)	(4,372.29)
Foreign exchange adjustment	(405.13)	2.64
Closing balance	1,02,019.81	56,522.92

Changes in liabilities arising from financing activities during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Current borrowings	Non-current borrowings
Opening balance as on 1 st April 2019 pursuant to demerger - see Note 50	70,732.94	26,346.26
Cash flows	32,024.15	40,500.81
Interest expense	6,105.35	2,680.43
Interest paid	(6,001.24)	(2,293.06)
Foreign exchange adjustment	1,650.40	729.47
Closing balance	1,04,511.60	67,963.91

Notes:

- (a) Components of cash and cash equivalents are as per note no. 16.
- (b) The above Consolidated Statement of cash flows has been prepared under the indirect method
- (c) The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

Place: Pune

Dated: 18th June 2021

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

V. K. JAIN

Managing Director

DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

1. Group information

Gujarat Fluorochemicals Limited ("the Company"), earlier known as Inox Fluorochemicals Limited, is a public limited company incorporated and domiciled in India. The Company was incorporated on 6th December 2018 as a wholly-owned subsidiary of GFL Limited (earlier known as Gujarat Fluorochemicals Limited) for the purpose of vesting of the demerged Chemical Business Undertaking of GFL Limited into the Company, as a going concern.

These Consolidated Financial Statements ("these CFS") relate to the Company, its subsidiaries (collectively referred to as the "Group") and the Group's interest in a joint venture.

As per the Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the demerged company was demerged and vested into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stood transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. All the shareholders of demerged company were allotted one fully paid-up equity share of ₹ 1 each in the Company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company. Simultaneously, the shares held by the demerged company in the resulting company were cancelled and the Company ceased to be a subsidiary of the demerged company. The demerger was accounted in accordance with Ind AS 103: Business Combinations. See Note 50 for further details.

The Group is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoronomers, specialty fluorointermediates, specialty chemicals, mining and sale of fluorspar and allied activities. The Group caters to both domestic and international markets. The Group's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India. 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) and the disclosures in respect of significant accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 18th June 2021.

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 the nearest lakhs, unless otherwise indicated.

These CFS have been prepared on an accrual basis and under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

Ministry of Corporate Affairs (MCA), vide its Notification dated 24th March 2021, amended Schedule III to the Companies Act, 2013 with effect from 1st April 2021. In the opinion of the management since the changes are effective from 1st April 2021, they are applicable to financial statements in respect of accounting years commencing on or after 1st April 2021. Therefore, the related disclosure requirements are not considered in these consolidated financial statements for the year ended 31st March 2021.

2.3 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

There is no new accounting standard which has become effective during the year.

b. Amendments to existing accounting standards applicable to the Group

Amendments to the following accounting standards have become applicable for the current reporting period:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24th July 2020 amendments to the existing standards have been notified and all these amendments are effective for annual periods beginning from 1st April 2020. Amendments to the following accounting standards have become applicable for the current reporting period:

- Amendments to Ind AS 103 Business Combination: The amendments substitute the existing definition of "business" with a more detailed definition and also provides optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive. These amendments will apply to future business combinations.
- Amendments to Ind AS 107 Financial Instruments – Disclosures: The amendments prescribe additional disclosures in respect of uncertainty arising from interest rate benchmark reform. These amendments did not have any impact on the consolidated financial statements.
- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. These



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

amendments did not have any impact on the consolidated financial statements.

- Amendments to Ind AS 116 Leases: The amendments provide a practical expedient for treatment of rent concessions occurring as a direct consequence of COVID-19 pandemic and related clarifications. These amendments did not have any impact on the consolidated financial statements.
- Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments provide a new definition of the term "material" and also provides related clarifications.
- Amendments to Ind AS 10 Events after the Reporting Period: The conditions requiring disclosure for a non-adjusting event has been elaborated.
- Amendments to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequent to amendments to Ind AS 1, Ind AS 8 and Ind AS 10, and also provides clarifications in respect of restructuring plans.

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which is applicable from 1st April 2021.

3. Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuates significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve.

Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount that the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group 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 Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method

of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group transacts with a joint venture, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the joint venture.

3.3 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is

not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.4 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are generally made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Contract balances

The Group classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities are presented as 'Advances from customers'.

Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.5 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) The Group as lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Group comprise of only operating leases.

b) The Group as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liabilities" and "Right of use assets" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Variable lease payments that are not included in the measurement of lease liabilities is charged as



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

expense in the statement of profit and loss under the head 'Rent, lease rentals and hire charges'.

3.7 Foreign currency transactions and translation

In preparing the financial statements of each individual Group Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1), as permitted by para D13AA of Ind AS 101, the Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets;
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.17 below for hedging accounting policies); and

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes

a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Defined contribution plans

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The defined benefit plan comprises of gratuity scheme and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation

for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.10 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.



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for the year ended 31st March, 2021

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as a deferred tax asset in the Balance Sheet if there is convincing evidence that the Group will pay normal tax within the period specified for utilization of such credit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Presentation of current and deferred tax

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

3.11 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition

at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking (see Note 1), in respect of accounting period commencing on or after 1st April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (see Note 3.7).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the

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management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- In respect of foreign subsidiaries, over the period of useful life estimated by the management or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1), 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 accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Group (see Note 1), 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.



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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 (see Note 1), 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 tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would

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have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



Notes to the Consolidated Financial Statements

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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 Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Group other than derivative instruments for cash flow hedges.

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

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- iii. The group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.



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B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ii. Financial Liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Group has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

d) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.18 Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

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

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management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) Fair value hedge

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'Other income' line item.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.19 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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4. Critical accounting judgements, assumptions and use of estimates

The preparation of Group's financial statements requires management to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.11 and 3.13 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Group reviews the estimated useful lives of PPE and intangible assets at the end of each reporting period.

b) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

c) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where

this is not feasible, a degree of judgment is required in establishing fair values.

d) Defined employee benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

e) Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs for the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Recognition and measurement of provisions and contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

g) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.

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5. Property, Plant & Equipment

(₹ in Lakhs)

Particulars		As at 31 st March, 2021	As at 31 st March, 2020
Carrying amount of:			
Freehold land		46.86	46.86
Buildings		25,884.71	23,605.22
Plant and equipment		2,01,847.29	2,07,948.41
Plant and equipment under finance lease		—	—
Furniture and fixtures		350.79	408.68
Vehicles		326.83	184.30
Office equipment		426.83	507.65
		2,28,883.31	2,32,701.12

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost								
As at 1st April 2019 - transferred pursuant to demerger - see Note 1 and 50	46.86	24,665.64	2,55,803.47		107.34	1,066.17	347.20	1,301.12
Reclassification on transition to Ind AS-116 (see Note 43)	—	—	—	(107.34)	—	—	—	(107.34)
Additions	—	3,817.27	19,793.87	—	22.22	21.10	251.78	23,906.24
Effect of foreign currency exchange differences	—	—	409.35	—	—	—	—	409.35
Effect of foreign currency translation differences	—	1.12	432.30	—	4.43	—	4.11	441.96
Disposals	—	—	(370.92)	—	—	(27.77)	(5.45)	(404.14)
Balance as at 31st March, 2020	46.86	28,484.03	2,76,068.07		— 1,092.82	340.53	1,551.56	3,07,583.87
Additions	—	3,414.61	12,958.07	—	53.15	190.09	166.79	16,782.71
Effect of foreign currency translation differences	—	2.36	907.74	—	3.76	—	1.77	915.63
Disposals	—	—	—	—	—	(4.99)	—	(4.99)
Reclassified as held for sale	—	—	(4,795.13)	—	—	—	—	(4,795.13)
Balance as at 31st March, 2021	46.86	31,901.00	2,85,138.75		— 1,149.73	525.63	1,720.12	3,20,482.09

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation								
As at 1st April 2019 - transferred pursuant to demerger - see Note 1 and 50	— 3,853.75	51,798.71	12.53	558.66	150.94	812.78	57,187.37	
Reclassification on transition to Ind AS-116 (see Note 43)	—	—	—	(12.53)	—	—	—	(12.53)
Eliminated on disposal of assets	—	—	(370.92)	—	—	(27.42)	(5.45)	(403.79)
Depreciation expense for the year	—	1,025.05	16,685.54	—	123.98	32.71	234.55	18,101.83
Effect of foreign currency translation differences	—	0.01	6.33	—	1.50	—	2.03	9.87
Balance as at 31st March, 2020	— 4,878.81	68,119.66	— 684.14	156.23	1,043.91	74,882.75		
Eliminated on disposal of assets	—	—	—	—	—	(4.99)	—	(4.99)
Eliminated on reclassification as held for sale	—	—	(2,567.14)	—	—	—	—	(2,567.14)
Depreciation expense for the year	—	1,137.06	17,616.71	—	112.15	47.56	247.98	19,161.46
Effect of foreign currency translation differences	—	0.42	122.23	—	2.65	—	1.40	126.70
Balance as at 31st March, 2021	— 6,016.29	83,291.46	— 798.94	198.80	1,293.29	91,598.78		

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for the year ended 31st March, 2021

5. Property, Plant & Equipment (Contd..)

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Plant and equipments under finance lease	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount								
As at 31 st March, 2020	46.86	23,605.22	2,07,948.41	—	408.68	184.30	507.65	2,32,701.12
As at 31 st March, 2021	46.86	25,884.71	2,01,847.29	—	350.79	326.83	426.83	2,28,883.31

Note: Assets mortgaged/pledged as security for borrowings are as under:

see Note 39

(₹ in Lakhs)

Assets at Carrying Value	As at 31 st March, 2021	As at 31 st March, 2020
Building	2,271.44	2,372.32
Office equipment	6.08	9.27
Furniture and Fixtures	5.91	13.84
Plant and equipment	96,877.96	1,18,018.79
Vehicles	198.31	111.77
Total	99,359.70	1,20,525.99

6. Investment Property

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Carrying amount of:		
Building	989.46	1,010.73
	989.46	1,010.73
(₹ in Lakhs)		
Particulars		Building
I. Cost or Deemed Cost		
As at 1 st April 2019 - transferred pursuant to demerger - see Note 1 and 50		1,117.08
Balance as at 31 st March, 2020		1,117.08
Balance as at 31st March, 2021		1,117.08
(₹ in Lakhs)		
Particulars		Building
II. Accumulated depreciation		
As at 1 st April 2019 - transferred pursuant to demerger - see Note 1 and 50		85.08
Depreciation expense for the year		21.27
Balance as at 31st March, 2020		106.35
Depreciation expense for the year		21.27
Balance as at 31st March, 2021		127.62
(₹ in Lakhs)		
Particulars		Building
III. Net carrying amount		
As at 31 st March, 2020		1,010.73
As at 31st March, 2021		989.46

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

6. Investment Property (Contd..)

6.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2021 and 31st March, 2020 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Group. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management of the holding company, he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 3 and the fair values are as under:

Particulars	(₹ in Lakhs)
Fair value as at 31st March, 2021	10,172.50
Fair value as at 31st March, 2020	10,172.50

6.2 Amounts recognized in profit or loss in respect of investment properties

Particulars	2020-2021	2019-2020
Rental income	507.56	560.30
Direct operating expenses in respect of properties that generated rental income	150.86	174.75
Depreciation	21.27	21.27

7. Intangible Assets

Particulars	As at 31 st March, 2021	As at 31 st March, 2020			
Carrying amount of:					
Product Development	—	—			
Technical Know How	1,228.69	1,846.66			
Software	13.12	44.64			
Mining Rights	645.86	681.52			
	1,887.67	2,572.82			
Particulars	(₹ in Lakhs)				
	Product Development	Technical Know How	Software	Mining Rights	Total
I. Cost or Deemed Cost					
As at 1st April 2019 - transferred pursuant to demerger - see Note 1 and 50	695.80	5,205.80	220.23	1,064.02	7,185.85
Effect of foreign currency translation differences	—	—	—	72.17	72.17
Balance as at 31st March, 2020	695.80	5,205.80	220.23	1,136.19	7,258.02
Effect of foreign currency translation differences	—	—	—	113.22	113.22
Balance as at 31st March, 2021	695.80	5,205.80	220.23	1,249.41	7,371.24

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

7. Intangible Assets (Contd..)

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
II. Accumulated amortization					
As at 1 st April 2019 - transferred pursuant to demerger - see Note 1 and 50	614.48	2,741.18	137.22	327.62	3,820.50
Amortisation expense for the year	81.32	617.96	38.37	85.19	822.84
Effect of foreign currency translation differences	–	–	–	41.86	41.86
Balance as at 31st March, 2020	695.80	3,359.14	175.59	454.67	4,685.20
Amortisation expense for the year	–	617.97	31.52	92.27	741.76
Effect of foreign currency translation differences	–	–	–	56.61	56.61
Balance as at 31st March, 2021	695.80	3,977.11	207.11	603.55	5,483.57

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Mining Rights	Total
III. Net Carrying amount					
Balance as at 31 st March, 2020	–	1,846.66	44.64	681.52	2,572.82
Balance as at 31st March, 2021	–	1,228.69	13.12	645.86	1,887.67

8. Investments accounted for using the equity method

8 (a) Investment in Joint Venture

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31 st March, 2021		As at 31 st March, 2020		
		Nos.	Amount	Nos.	Amount	
Non - Current, fully paid-up						
Unquoted Investment						
Investments in Equity Instruments						
Swarnim Gujarat Fluorspar Private Limited	10	1182500	87.33	1182500	87.84	
Total investment in joint ventures (a)			87.33		87.84	

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 31 st March, 2021	As at 31 st March, 2020
Swarnim Gujarat Fluorspar Private Limited (SGFPL)	25.00%	25.00%

SGFPL is incorporated in India and is engaged in the business of manufacturing of Acid Grade Fluor Spar. This joint venture is accounted for using the equity method in these consolidated financial statements.

Aggregate information of joint venture:

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
The Group's share of loss	(0.51)	(0.49)
The Group's share of other comprehensive income	–	–
The Group's share of total comprehensive income	(0.51)	(0.49)

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

8. Investments accounted for using the equity method (Contd..)

8 (b) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020		
		Nos.	Amount	Nos.	Amount	
Non-current investments						
<i>I. Quoted Investments (fully paid up)</i>						
Investments in Mutual Funds						
Franklin India Fixed Maturity Plans - Series 1- Plan B 1104D - Direct Growth	10	—	—	5000000	613.11	
Kotak FMP Series 204-Direct-Growth	10	—	—	10000000	1,227.83	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.2-Direct-Growth	10	—	—	10000000	1,232.64	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.3-Direct-Growth	10	—	—	5000000	616.08	
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.7-Direct-Growth	10	—	—	15000000	1,823.28	
PGIM India (DHFL Pramerica) Fixed Duration Fund-Series AH-Direct Plan-Growth	1000	—	—	100000	1,207.34	
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	10000000	1,231.15	10000000	1,158.27	
HDFC FMP 1105D - August 2018 (I) Regular - Growth - Series 42	10	10000000	1,242.40	10000000	1,156.47	
Kotak FMP - Series 240 - Growth (Regular Plan)	10	10000000	1,246.77	10000000	1,165.59	
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	10000000	1,248.03	10000000	1,166.11	
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	10000000	1,239.59	10000000	1,156.79	
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	5000000	623.02	5000000	581.21	
HDFC FMP 1120D - March 2019 (I) Series 44- Direct - Growth	10	15000000	1,792.50	15000000	1,653.21	
Total quoted Investments			8,623.46		14,757.93	
Less: Current portion of non-current investments disclosed under current investments			(6,830.96)		(6,720.28)	
Total quoted Investments			1,792.50		8,037.65	
<i>II. Unquoted Investments (fully paid up)</i>						
Investments in Equity Instruments						
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs)	1	562500	—	562500	—	
Investments in Mutual Funds						
SBI Blue Chip Fund - Regular Plan - Growth	10	—	—	3692780	1,098.66	
Kotak Std. Multicap Fund Growth (formerly Kotak Select Focus) Fund - Growth (Regular Plan)	10	—	—	4634850	1,251.87	
Principal Emerging Blue Chip Fund - Regular Plan Growth	10	—	—	1327857	1,082.87	
L&T India Value Fund - Growth	10	—	—	1246296	308.56	
Franklin Build India Fund - Growth	10	—	—	3891078	1,075.11	
Franklin India Smaller Companies Fund - Growth	10	—	—	411175	138.80	
Nippon India Large Cap Fund - Growth option	10	—	—	2896402	699.94	
Tata Equity P/E Fund Regular Plan-Growth	10	—	—	697682	685.64	
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	281601	70.72	3054096	419.33	
Total Mutual Funds			70.72		6,760.78	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

8. Investments accounted for using the equity method (Contd..)

8 (b) Other Investments (measured at FVTPL) (Contd..)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020	
		Nos.	Amount	Nos.	Amount
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.98	250000	18.95
Less: Current portion of non-current investments disclosed under current investments			(18.98)		(18.95)
			—		—
Investments in Alternate Investment Fund					
Varanium Dynamic Fund	100	—	—	15503388	4,239.42
Total Unquoted Investments			70.72		11,000.20
Total non-current other investments (I + II)			1,863.22		19,037.85
Total non-current investments (a + b)			1,950.55		19,125.69
Aggregate amount of quoted investments			1,792.50		8,037.65
Aggregate market value of quoted investments			1,792.50		8,037.65
Aggregate amount of unquoted investments			158.05		11,088.04
Aggregate amount of impairment in value of investments			60.75		60.75

8 (c) Other Investments - Current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value (₹)	As at 31 st March, 2021		As at 31 st March, 2020	
		Nos.	Amount	Nos.	Amount
Current investments					
<i>I. Quoted Investments (fully paid up)</i>					
Current portion of non-current investments					
<i>Investments in mutual funds</i>			6,830.96		6,720.28
<i>II. Unquoted Investments (fully paid up)</i>					
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.98	250000	18.95
Total Unquoted Investments			18.98		18.95
Total current investments (I + II)			6,849.94		6,739.23
Aggregate amount of quoted investments			6,830.96		6,720.28
Aggregate market value of quoted investments			6,830.96		6,720.28
Aggregate amount of unquoted investments			18.98		18.95
Aggregate amount of impairment in value of investments			—		—
Summary of other investments					
Non-current investments					
Current investments			1,863.22		19,037.85
Total			6,849.94		6,739.23
Total			8,713.16		25,777.08
Category - wise other investments - as per Ind AS 109 classification:					
Investments carried at fair value through profit or loss					
Total			8,713.16		25,777.08

Notes:

- 1) The Group has pledged certain mutual fund investments having carrying amount of ₹ 70.72 lakhs (as at 31st March 2020 : ₹ 14,639.33 lakhs) against the borrowings of a fellow subsidiary (see Note 40).
- 2) The Group has pledged certain mutual fund investments having carrying value of Nil (as at 31st March 2020 : ₹ 5,226.17 lakhs) against a term loan (see Note 40).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

9. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Security deposits	1,062.41	820.19
Loan to employee	85.91	—
Total	1,148.32	820.19
Current		
Security deposits	1,005.83	599.87
Inter corporate deposits and loans to other parties		
- Considered good	3,903.29	3,596.00
Loan to employee	42.95	—
Total	4,952.07	4,195.87

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Non-current bank balances (from Note 17)	30,290.09	29.02
Derivative assets	220.51	859.27
Total	30,510.60	888.29
Current		
Other receivables		
- from related parties (including interest on capital advance of ₹ 12,426.10 Lakhs (as at 31 st March 2020: ₹ 4,325.34 Lakhs) - see Note 46)	16,202.01	4,808.71
- from others	209.07	25.49
Total	16,411.08	4,834.20

11. Deferred tax assets/(liabilities)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax assets	3.90	23,852.80
Deferred tax liabilities	(26,378.03)	(7.68)
Net deferred tax assets/(liabilities)	(26,374.13)	23,845.12

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Year ended 31st March 2021

11.1 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	Balance as on 1 st April 2020	Effect of foreign currency translation differences	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31 st March, 2021
Property, plant and equipment	(40,847.06)	0.32	11,818.96	—	—	(29,027.78)
Expenses allowable on payment basis	439.03	(0.08)	(159.35)	—	—	279.60
Allowance for doubtful trade receivables and expected credit losses	204.77	—	(43.25)	—	—	161.52
Effect of measuring derivative instruments at fair value	(53.03)	—	31.07	(10.44)	—	(32.40)
Expenses allowable in subsequent years	727.97	—	(334.74)	—	—	393.23
Gratuity and leave benefits	1,358.87	—	(240.73)	(7.49)	—	1,110.65
Other deferred tax assets	548.53	—	192.52	—	—	741.05
	(37,620.92)	0.24	11,264.48	(17.93)	—	(26,374.13)
MAT Credit Entitlement	61,466.04	—	(61,466.04)	—	—	—
Net Deferred tax assets/(liabilities)	23,845.12	0.24	(50,201.56)	(17.93)	—	(26,374.13)

Year ended 31st March, 2020

11.2 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	As at 1 st April 2019 on demerger (*)	Effect of foreign currency translation differences	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31 st March, 2020
Property, plant and equipment	(36,417.50)	(0.63)	(4,428.93)	—	—	(40,847.06)
Expenses allowable on payment basis	175.38	0.09	263.56	—	—	439.03
Allowance for doubtful trade receivables and expected credit losses	138.49	—	66.28	—	—	204.77
Effect of measuring financial instruments at fair value	(125.44)	—	125.44	—	—	—
Effect of measuring derivative instruments at fair value	(94.05)	—	(33.56)	74.58	—	(53.03)
Expenses allowable in subsequent years	—	—	727.97	—	—	727.97
Gratuity and leave benefits	1,123.17	—	198.18	37.52	—	1,358.87
Other deferred tax assets	850.72	—	(302.19)	—	—	548.53
	(34,349.23)	(0.54)	(3,383.25)	112.10	—	(37,620.92)
MAT Credit Entitlement	66,720.12	—	2,985.40	—	(8,239.48)	61,466.04
Net Deferred tax assets/(liabilities)	32,370.89	(0.54)	(397.85)	112.10	(8,239.48)	23,845.12

* See Note 1 and 50

11.3 As at 31st March, 2021, the Group has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss	Financial Year	Gross amount (₹ in Lakhs)	Expiry date
Business losses of subsidiary	2017-18	116.88	31/03/2022
Business losses of subsidiary	2018-19	2,513.18	31/03/2023
Business losses of subsidiary	2019-20	1,980.65	31/03/2024
Unabsorbed depreciation of subsidiary	Various	2,566.21	Indefinite

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

11.3 As at 31st March, 2021, the Group has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised: (Contd..)

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 ₹ 9,471.64 Lakhs (as at 31st March 2020 : ₹ 7,867.33 Lakhs) as the holding company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

11.4 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Group w.e.f. 1st April 2019. The assets of the demerged Chemical Business Undertaking include MAT credit entitlement of ₹ 69,705.52 lakhs (comprising of ₹ 66,720.12 lakhs as at 1st April 2019 and ₹ 2,985.40 lakhs recognised during the previous year, see Note 38.3). The said MAT credit was transferred to the Group as per the aforesaid Scheme which was approved by Hon'ble NCLT. On the basis of legal position available, it was concluded by the management that the Group is entitled to utilise this MAT credit.

12. Other assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Capital advances		
to related parties (see Note 46)	87,780.00	87,188.58
to others	5,759.12	5,578.25
Security deposits with Government authorities	205.03	261.70
Balances with government authorities		
– Balance in VAT accounts	479.55	1,376.60
Prepayments others	10.16	11.96
Total	94,233.86	94,417.09
Current		
Advance to suppliers		
Considered good	3,712.74	3,213.94
Considered doubtful	101.33	59.04
3,814.07	3,272.98	
Allowance for doubtful advances		
	(101.33)	(59.04)
3,712.74	3,213.94	
Balances with government authorities		
– Balance in GST accounts	1,158.52	1,769.49
Custom duty refund claimed	525.73	699.24
Prepayments - others	938.75	912.67
Other advances	543.57	234.62
Total	6,879.31	6,829.96

13. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Income tax paid (net of provisions)	–	1,658.47
Total	–	1,658.47
Current		
Current tax assets (net)	–	30,690.72
Total	–	30,690.72

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

14. Inventories

(at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Raw Materials	17,842.20	19,695.56
Work-in-progress	10,533.34	6,931.69
Finished Goods	41,434.83	40,357.04
Stock in trade	25.03	4.18
Stores, spares and consumables	15,063.32	10,540.86
Others		
– Fuel	935.80	2,990.36
– Packing Materials	484.37	622.54
– By products	71.72	140.31
Total	86,390.61	81,282.54

Notes:

- (i) The cost of inventories recognised as an expense includes ₹ 926.26 Lakhs (as at 31st March 2020: ₹ 2,232.67 Lakhs) in respect of write downs of inventory to net realisable value.
- (ii) The mode of valuation of inventories has been stated in Note 3.15.

15. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current		
Considered good	66,713.08	56,472.88
Trade receivables which have significant increase in credit risk	91.94	46.55
Trade receivables - credit Impaired	538.44	539.43
	67,343.46	57,058.86
Provision for expected credit loss and Impairment	(630.38)	(585.98)
Total	66,713.08	56,472.88

16. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balances with banks		
in current accounts	1,151.24	1,646.91
Cash on hand	4.95	12.23
Total	1,156.19	1,659.14

17. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Bank deposits with original maturity of more than 12 months	31,304.87	29.27
	31,304.87	29.27
Amount disclosed under Note 10 - 'Other financial assets - non current'	(30,290.09)	(29.02)
Total	1,014.78	0.25

Other bank balances includes ₹ 27.92 lakhs (as at 31st March 2020: ₹ 21.11 lakhs) margin money deposits kept as security against bank guarantee and ₹ 29,600 lakhs (as at 31st March 2020: Nil) kept as security against working capital facilities to fellow subsidiaries.

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for the year ended 31st March, 2021

18. Equity share capital

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Authorized		
20,00,00,000 (31 st March, 2020: 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 (31 st March, 2020: 10,98,50,000) equity shares of ₹ 1 each	1,098.50	1,098.50
Total	1,098.50	1,098.50

The Company was incorporated with the name Inox Fluorochemicals Limited. The name of the Company was changed from Inox Fluorochemicals Limited to Gujarat Fluorochemicals Limited with effect from 26th July, 2019 pursuant to the order of the National Company Law Board Tribunal dated 4th July, 2019 approving the scheme of arrangement for Demerger of Chemical Business of Gujarat Fluorochemicals Limited (Now known as GFL Limited) - see Note 1.

18.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2021		
At the beginning of the year	10,98,50,000	1,098.50
At the end of the year	10,98,50,000	1,098.50
As at 31st March, 2020		
At the beginning of the year	1,00,000	1.00
Movement during the year ended 31 st March, 2020		
pursuant to demerger (see Note 1 and 50)		
Shares issued during the year	10,98,50,000	1,098.50
Shares cancelled during the year	(1,00,000)	(1.00)
At the end of the year	10,98,50,000	1,098.50

18.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

18.3 Shares held by holding company

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2021		
Inox Leasing and Finance Limited	5,77,64,316	577.64
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	577.64

18.4 Details of shareholders holding more than 5% shares in the company

Particulars	Nos.	holding %
As at 31st March, 2021		
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
Meenu Bhansali	54,95,182	5.00%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

18.5 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company has issued 10,98,50,000 fully paid-up equity share of ₹ 1 each, pursuant to the Scheme of demerger to the shareholders of the demerged company (see Note 1 and 50)

19. Other equity

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital reserves	12,547.50	12,547.50
General reserves	3,20,000.00	3,20,000.00
Cash flow hedge reserve	(22.82)	(53.88)
Foreign currency translation reserve	1,641.92	2,102.84
Retained earnings	14,017.26	35,865.90
Total	3,48,183.86	3,70,462.36

19.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	12,547.50	—
Transferred pursuant to demerger (see Note 1 and 50)	—	12,827.46
Cancellation of existing share capital	—	1.00
Adjusted as per the scheme of demerger	—	(280.96)
Balance at the end of the year	12,547.50	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.

19.2 General reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	3,20,000.00	—
Transferred pursuant to demerger (see Note 1 and 50)	—	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.

19.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	(53.88)	—
Transferred pursuant to demerger (see Note 1 and 50)	—	84.98
Other comprehensive income for the year, net of income tax	31.06	(138.86)
Balance at the end of the year	(22.82)	(53.88)

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedge. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non-financial hedged item, or when it becomes ineffective.

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for the year ended 31st March, 2021

19.4 Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	2,102.84	—
Transferred pursuant to demerger (see Note 1 and 50)	—	986.41
Other comprehensive income for the year, net of income tax	(460.92)	1,116.43
Balance at the end of the year	1,641.92	2,102.84

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve and will be transferred to retained earnings on disposal of such foreign operations.

19.5 Retained earnings

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	35,865.90	(1.25)
Transferred pursuant to demerger (see Note 1 and 50)	—	16,304.19
Profit/(loss) for the year attributable to owners of the Company	35,865.90	16,302.94
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	(21,870.90)	19,632.81
Balance at the end of the year	14,017.26	35,865.90

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

20. Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at beginning of the year	(1,069.03)	—
Transferred pursuant to demerger (see Note 1 and 50)	—	(314.69)
Share of Total Comprehensive Income for the year	(319.31)	(754.34)
Balance at the end of the year	(1,388.34)	(1,069.03)

For details of non-controlling interest - see Note 49

21. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Term loans		
(a) From banks		
– Foreign currency loans	6,429.36	11,086.92
– Rupee loans	49,919.52	52,318.56
(b) From others		
– Rupee loans	174.04	4,558.43
	56,522.92	67,963.91
Less: Disclosed under Note 22 Other current financial liabilities		
(i) Current maturities	17,031.96	19,711.12
(ii) Interest accrued	281.86	380.23
Total	39,209.10	47,872.56



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Notes:

- (i) There is no default on repayment of principal or interest on borrowings.
- (ii) For terms of repayment and securities etc. see Note 39.

22. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Premium payable on option contract	21.32	70.97
Lease liabilities (See Note 43)	300.94	445.11
Creditors for capital expenditure	322.90	958.74
Total	645.16	1,474.82
Current		
Current maturities of long term borrowing (from Note 21)	17031.96	19,711.12
Interest accrued (from Note 21 and 24)	468.18	725.43
Security deposits	523.67	547.44
Creditors for capital expenditure	5779.66	6,851.84
Derivative financial liabilities	41.32	82.82
Employees dues payable	3399.45	3,101.27
Premium payable on option contract	49.65	78.73
Lease liabilities (See Note 43)	206.94	227.14
Expenses payables	9773.11	6,454.84
Other payables	14.11	447.79
Total	37,288.05	38,228.42

23. Provisions

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	2,025.02	1,729.56
- for Compensated absences	837.61	793.33
Total	2,862.63	2,522.89
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	599.12	555.01
- for Compensated absences	976.74	835.94
Total	1,575.86	1,390.95

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

24. Current borrowings

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
(a) From banks		
Short term / working capital demand loans	1,220.90	1,475.32
Unsecured		
(a) From banks		
Foreign currency loans - Packing credit / Buyers credit / Import finance	30,135.76	33,887.44
Rupee loans		
– Short term / working capital demand loans	65,992.15	58,918.38
– Cash credit / overdraft	2,271.00	8,430.46
– Packing credit	2,400.00	1,800.00
	1,00,798.91	1,03,036.28
Less: Amounts disclosed under Note 22 Other current financial liabilities		
– Interest accrued	(186.32)	(345.20)
Total	1,01,833.49	1,04,166.40

Notes:

- (i) There is no default on repayment of principal or interest on borrowings.
- (ii) For terms of repayment and securities etc. see Note 39.
- (iii) Maximum balance of Commercial papers during the year was Nil (as at 31st March 2020: ₹ 39,000 Lakhs).

25. Trade payables

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	141.02	82.63
b) total outstanding dues of creditors other than micro enterprises and small enterprises	33,724.34	36,629.58
Total	33,865.36	36,712.21

26. Other current liabilities

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advances from customers	767.67	967.72
Statutory dues and taxes payable	1,257.55	817.84
Total	2,025.22	1,785.56

27. Income tax liabilities (net)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Income tax liabilities (net of payments)	1,001.36	–
Total	1,001.36	–

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

27. Income tax liabilities (net) (Contd..)

Current tax liabilities (net)

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Current tax liabilities (net of payments)	2,289.39	2,043.19
Total	2,289.39	2,043.19

28. Revenue from operations

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(a) Revenue from contracts with customers:		
Sale of products	2,62,189.35	2,58,173.87
(b) Other operating revenue	2,860.35	2,463.42
Total	2,65,049.70	2,60,637.29

28.1 Disaggregated revenue information

For FY 2020-21					
Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	13,483.40	397.52	-	20,500.96	34,381.88
Caustic Soda	22,676.18	290.44	-	191.37	23,157.99
Chloromethane	31,290.87	-	-	-	31,290.87
Poly Tetrafluoroethylene (PTFE)	26,712.05	24,751.14	11,343.05	19,762.87	82,569.11
Other products	37,860.53	32,243.53	12,474.43	8,211.01	90,789.50
Total	132,023.03	57,682.63	23,817.48	48,666.21	262,189.35

For FY 2019-20

Particulars	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	14,610.99	28.53	1,201.04	28,030.83	43,871.39
Caustic Soda	35,200.68	-	-	-	35,200.68
Chloromethane	30,462.73	-	-	-	30,462.73
Poly Tetrafluoroethylene (PTFE)	23,178.88	29,743.95	19,588.83	18,056.97	90,568.63
Other products	20,288.74	18,124.32	9,758.12	9,899.26	58,070.44
Total	123,742.02	47,896.80	30,547.99	55,987.06	258,173.87

Notes to the Consolidated Financial Statements

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28.2 Contract balances

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Trade receivables	66,713.08	56,472.88
Contract liabilities - advance from customers	767.67	967.72

During the year ended 31st March 2021, the Group has recognized revenue of ₹ 804.78 lakhs (as at 31st March 2020: ₹ 296.19 lakhs) arising from opening contract liabilities.

28.3 Performance obligation

There are no remaining performance obligations as at the end of the year. For this purpose, as permitted under Ind AS 115, the transaction price allocated to contracts for original expected duration of one year or less are not considered.

28.4 Reconciliation of gross revenue with revenue from contracts with customers

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Gross revenue	263,121.05	259,523.58
Less: Discounts, rebates etc.	931.70	1,349.71
Net revenue recognised from contracts with customers	262,189.35	258,173.87

29. Other income

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(a) Interest Income		
(I) On financial assets using effective interest method:		
– on fixed deposits with bank	726.31	4.50
– on Inter-corporate deposits and other loans	301.71	301.71
– on security deposits	0.09	0.08
(II) Other interest income		
– on income tax refunds	690.83	11,969.46
– on capital advances	8,757.58	4,805.93
– other interest	16.04	20.43
	10,492.56	17,102.11
(b) Other non-operating income		
Rental income from operating leases	508.28	564.32
Liabilities and provisions no longer required, written back	573.18	232.07
Miscellaneous income	836.34	476.80
	1,917.80	1,273.19
(c) Other gains and losses		
Net gain on investments carried at FVTPL	3,524.96	–
Net gain on foreign currency transaction and translation	4,811.76	2,894.73
Net gain on fair value changes in derivatives classified at FVTPL	(638.76)	354.74
Net gain on retirement/disposal of property, plant and equipment	–	3.43
	7,697.96	3,252.90
Total	20,108.32	21,628.20
Note: Realised gain/(loss) on sale of investments	(9,285.46)	(119.23)



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

30. Cost of materials consumed

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Raw materials consumed	82,144.83	86,382.12
Packing materials consumed	7,619.76	9,005.21
Total	89,764.59	95,387.33

31. Material extraction and processing Cost

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Stripping Cost		
Drilling, blasting, loading and stripping cost	1,671.24	2,103.82
Royalty	51.56	67.42
	1,722.80	2,171.24
Beneficiation Cost		
Material cost	774.84	852.66
Stores, spares & consumable expenses	87.92	170.33
Equipment hiring charges	436.16	475.29
Production labour charges	163.90	169.68
Laboratory expenses	13.00	19.32
Other expenses	49.13	33.91
	1,524.95	1,721.19
Total	3,247.75	3,892.43

32. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Opening inventories		
Finished goods	40,370.76	27,273.27
Stock-in-trade	(9.54)	17.90
Work-in-progress	6,931.69	8,479.19
By-products	140.31	165.97
	47,433.22	35,936.33*
Less : Closing inventories		
Finished goods	41,211.82	40,357.04
Stock-in-trade	25.03	4.18
Work-in-progress	10,533.34	6,931.69
By-products	71.72	140.31
	51,841.91	47,433.22
Effect of changes in exchange currency rates (Increase) / Decrease in inventories	221.65	1,157.94
	(4,187.04)	(10,338.95)

* On demerger - see note 1 and 50

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

33. Employee benefits expense

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Salaries and wages	19,611.05	18,387.68
Contribution to provident and other funds	1,076.37	1,031.73
Gratuity	481.51	425.66
Staff welfare expenses	620.60	642.30
Total	21,789.53	20,487.37

34. Net loss on fair value changes in investments classified at FVTPL

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Net loss on fair value changes in Investment classified at FVTPL	—	8,158.23
Total	—	8,158.23

Note: Realised gain/(loss) on sale of investments (9,285.46) (119.23)

35. Finance costs

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	10,081.44	8,789.46
b) Interest on lease liabilities - (see Note 43)	41.46	46.49
c) Interest on income tax	221.00	12.00
d) Other interest expenses	126.46	91.58
	10,470.36	8,939.53
(B) Net foreign exchange loss on borrowings (considered as finance costs)	744.90	1,480.62
(C) Other borrowing costs	41.47	58.93
Total	11,256.73	10,479.08

36. Depreciation and amortisation expense

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Depreciation on property, plant and equipment	19,161.47	18,101.83
Depreciation on right-of-use assets - (see Note 43)	282.04	295.38
Depreciation of investment property	21.27	21.27
Amortisation of intangible assets	741.76	822.84
Total	20,206.54	19,241.32

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

37. Other expenses

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Stores, spares and consumables	9,873.86	9,913.19
Freight	8,140.96	8,249.90
Insurance	1,417.47	1,252.24
Indirect tax expenses	607.73	563.51
Production labour charges	3,017.59	2,976.15
Processing charges	562.91	514.83
Rent, lease rentals and hire charges	1,844.04	1,852.29
Factory expenses	3,213.11	1,745.96
Repairs to		
– Buildings	669.09	663.20
– Plant and equipment	6,164.73	5,943.38
– Others	641.35	688.82
Directors' sitting fees	19.00	17.00
Commission to non-executive director	451.24	417.46
Rates and taxes	938.38	640.50
Travelling and conveyance	1,487.80	2,095.28
Communication expenses	197.98	200.73
Legal and professional fees and expenses	4,588.75	4,558.84
Loss on retirement /disposal of property, plant and equipment	247.12	–
Allowance for doubtful trade receivables and expected credit loss	45.05	189.66
Corporate Social Responsibility (CSR) expense	1,978.23	–
Commission	246.10	319.18
Royalty	1,432.58	1,687.27
Miscellaneous expenses	2,865.70	6,468.93
Total	50,650.77	50,958.32

38. Tax expense

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
(a) Income tax recognized in statement of profit and loss		
Current Tax		
In respect of current year	12,676.88	14,593.23
In respect of earlier years	7,508.18	(705.33)
	20,185.06	13,887.90
Deferred Tax		
In respect of current year	(589.20)	814.10
Impact of net deferred tax liability remeasurement on account of change in tax rate	(10,675.28)	–
In respect of earlier years	61,466.04	(424.33)
	50,201.56	389.77
Sub total	70,386.62	14,277.67
(b) Income tax recognized in other comprehensive income		
Deferred tax on remeasurement of defined benefits plan	7.49	(37.52)
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	10.44	(74.58)
	17.93	(112.10)
Total tax expense	70,404.55	14,165.57

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

38.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Profit before tax	48,234.40	33,209.14
Income tax using the Company's domestic tax rate @ 25.168% (2019-20: 34.944%)	12,139.63	11,604.60
Effect of expenses that are not deductible in determining taxable profits	626.20	456.81
Effect of income which is taxed at special rates	(28.92)	(4.82)
Effect of loss on fair value of investments on which deferred tax asset is not recognised	(887.16)	2,683.71
Effect of deferred tax on losses not recognised by subsidiary companies	—	916.18
Effect of differential tax rates of foreign subsidiaries	244.16	(142.33)
Others (net)	(6.23)	(106.82)
	12,087.68	15,407.33
Taxation pertaining to earlier years	68,974.22	(1,129.66)
Effect on deferred tax balances due to the change in income tax rate from 34.944% to 25.168%	(10,675.28)	—
Tax expense as per the Statement of Profit and Loss	70,386.62	14,277.67

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 with effect from 1st April 2020. Thus, for the financial year 2020-21 the applicable tax rate for the company is 25.168% as against the earlier rate of 34.944%.

38.2 The Company has filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14, in respect of demerged Chemical Business Undertaking vested with the Group, which were being contested by the Income-tax Department before Hon'ble Supreme Court. The applications filed were accepted and accordingly the Group was required to pay 50% of disputed income-tax aggregating to ₹ 2,944.18 lakhs in respect of these years. The total impact of the settlement of ₹ 68,974.22 lakhs (mainly on account of reduction in MAT credit entitlement) is recognized and included in 'tax pertaining to earlier years'.

Consequent to settlement of above income-tax matters and reversal of MAT credits, the Company now proposes to exercise the option under section 115BAA of the Income-tax Act, 1961 from the current financial year ending 31st March 2021 and thus, applicable tax rate for the Company will be 25.168% as against the earlier rate of 34.944%. Accordingly, the net deferred tax liability as on 1st April 2020 is also re-measured and the reduction of ₹ 10,675 lakhs in the deferred tax liability is recognized during the year.

38.3 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April, 2019. After recording the assets and liabilities, acquired on demerger, at book values, the Group has reassessed and recomputed the deferred tax assets/liabilities which has resulted in increase in deferred tax liability by ₹ 2,591.39 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Group in respect of the demerged captive power plants, which was charged to the statement of profit and loss and included in 'tax pertaining to earlier years'. Further, on receipt of ITAT orders during the year, the Group is entitled to net incremental tax benefit of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Group which is also included in 'tax pertaining to earlier years'.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39. Nature of securities and terms of repayment

I. In respect of borrowings availed by Gujarat Fluorochemicals Limited

39.1 The terms of repayment of secured term loans are as under:

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (H in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign Currency Loan	1,624.72	Half yearly repayment, final maturity on 20 th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign Currency Loan	787.99	Half yearly repayment, final maturity on 20 th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	Kotak Mahindra Bank Limited	Rupee Loan	7,581.12	Quarterly repayment, final maturity on 19 th May, 2027	6M MCLR + 0.15% p.a.	(d)
4	Daimler Financial Services India Pvt. Ltd	Rupee Loan	72.87	Monthly repayment, final maturity on 7 th August, 2021	11.25% p.a.	(e)
5	Daimler Financial Services India Pvt. Ltd	Rupee Loan	100.00	Monthly repayment, final maturity on 7 th March, 2023	10.00% p.a.	(e)
6	Kotak Mahindra Bank Limited	Rupee Loan	2,554.46	Quarterly repayment, final maturity on 30 th August, 2021	3M MCLR + 0.05 % p.a.	(f)
7	Kotak Mahindra Bank Limited	Rupee Loan	2,601.71	Quarterly repayment, final maturity on 31 st August, 2021	3M MCLR + 0.05 % p.a.	(f)
8	HDFC Bank Ltd	Rupee Loan	26,953.75	Quarterly repayment, final maturity on 27 th December, 2025	Repo Rate + 2.75 % p.a.	(g)
9	HDFC Bank Ltd	Rupee Loan	9,970.00	Quarterly repayment, final maturity on 26 th June, 2027	Repo Rate + 2.40 % p.a.	(i)

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign Currency Loan	2,518.17	Half yearly repayment, final maturity on 20 th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign Currency Loan	1,221.31	Half yearly repayment, final maturity on 20 th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign Currency Loan	2,221.02	Quarterly repayment, final maturity on 15 th March, 2021	Fully Hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign Currency Loan	2,221.02	Quarterly repayment, final maturity on 15 th March, 2021	Fully Hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	8,312.50	Quarterly repayment, final maturity on 19 th May, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	95.23	Monthly repayment, final maturity on 7 th August, 2021	11.25% p.a.	(e)
7	Kotak Mahindra Bank Limited	Rupee Loan	7,500.00	Quarterly repayment, final maturity on 30 th August, 2021	3M MCLR + 0.05 % p.a.	(f)
8	Kotak Mahindra Bank Limited	Rupee Loan	6,250.00	Quarterly repayment, final maturity on 31 st August, 2021	3M MCLR + 0.05 % p.a.	(f)
9	HDFC Bank Ltd	Rupee Loan	29,913.75	Quarterly repayment, final maturity on 27 th December, 2025	Repo Rate + 2.75 % p.a.	(g)
10	Axis Finance Ltd	Rupee Loan	4,462.50	Bullet repayment at the end of 24 months from the date of first disbursement, maturity on 16 th November, 2021	12M MCLR + 0.90% p.a.	(h)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39. Nature of securities and terms of repayment (Contd..)

Notes:

- a) **ICICI Bank Limited:** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/mortgage/hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghambha, District Panchmahal, Gujarat.
- b) **The Hongkong and Shanghai Banking Corporation Limited:** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation was secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender had assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.
- c) **Mizuho Bank Limited:** The foreign currency term loan from Mizuho Bank Limited was secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender had assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.
- d) **Kotak Mahindra Bank Limited:** The term loan from Kotak Mahindra Bank Limited is secured by way of first and exclusive charge by way of hypothecation of movable fixed assets pertaining to Chloralkali Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- e) **Daimler Financial Services India Pvt. Limited:** The vehicle loans from Daimler Financial Services India Pvt. Limited are secured by way of hypothecation of vehicles.
- f) **Kotak Mahindra Bank Limited:** The working capital term loan from Kotak Mahindra Bank Limited is secured by way of first charge of hypothecation of movable fixed assets pertaining to A & H Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- g) **HDFC Bank Limited:** The term loan from HDFC Bank Ltd. is secured by way of exclusive first charge of hypothecation of specific tangible movable assets pertaining to CMS, CACL2 & TFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.
- h) **Axis Finance Limited:** The term loan from Axis Finance Limited was secured by way of first charge of lien on FMP/other select debt mutual funds of the Company.
- i) **HDFC Bank Limited:** The term loan from HDFC Bank Limited is secured by way of exclusive charge on specific movable fixed assets located at Dahej pertaining to DPTFE Plant and FKM Plant, located at 121A, GIDC Dahej industrial Estate, Taluka -Vagra, District- Bharuch, Gujarat.



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2021

Sr. No.	Lender's Name	Loan Type	Amount outstanding (H in Lakhs)	Terms of Repayment	Rate of Interest
1	Yes Bank Limited	Foreign Currency Loan- Import Finance	4,070.14	Repayment range from 29 th April, 2021 to 6 th July, 2021	Interest range from 6M LIBOR + 0.45% to 6 M LIBOR + 0.70%
2	ICICI Bank Limited	Foreign Currency Loan- Import Finance	5,743.16	Repayment range from 7 th April, 2021 to 17 th September, 2021	Interest range from 6M LIBOR + 0.67% to 6 M LIBOR + 1.65% and interest range from 6M EURIBOR +0.75% to 6M EURIBOR 0.95%
3	DBS Bank India Ltd	Foreign Currency Loan- Import Finance	2,709.13	Repayment range from 9 th April, 2021 to 9 th June, 2021	Interest 6M LIBOR + 1.25% and 6M EURIBOR + 1.25%
4	Axis Bank Limited	Foreign Currency Loan- Import Finance	3,781.39	Repayment range from 14 th April, 2021 to 19 th August, 2021	Interest range from 6M LIBOR + 0.50% to 6M LIBOR + 1.70%
5	RBL Bank Limited	Foreign Currency Loan- Import Finance	578.91	Repayment on 20 th April, 2021	Interest 6M LIBOR + 0.85%
6	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,064.85	Repayment range from 9 th April, 2021 to 20 th August, 2021	Interest range from 6M EURIBOR + 0.65% to 6M EURIBOR + 0.75%
7	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,147.68	Repayment on 1 st April, 2021	Interest 6M EURIBOR + 0.90%
8	CTBC Bank Company Limited	Rupee Loan - Packing Credit	2,400.00	Bullet repayment on 9 th July, 2021	Interest range from 3M MIBOR + 1.94% and 1M MIBOR + 2.01%
9	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 6 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
10	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	500.00	Bullet repayment on 12 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
11	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 12 th April, 2021	Repo Rate + 2.80% (Repo Rate Reset every 1 M)
12	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 22 nd April, 2021	Repo Rate + 2.50% (Repo Rate Reset every 1 M)
13	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	2,000.00	Bullet repayment on 9 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
14	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	2,000.00	Bullet repayment on 9 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)
15	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	3,000.00	Bullet repayment on 26 th May, 2021	Repo Rate + 1.95% (Repo Rate Reset every 1 M)
16	HDFC Bank Limited	Rupee Loan - working capital Demand Loan	1,500.00	Bullet repayment on 29 th June, 2021	Repo Rate + 1.90% (Repo Rate Reset every 1 M)
17	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 16 th April, 2021	Repo Rate + 2.30% (Repo Rate Reset every 1 M)

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for the year ended 31st March, 2021

39. Nature of securities and terms of repayment (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (H in Lakhs)	Terms of Repayment	Rate of Interest
18	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 27 th May, 2021	Repo Rate + 1.75% (Repo Rate Reset every 1 M)
19	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 1 st September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
20	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	1,450.00	Bullet repayment on 2 nd September, 2021	Repo Rate + 2% (Repo Rate Reset every 3 M)
21	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	5,000.00	Bullet repayment on 24 th April, 2021	8.45% p.a.
22	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	300.00	Bullet repayment on 27 th August, 2021	7.50% p.a.
23	DBS Bank India Ltd	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 8 th April, 2021	6.95% p.a.
24	Bank of Baroda	Rupee Loan -Short Term Loan	5,500.00	Bullet repayment on 2 nd June, 2021	7.80% p.a.
25	Bank of Baroda	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 2 nd June, 2021	7.80% p.a.
26	Bank of Baroda	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 29 th June, 2021	7.80% p.a.
27	Bank of Baroda	Rupee Loan -Short Term Loan	2,500.00	Bullet repayment on 22 nd September, 2021	7.80% p.a.
28	Bank of Baroda	Rupee Loan -Short Term Loan	4,000.00	Bullet repayment on 18 th March, 2021	7.80% p.a.
29	Bank of Baroda	Rupee Loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 30 th April, 2021	7.00% p.a.
30	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 8 th June, 2021	1M Mibor + 2.30% (1M Mibor reset every 1 M)
31	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	1,600.00	Bullet repayment on 23 rd July, 2021	1M Mibor + 2.26% (1M Mibor reset every 1 M)
32	CTBC Bank Company Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 7 th May, 2021	1M Mibor + 2.48% (1M Mibor reset every 1 M)
33	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	2,000.00	Bullet repayment on 16 th August, 2021	5.75% p.a.
34	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	3,000.00	Bullet repayment on 26 th August, 2021	5.75% p.a.
35	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 5 th June, 2021	6.25% p.a.
36	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	1,500.00	Bullet repayment on 20 th July, 2021	5.60% p.a.
37	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 31 st May, 2021	6.25% p.a.
38	Axis Bank Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 29 th June, 2021	5.60% p.a.
39	BNP Paribas	Rupee Loan - Cash Credit Limit	2,138.59	Daily working capital Limit / cash credit	Overnight MCLR (Reset every 1 M)
40	Kotak Mahindra Bank	Rupee Loan - Cash Credit Limit	132.41	Daily working capital Limit / cash credit	6M MCLR (Reset every 6 M)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39. Nature of securities and terms of repayment (Contd..)

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1	Yes Bank Limited	Foreign Currency Loan- Import Finance	1,352.84	Repayment range from 13 th April, 2020 to 9 th July, 2020	Interest range from 6M LIBOR + 0.20% to 6 M LIBOR + 0.83%
2	ICICI Bank Limited	Foreign Currency Loan- Import Finance	9,511.99	Repayment range from 7 th April, 2020 to 26 th June 2020	Interest range from 6M LIBOR + 0.30% to 6 M LIBOR + 0.85%
3	IndusInd Bank Limited	Foreign Currency Loan- Import Finance	2,243.60	Repayment range from 4 th June, 2020 to 28 th August, 2020	Interest range from 6M LIBOR + 0.25% to 6M LIBOR + 1.50%
4	RBL Bank Limited	Foreign Currency Loan- Import Finance	3,540.24	Repayment range from 6 th July, 2020 to 25 th August, 2020	Interest range from 6M LIBOR + 0.46% to 6M LIBOR + 0.84%
5	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,315.24	Repayment range from 17 th April, 2020 to 25 th September, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 1.15%
6	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,486.87	Repayment on 10 th June, 2020	Interest range from 6M EURIBOR + 0.70%
7	BNP Paribas	Foreign Currency Loan - Packing Credit	3,315.82	Repayment range from 8 th April, 2020 to 22 nd April, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.88%
8	BNP Paribas	Rupee Loan - Packing Credit	1,800.00	Bullet repayment on 2 nd September, 2020	7.80% p.a.
9	BNP Paribas	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 2 nd May, 2020	7.92% p.a.
10	BNP Paribas	Rupee Loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 12 th May, 2020	7.89% p.a.
11	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,500.00	Bullet repayment on 6 th July, 2020	1M MCLR +0.05% p.a.
12	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,500.00	Bullet repayment on 11 th September, 2020	1M MCLR + 0.20% p.a.
13	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	2,000.00	Bullet repayment on 12 th June, 2020	1M MCLR + 0.15% p.a.
14	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	4,000.00	Bullet repayment on 15 th May, 2020	1M MCLR + 0.10% p.a.
15	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	3,000.00	Bullet repayment on 23 rd June, 2020	1M MCLR
16	HDFC Bank Limited	Rupee Loan - Short Term working capital Loan	4,000.00	Repayment of ₹ 2,875.75 Lakhs on 30 th April, 2020 Repayment of ₹ 1,124.25 Lakhs on 16 th May, 2020	1M MCLR
17	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 13 th July, 2020	8.10% p.a.
18	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 17 th July, 2020	8.10% p.a.
19	Kotak Mahindra Bank Limited	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 4 th September, 2020	8.10% p.a.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39. Nature of securities and terms of repayment (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
20	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 1 st September, 2020	8.25% p.a.
21	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 1 st September, 2020	8.25% p.a.
22	IDBI Bank Limited	Rupee Loan - Working Capital Demand Loan	500.00	Bullet repayment on 28 th May, 2020	8.35% p.a.
23	DBS Bank India Ltd	Rupee Loan -Short Term Loan	5,000.00	Bullet repayment on 5 th May, 2020	8.70% p.a.
24	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	925.17	Bullet repayment on 8 th August, 2020	3M MCLR + 0.80% p.a.
25	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	3,276.15	Bullet repayment on 15 th August, 2020	3M MCLR + 0.80% p.a.
26	ICICI Bank Ltd	Rupee Loan - Working Capital Demand Loan	1,798.68	Bullet repayment on 22 nd August, 2020	3M MCLR + 0.80% p.a.
27	RBL Bank Ltd	Rupee Loan -Short Term Loan	500.00	Bullet repayment on 3 rd September, 2020	10.30% p.a.
28	RBL Bank Ltd	Rupee Loan -Short Term Loan	700.00	Bullet repayment on 6 th May, 2020	10.30% p.a.
29	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	5,000.00	Bullet repayment on 6 th June, 2020	9.50% p.a.
30	IndusInd Bank Ltd	Rupee Loan -Short Term Loan	1,500.00	Bullet repayment on 12 th June, 2020	9.50% p.a.
31	BNP Paribas	Rupee Loan - Cash Credit Limit	2,507.57	Daily working capital Limit / cash credit	Overnight MCLR
32	HDFC Bank Ltd	Rupee Loan - Cash Credit Limit	1,239.36	Daily working capital Limit / cash credit	1Y MCLR + 0.40% p.a.
33	Kotak Mahindra Bank	Rupee Loan - Cash Credit Limit	2,327.42	Daily working capital Limit / cash credit	6M MCLR
34	ICICI Bank Ltd	Rupee Loan - Cash Credit Limit	2,356.10	Daily working capital Limit / cash credit	6M MCLR + 0.90% p.a.

II. In respect of borrowings availed by GFL GM Fluorspar SA

(i) The terms of repayment of secured non-current borrowing is as under:

As at 31st March, 2021

Particulars	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
Exim Bank	2,045.07	The ECB is repayable in 10 structured half yearly instalments commencing from 8 th September, 2017.	6 Month Libor Plus 4% per annum	(a)
Exim Bank	1,992.32	The ECB is repayable in 11 structured half yearly instalments commencing from 1 st September, 2021.	6 Month Libor Plus 4% per annum	(b)

Note:

- a) External commercial borrowing of USD 2.80 million is secured by way of exclusive charge on movable fixed assets of the proposed project upto value of USD 9.50 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of the holding company and GFL Limited (Earlier known as



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

39. Nature of securities and terms of repayment (Contd..)

Gujarat Fluorochemicals Limited), India a fellow subsidiary company. The term loan is repayable in the 10 structured half yearly instalments commencing from 8th September, 2017, and carries interest @ 6 months LIBOR plus 4% p.a.

- b) External commercial borrowing of USD 2.725 million is secured by way of exclusive charge on entire movable fixed assets of GFL GM, both present and future and unconditional irrevocable Corporate Guarantee of the holding company. The term loan is repayable in the 11 structured half yearly instalments commencing from 1st September, 2021 and carries interest @ 6 months LIBOR plus 4% p.a.

As at 31st March, 2020

Particulars	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
Exim Bank	2,882.26	The ECB is repayable in 10 structured half yearly instalments commencing from 8 th September, 2017.	6 Month Libor Plus 4% per annum

Note:

External commercial borrowing of USD 3.70 million is secured by way of exclusive charge on movable fixed assets of the project upto value of USD 9.50 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of the holding company and unconditional irrevocable Corporate Guarantee of GFL Limited (Earlier know as Gujarat Fluorochemicals Limited), India a fellow subsidiary company.

- (ii) The terms of repayment of secured current borrowings is as under:

As at 31st March, 2021

Particulars	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
Exim Bank	1,217.23	The working capital loan is repayable at the end of 180 days from the date of disbursement.	6 Month Libor Plus 3.5% per annum

Note:

Working Capital borrowing of USD 1.66 million is secured by exclusive charge on inventories, present and future receivables of GFL GM and irrevocable Corporate Guarantee of the holding company.

- (ii) The terms of repayment of secured current borrowings is as under:

As at 31st March, 2020

Particulars	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
Exim Bank	1,469.35	The working capital loan is repayable at the end of 180 days from the date of disbursement.	6 Month Libor Plus 3.5% per annum

Note:

Working Capital borrowing of USD 1.94 million is secured by exclusive charge on inventories, present and future receivables of GFL GM and irrevocable Corporate Guarantee of the holding company and GFL Limited (Earlier know as Gujarat Fluorochemicals), India a fellow subsidiary company.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

40. Contingent Liabilities

(₹ in Lakhs)

Particulars	As on 31 st March, 2021	As on 31 st March, 2020
a Claims against the Group not acknowledged as debts - in case of a step-down subsidiary This is in respect of amount recovered by way of revocation of performance guarantee from a supplier of plant and equipment for mining project, on account of delays and non-commissioning of the project. The same is being contested by the supplier.	—	826.24
Total of Claims in case of a step-down subsidiary	—	826.24
b In respect of Excise Duty matters - i) Demands for which the Group has received various show cause notices regarding input credit on certain items and freight charges recovered from buyers for supply of goods at buyers' premises. The Group has filed the replies or is in the process of filing replies ii) Demands on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and credit transfer to Dahej Unit on inter unit transactions. The Group has filed appeals before CESTAT.	930.88 2,682.06	930.88 2,682.06
Total of Excise Duty matters (see note 1)	3,612.94	3,612.94
c In respect of Custom Duty matters - i) Demands for which the Group had received show cause notices regarding inadmissible EPCG benefit on consumables imported. The Group has filed replies in this regard. ii) Demands on account of differential custom duty on imported material on high seas basis. The Group has filed appeals before CESTAT and the matters are pending.	11.82 1,372.12	11.82 1,372.12
Total of Custom Duty matters	1,383.94	1,383.94
d In respect of Sales Tax matters - i) Demands under VAT on account of disallowance of proportionate Input tax credit on Capital Goods ii) Demands under CST on account of disallowance of proportionate Input tax credit on Capital Goods iii) Demands under CST on account of non-submission of C forms. The Group has filed appeals before appropriate appellate authorities against the said orders.	6.00 49.33 52.87	18.00 49.33 28.49
Total of Sales Tax matters	108.20	95.82
Total Contingent Liability in respect of Taxation matters (b+c+d)	5,105.08	5,092.70
In respect of Other matters		
e Details of corporate guarantees given to banks and financial institutions for loans taken by a step down subsidiary and fellow subsidiaries, lien on investments of the Group and working capital facilities of the Group used by fellow subsidiaries	1,27,244.00	47,630.69
Total Contingent Liability in respect of Other matters	1,27,244.00	47,630.69

Notes:

- 1 In respect of above Excise duty, Custom duty and Sales tax matters, the group has paid an amount of ₹ 156.81 Lakhs (as at 31st March 2020: ₹ 146.81 Lakhs) and not charged to Statement of Profit and Loss.
- 2 In respect of above matters, no additional provision is considered necessary as the 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.
- 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 Group towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Group will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.



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for the year ended 31st March, 2021

41. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 8,168.52 Lakhs (as at 31st March 2020: ₹ 9,263.41 Lakhs).

42. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' -comprising of Refrigeration gases, Caustic soda, Chloromethane, polytetrafluoroethylene (PTFE), Fluoropolymers, Fluoromonomers, Specialty Fluorointermediates, Specialty Chemicals and allied activities. Electricity generated by captive power plant is consumed in chemical business and not sold outside. Hence the Group is having only one reportable business segment under Ind AS 108 on "Operating segment". The information is further analysed based on the different classes of products.

42.1 Breakup of revenue from operations

a) Product-wise breakup

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
a) Sale of products		
Refrigerant Gases	34,381.88	43,871.38
Caustic Soda (Caustic Soda Lye & Flakes)	23,157.99	35,200.68
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	31,290.87	30,462.73
Poly Tetrafluoroethylene (PTFE)	82,569.11	90,568.64
Other products	90,789.50	58,070.44
	2,62,189.35	2,58,173.87
b) Other operating revenue		
Export Incentive	1,043.83	1,021.51
Sale of scrap	664.79	506.26
Others	1,151.73	935.65
	2,860.35	2,463.42
Total revenue from operations	2,65,049.70	2,60,637.29

b) Geographical breakup

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
India	1,34,883.38	1,26,205.43
Europe	57,682.63	47,896.81
USA	23,817.48	30,547.99
Rest of the world	48,666.21	55,987.06
Total	2,65,049.70	2,60,637.29

42.2 Information about major customers

There is no single external customer who contributed more than 10% to the Group's revenue during the financial year 2020-2021 and 2019-2020.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

43. Leases

A. Group as a lessee

- (a) The Group's significant leasing arrangements are in respect of leasehold lands. The Group has also taken certain plants and commercial premises on lease and plant and equipment on finance lease.

Effective 1st April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 (transferred and vested with the Group on demerger - see Note 1 and 50) using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and had measured right of use asset an amount equal to lease liability. The Group was not required to restate the comparative information.

- (b) On transition to Ind AS 116:

- 1) The opening balances in 'Prepayment - leasehold lands' (transferred and vested with the Group on demerger - see Note 1 and 50) were reclassified as right-of-use assets.
- 2) The opening finance leases (transferred and vested on demerger - see Note 1 and 50) recognised as per earlier Ind AS 17 have been reclassified as follows:
 - a. 'Plant and equipments under finance lease' earlier classified in PPE is reclassified to Right of use assets
 - b. Finance lease obligation earlier classified in Borrowings is reclassified to Lease liabilities.

The lease arrangements of the Group comprises of lease arrangements transferred and vested with the Group pursuant to demerger (see Note 1 and 50). The following is the summary of practical expedients elected on initial application of Ind AS 116:

- 1) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- 2) Applied the exemption not to recognize right-of-use assets and liabilities for leases expiring within 12 months of lease term on the date of initial application.
- 3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- 4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified by the demerged company, as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 was in the range of 5.68% -10% p.a.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31st March, 2019, discounted to the present value at the date of initial application of Ind AS 116, and the value of the lease liability as at 1st April, 2019 (transferred and vested with the Company, pursuant to demerger), was on account of exclusion of short term leases.

- (c) Particulars of right-of-use assets and lease liabilities

- i. Carrying value of right-of-use assets by class of underlying assets

(₹ in Lakhs)

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
Gross Block				
On recognition and reclassification as at April 1, 2019	4460.55	272.26	414.46	5,147.27
Addition for the year	—	—	367.52	367.52
Add: Effect of foreign currency translation differences (gain)/loss	—	3.90	(116.13)	(112.23)
Balance as at 31st March, 2020	4,460.55	276.16	665.85	5,402.56
Addition for the year	—	—	64.60	64.60
Add: Effect of foreign currency translation differences (gain)/loss	—	8.19	8.64	16.83
Balance as at 31st March, 2021	4,460.55	284.35	739.09	5,483.99

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for the year ended 31st March, 2021

43. Leases (Contd..)

Particulars	(₹ in Lakhs)			Total
	Land-leasehold	Plant & Equipment	Buildings	
Accumulated depreciation and impairment				
On recognition and reclassification as at 1 st April, 2019	—	—	—	—
Depreciation expense for the year	50.57	79.61	165.20	295.38
Balance as at 31st March, 2020	50.57	79.61	165.20	295.38
Depreciation expense for the year	50.57	74.51	156.96	282.04
Add: Effect of foreign currency translation differences (gain)/loss	—	0.62	0.17	0.79
Balance as at 31st March, 2021	101.14	154.74	322.33	578.21
 (₹ in Lakhs)				
Carrying amounts	Land-leasehold	Plant & Equipment	Buildings	Total
As at 31st March, 2020	4,409.98	196.55	500.65	5,107.18
As at 31st March, 2021	4,359.41	129.61	416.76	4,905.78

- ii. Movement in lease liability during year ended

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the year		
On recognition and reclassification as at 1 st April, 2019	—	495.06
Addition during the year	64.60	367.52
Deletion during the year	—	(119.30)
Interest on lease liabilities	41.46	46.49
Payment of lease liabilities	(277.89)	(288.44)
Effect of foreign currency translation differences (gain)/loss (net)	7.46	2.71
Balance at the end of the year	507.88	672.25

- iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	203.06	233.57
One to five years	317.14	450.37
More than five years	—	—
Total undiscounted lease liabilities	520.20	683.94

- iv. Amount recognized in statement of profit and loss

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Interest on lease liabilities	41.46	46.49
Included in rent expenses: expense relating to short-term leases	572.36	637.69

- v. Amounts recognised in the statement of cash flows

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Total cash outflow for leases	277.89	288.44

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

43. Leases (Contd..)

B. Group as a lessor

Operating leases relate to Investment Properties owned by the Group with lease terms between 11 to 60 months and are usually renewable by mutual consent. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

As a lessor, the transition to Ind AS 116 'Leases' from Ind AS 17 'Leases' effective from 1st April, 2019 does not have any impact on the financial statements of the Group. The Group has used the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases, by the demerged Company and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March are as follows:

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Less than one year	383.04	403.96
One to five years	63.84	251.33

44. Employee Benefits

(a) Defined Contribution Plans

The Group contributes to the Government managed provident & pension fund for all qualifying employees of Indian entity. Contribution to Provident fund of ₹ 849.11 Lakhs (as at 31st March 2020: ₹ 846.39 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans

The Group has defined benefit plan for payment of gratuity to all qualifying employees in India. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Group.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2021 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	
	31 st March, 2021	31 st March, 2020
Opening defined benefit obligation	2,284.57	—
Transferred pursuant to demerger (see Note 1 and 50)	—	1,839.85
Current Service Cost	328.45	304.57
Interest cost	153.06	121.09
Actuarial gains / (losses) on obligation:		
a) arising from changes in financial assumptions	1.97	143.09
b) arising from experience adjustments	(31.72)	(35.72)
Benefits Paid/transferred	(112.19)	(88.31)
Present value of defined benefit obligation as at year end	2,624.14	2,284.57

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

44. Employee Benefits: (Contd..)

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Current Service Cost	328.45	304.57
Interest expense	153.06	121.09
Amount recognized in profit & loss	481.51	425.66
Actuarial gains / (losses):		
a) arising from changes in financial assumptions	1.97	143.09
b) arising from experience adjustments	(31.72)	(35.72)
Amout recognized in other comprehensive income	(29.75)	107.37
Total	451.76	533.03

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Discount rate	6.69%	6.70%
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.

Impact on Present Value of defined benefit obligation	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
if discount rate increased by 1%	(192.29)	(157.83)
if discount rate decreased by 1%	207.10	184.06
if salary escalation rate increased by 1%	204.11	175.47
if salary escalation rate decreased by 1%	(190.89)	(153.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

44. Employee Benefits: (Contd..)

(v) Expected contribution to the defined benefit plan in future years

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Expected outflow in 1 st Year	599.12	555.01
Expected outflow in 2 nd Year	128.33	118.08
Expected outflow in 3 rd Year	153.21	111.83
Expected outflow in 4 th Year	168.61	112.38
Expected outflow in 5 th Year	142.80	174.86
Expected outflow in 6 th to 10 th Year	1,432.05	822.57

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.74 years (as at 31st March 2020: 12.55 years)

(c) Other short term and long term employment benefits

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2021 based on actuarial valuation carried out by using Projected Unit Credit Method resulted in increase in liability by ₹ 70.21 lakhs (as at 31st March 2020: ₹ 292.58 lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Discount rate	6.69%	6.70%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortality IALM (2012-14) Ultimate Mortality Table		

45. Financial instruments

45.1 Capital management

The Group manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and total equity of the Group. The Group is not subject to any externally imposed capital requirement. The Group has complied with the financial covenants in respect of its borrowings.

The Company's management reviews the capital structure of the Group. As part of this review, the management considers the cost of capital and risk associated with each class of capital.

45.1.1 The gearing ratio at the end of the reporting period was as follows:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Total debt	1,58,542.73	1,72,475.51
Cash & bank balance	(2,833.14)	(1,667.30)
Net debt	1,55,709.59	1,70,808.21
Total equity	3,47,894.02	3,70,491.83
Net debt to equity Ratio	44.76%	46.10%



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

Notes:

Debt is defined as non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon.

Cash and bank balances include cash & cash equivalents and other bank balances (excluding margin money deposits and fixed deposits kept as security).

45.2 Categories of financial instruments

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
a) Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) mandatorily measured as at FVTPL		
(i) Investments in mutual funds	8,694.18	21,518.71
(ii) Investments in venture capital funds	18.98	18.95
(iii) Investments in alternate investment fund	—	4,239.42
(b) Derivative instruments designated as Fair value hedge in hedge accounting	220.51	859.27
Sub total	8,933.67	26,636.35
Measured at amortised cost		
(a) Cash and bank balances	32,461.06	1,688.41
(b) Other financial assets at amortised cost		
(i) Trade receivables	66,713.08	56,472.88
(ii) Loans	6,100.39	5,016.06
(iii) Others	16,411.08	4,834.20
Sub total	1,21,685.61	68,011.55
Total financial assets	1,30,619.28	94,647.90
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,58,542.73	1,72,475.51
(b) Trade payables	33,865.36	36,712.21
(c) Other financial liabilities	20,391.75	19,183.87
Sub total	2,12,799.84	2,28,371.59
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)		
Derivative instruments designated as cash flow hedge accounting relationship	41.32	82.82
Sub total	41.32	82.82
Total Financial liabilities	2,12,841.16	2,28,454.41

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

45.3 Financial risk management

The corporate finance function of the respective companies provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Group doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates
2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Group is subject to the risk that changes in foreign currency values impact the Group's export revenues, imports of material/capital goods, services/royalty and borrowings etc. Exchange rate exposures are managed within approved policy parameters by entering 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:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Liabilities		
USD	32,074.05	31,593.10
Euro	14,573.89	17,785.39
Others	0.50	38.86
Assets		
USD	21,641.93	20,778.24
Euro	17,622.67	15,260.08

45.5.1 Foreign Currency Sensitivity Analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Group.

A 10% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

USD impact (net of taxes)	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Impact on profit or loss for the year	780.66	703.57
Impact on total equity as at the end of the reporting period	780.66	703.57
(₹ in Lakhs)		
Euro impact (net of taxes)	(₹ in Lakhs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Impact on profit or loss for the year	(228.15)	164.29
Impact on total equity as at the end of the reporting period	(228.15)	164.29

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

45.5.2 Forward Foreign Exchange Contracts

The Group enters into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period included in Note 10 and Note 22 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 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
Fair value hedges									
Principal only swaps (POS) contracts (Financial Assets)	USD	73.11	75.55	22.22	92.13	1,624.72	6,960.21	220.51	859.27

The line-items in the standalone balance sheet that include the above hedging instruments are 'other financial assets'.

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Group's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. The short term foreign currency borrowings are at fixed rate of interest. Certain rupee term loans and short term loans carry variable rate of interest. The financial assets i.e. bank fixed deposits are at a fixed rate of interest. Thus, the Company has no significant exposure to the risk of changes in the interest rate.

45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities in foreign currency, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit/(loss) for the year ended 31st March, 2021 would decrease/increase by ₹ 28.53 Lakhs (net of tax) (for the year ended 31st March, 2020 decrease/increase by ₹ 102.92 Lakhs (net of tax)). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

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 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
HSBC Bank	—	8.24%	—	2,221.02	—	(1.76)
MIZUHO Bank	—	8.24%	—	2,221.02	—	(1.76)
ICICI BANK	10.55%	10.55%	1,624.72	2,518.17	(41.32)	(79.30)
1 to 5 years			1,624.72	6,960.21	(41.32)	(82.82)
Total			1,624.72	6,960.21	(41.32)	(82.82)
Balance in the cash flow hedge reserve (net of tax)						
					(22.82)	(53.88)

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the consolidated balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Group is exposed to equity price risks arising from equity investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Group is also exposed to price risk arising from investments in debt mutual funds, but these being debt instruments, the exposure to risk of changes in market rates is minimal.

45.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for Investments in equity shares (including investments in equity oriented mutual funds) of companies other than joint ventures at the end of the reporting period.

If equity prices had been 10% higher/lower, profit/(loss) for the year ended 31st March, 2021 would increase/decrease by ₹ 3.12 Lakhs (for the year ended 31st March, 2020 : increase/decrease by ₹ 485.94 Lakhs) as a result of the change in fair value of equity investments which are designated as FVTPL.

45.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products varies from company to company. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There is no external customer representing more than 10% of the total balance of trade receivables. All trade receivables are reviewed and assessed for default on a quarterly basis.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates for each Group Company depending on credit risk of each company.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

45. Financial instruments: (Contd..)

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Balance at the beginning of the year	46.55	—
Transferred pursuant to demerger - see Note 1 and 50	—	19.01
Movement in expected credit loss allowance	45.39	27.54
Balance at the end of the year	91.94	46.55

b) Loans and other receivables

The Group applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Group to the external parties. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

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 Board of Directors of the Company, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

45.9.1 Liquidity and interest risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	(₹ in Lakhs)			
	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31st March, 2021				
Borrowings	1,19,311.69	35,714.82	3,516.22	1,58,542.73
Trade payables	33,865.36	—	—	33,865.36
Security deposits	523.67	—	—	523.67
Other payables	19,222.92	645.16	—	19,868.08
Derivative financial liabilities	41.32	—	—	41.32
Total	1,72,964.96	36,359.98	3,516.22	2,12,841.16
As at 31st March, 2020				
Borrowings	1,24,552.06	40,976.57	6,946.88	1,72,475.51
Trade payables	36,712.21	—	—	36,712.21
Security deposits	547.44	—	—	547.44
Other payables	17,161.61	1,474.82	—	18,636.43
Derivative financial liabilities	82.82	—	—	82.82
Total	1,79,056.14	42,451.39	6,946.88	2,28,454.41

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for the year ended 31st March, 2021

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 inputs	Relationship of unobservable inputs to fair value
	31 st March, 2021	31 st March, 2020				
1. Principal only swaps designated in hedge accounting relationships (Note 10)	₹ 220.51 Lakhs and Liabilities Nil	Assets - ₹ 859.27 Lakhs and Liabilities Nil	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 22)	Nil and Liabilities ₹ 41.32 Lakhs	Assets - Nil and Liabilities ₹ 82.82 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3. Investments in Mutual Funds (Note 8(b) & 8(c))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 8,694.18 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 21,518.71 Lakhs	Level 1	Quoted prices in an active market	NA	NA
4. Investment in Venture Capital Funds (Note 8(b) & 8(c))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.98 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.95 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking in the Net assets in into account all isolation would result assets and liabilities in significant change as reported in the fair value of financials of venture capital fund	NA
5. Alternate Investment Funds (Note 8(b))	Nil	Alternate Investment Funds: aggregate fair value of ₹ 4,239.42 Lakhs	Level 1	Quoted prices in an active market	NA	NA

During the year, there were no transfers between Level 1, Level 2 and Level 3.

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures

(A) Where control exists:

Holding company –

Inox Leasing and Finance Limited (see Note 1 and 50)

(B) Other related parties with whom there are transactions during the year:

Key Management Personnel

a) Executive directors

Mr. V K Jain (also appointed as Managing Director w.e.f. 01.08.2019)
 Mr. Sanath Kumar Muppirlala (w.e.f. 28.04.2019)
 Mr. Sanjay Borwankar (w.e.f 15.02.2020)
 Mr. D K Sachdeva (upto 14.02.2020)
 Mr. Anand Bhusari (upto 27.04.2019)

b) Non-executive directors

Mr. D K Jain	Mr. Shanti Prasad Jain
Mr. P K Jain (upto 06.02.2021)	Ms. Vanita Bhargava
Mr. Deepak Asher (upto 12.10.2020)	Mr. Chandra Prakash Jain
Mr. Shailendra Swarup	Mr. Rajagopalan Doraiswami (upto 24.09.2019)
Mr. Om Prakash Lohia	

Enterprises over which a Key Management Personnel, or his relatives, have significant influence

Devansh Gases Private Limited	Refron Valves Limited
Devansh Trademart LLP	Rajni Farms Private Limited
Inox India Private Limited	Siddhapavan Trading LLP
Inox Air Products Private Limited	Siddho Mal Trading LLP
Inox Chemicals LLP	Swarup & Company

Fellow subsidiaries and their associates

GFL Limited - see Note 1 and 51
 Inox Leisure Limited
 Inox Wind Limited
 Inox Wind Energy Limited
 Inox Wind Infrastructure Services Limited
 Inox Renewables Limited (Amalgamated With GFL Limited w.e.f. 01.04.2020)
 Sri Pawan Energy Private Limited (upto 21.05.2020)
 Waft Renergy Private Limited
 Haroda Wind Energy Private Limited
 Khatigu Wind Energy Private Limited
 Vigodi Wind Energy Private Limited
 Ripudaman Urja Private Limited
 Vasuprada Renewables Private Limited
 Suswind Power Private Limited
 Vibhav Energy Private Limited
 Vuelta Wind Energy Private Limited
 Tempest Wind Energy Private Limited
 Ravapar Wind Energy Private Limited

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Nani Virani Wind Energy Private Limited
Aliento Wind Energy Private Limited
Flurry Wind Energy Private Limited
Flutter Wind Energy Private Limited
Associates of Inox Wind Infrastructure Services Limited
Wind One Renergy Private Limited
Wind Two Renergy Private Limited
Wind Three Renergy Private Limited
Wind Four Renergy Private Limited
Wind Five Renergy Private Limited

Shareholder having significant influence in a subsidiary

Global Mines SARL, Morocco

46. Related Party disclosures (Contd..)

Particulars of transactions

Particulars	Fellow Subsidiary Companies and their Associates	Key Management Personnel		Enterprises over which KMP or his relatives have significant influence		(₹ in Lakhs)	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sale of Goods							
Inox Air Products Private Limited				0.84	1.39	0.84	1.39
Refron Valves Limited				0.16	0.08	0.16	0.08
Inox Wind Limited	1,474.45	–				1,474.45	–
Inox Wind Infrastructure Services Limited	108.16	–				108.16	–
Total	1,582.61	–				1.00	1.47
Sale of Services						1,583.61	1.47
Inox India Private Limited				1.46	–	1.46	–
Total				1.46	–	1.46	–
Purchase of Power							
Inox Wind Limited		–	284.68				284.68
Total		–	284.68				284.68
Purchase of Assets							
Inox Wind Limited		–	2,062.02				2,062.02
Total		–	2,062.02				2,062.02
Purchase of Goods							
Inox Air Products Private Limited				1,027.90	1,319.51	1,027.90	1,319.51
Inox India Private Limited				2,784.18	3,755.60	2,784.18	3,755.60
Refron Valves Limited				–	0.24	–	0.24
Total				3,812.08	5,075.35	3,812.08	5,075.35
Purchase of Services							
Inox India Private Limited				6.16	13.78	6.16	13.78
Inox Air Products Private Limited				1.48	–	1.48	–
Total				7.64	13.78	7.64	13.78

Notes to the Consolidated Financial Statements

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46. Related Party disclosures (Contd..)

(₹ in Lakhs)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Particulars	(₹ in Lakhs)							
	Fellow Subsidiary Companies and their Associates		Key Management Personnel		Enterprises over which KMP or his relatives have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rent paid								
Inox Air Products Private Limited					—	1.00	—	1.00
Devansh Gases Private Limited				24.00	24.00	24.00	24.00	24.00
D.K.Sachdeva		—	1.05			—	—	1.05
Total		—	1.05	24.00	25.00	24.00	26.05	
O&M Charges & Lease Rents paid								
Inox Air Products Private Limited				199.78	200.85	199.78	200.85	
Inox Wind Infrastructure Services Limited	514.14	487.25				514.14	487.25	
Total	514.14	487.25			199.78	200.85	713.92	688.10

Transaction with shareholder having significant influence in a subsidiary.

Particulars	(₹ in Lakhs)	
	2020-21	2019-20
Global Mines SARL, Morocco		
Royalty expense	33.12	46.32
Sale of goods	53.99	—

Note: The above amounts are exclusive of duties and taxes, wherever applicable.

Particulars of amounts outstanding as at 31st March, 2021

Particulars	(₹ in Lakhs)					
	Fellow Subsidiary Companies and their associates		Enterprises over which KMP or their relatives have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Amounts payable						
GFL Limited	821.00	—			821.00	—
Inox India Private Limited			503.77	203.49	503.77	203.49
Refron Valves Limited			—	0.17	—	0.17
Inox Air Products Private Limited			164.88	224.05	164.88	224.05
Inox Wind Infrastructure Services Limited	331.96	150.21			331.96	150.21
Inox Wind Limited	459.12	2,663.88			459.12	2,663.88
Total	1,612.08	2,814.09	668.65	427.71	2,280.73	3,241.80
Amounts Receivable						
a) Trade / Other Receivables						
Inox Leisure Limited	30.48	3.70			30.48	3.70
Inox Renewables Limited	—	19.61			—	19.61
Inox Wind Infrastructure Services Limited	3,455.87	1,260.64			3,455.87	1,260.64
Inox Air Products Private Limited			0.56		0.56	—
GFL Limited	197.80	114.83			197.80	114.83
Inox Wind Limited	12,466.50	3,652.61			12,466.50	3,652.61
Inox Wind Energy Limited	32.36	—			32.36	—
Others	18.33	14.44			18.33	14.44

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

46. Related Party disclosures (Contd..)

(₹ in Lakhs)

Particulars	Fellow Subsidiary Companies and their associates		Enterprises over which KMP or their relatives have significant influence		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Total	16,201.34	5,065.83	0.56	—	16,201.90	5,065.83
b) Advances for purchase of assets						
Inox Wind Limited	71,031.02	70,439.60			71,031.02	70,439.60
Inox Wind Infrastructure Services Limited	16,748.98	16,748.98			16,748.98	16,748.98
Total	87,780.00	87,188.58			87,780.00	87,188.58
Guarantees						
Inox Wind Infrastructure Services Limited	66,296.00	41,793.16			66,296.00	41,793.16
Inox Wind Limited	55,694.00	1,500.00			55,694.00	1,500.00
Total	1,21,990.00	43,293.16			1,21,990.00	43,293.16

Particulars of amounts outstanding as at 31st March, 2021 in case of shareholder having significant influence in a subsidiary

(₹ in Lakhs)

Particulars	2020-21	2019-20
Global Mines SARL, Morocco		
Royalty expense	58.75	34.24
Trade Receivables	69.04	—

Compensation of Key Management Personnel during the year.

(₹ in Lakhs)

Particulars	2020-21	2019-20
(i) Remuneration paid -		
Mr. V K Jain	718.72	717.90
Mr. D K Jain	451.24	417.46
Mr. D K Sachdeva	—	20.06
Mr. Anand Bhusari	—	10.96
Mr. Sanath Kumar Muppirlala	98.81	72.33
Mr. Sanjay Borwankar	71.77	8.55
Total	1,340.54	1,247.26
(ii) Director sitting Fees paid	19.00	17.00
(iii) Professional fees paid to		
Mr. Deepak Asher	90.00	180.00
Swarup & Co.	—	3.85
Total	90.00	183.85

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 22.80 lakhs (as at 31st March, 2020: ₹ 23.23 lakhs) included in the amount of remuneration reported above.

Notes

- (a) Sales, purchases and service transactions with related parties are made at arm's length price.
- (b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

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for the year ended 31st March, 2021

- (c) No expense has been recognised for the year ended 31st March, 2021 and 31st March, 2020 for bad or doubtful trade receivables in respect of amounts owed by related parties.

47. Earnings Per Share

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Profit/(loss) for the year (₹ in Lakhs)	(22,152.22)	18,931.47
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	1
Basic and Diluted Earnings/(loss) per share (in ₹)	(20.17)	17.23

48. Exceptional Items

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Expenses on demerger of Chemical Business Undertaking from GFL Limited (see Note 1 and 50)	–	(2,604.05)
Total	–	(2,604.05)

49. Non controlling interest

Details of non wholly owned subsidiary:

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Name of Subsidiary	GFL GM Fluorspar SA	GFL GM Fluorspar SA
Place of incorporation and principal place of business	Morocco	Morocco
Proportion of ownership interest and voting rights held by non-controlling interest	26.00%	26.00%
Accumulated non-controlling interest	(1,388.34)	(1,069.03)

Note: The above non controlling interest is not material to the Group.

50. Demerger of Chemical Business during the previous year

The Scheme of Arrangement (“the Scheme”) for the demerger of Chemical Business Undertaking from Gujarat Fluorochemicals Limited, now known as GFL Limited (“the demerged company”) to Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited (“the resulting company” or “the Company”) and the respective shareholders of the two companies, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 was approved by Honourable National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 i.e. making the Scheme operative. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stood transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company.

The demerger was accounted as per ‘pooling of interest’ method in accordance with Appendix C of Ind AS 103 - Business Combinations, being common control business combination.



Notes to the Consolidated Financial Statements

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50. Demerger of Chemical Business during the previous year (Contd..)

Accordingly, following effects are given in the books of account of the Company:

- (i) All the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in the Company, were recorded at their respective carrying values as appearing in the books of the demerged company.
- (ii) The Company had issued 10,98,50,000 fully paid-up equity shares of ₹ 1 each to the shareholders of the demerged company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company.
- (iii) The pre-demerger shareholding of the demerged company in the Company comprising of 1,00,000 fully paid-up equity share of ₹ 1 each, were cancelled and the amount was credited to the capital reserve.
- (iv) The identity of the reserves transferred by the demerged company was preserved and were carried in the same form and manner by the Company.

After giving effect to the demerger, as above, the consolidated financial statements were prepared as per the accounting policy stated in Note 3.1. The difference between the net assets transferred from the demerged company (including those of the subsidiaries), and the aggregate of the fresh share capital issued by the Company and the reserves transferred by the demerged company, was adjusted against the Capital Reserve as under:

Particulars	(₹ in Lakhs)
	Amount
Assets of the demerged undertaking	4,91,861.24
Less: Liabilities of the demerged undertaking	(1,41,155.35)
Net assets of the demerged undertaking (a)	3,50,705.89
Transferred reserves:	
Capital reserve	12,827.46
General reserve	3,20,000.00
Cash flow hedge reserve	84.98
Foreign currency translation reserve	986.41
Retained earnings	16,304.19
Non-controlling interest	(314.69)
Total transferred reserves	3,49,888.35
Face value of fully paid-up equity shares issued to the shareholders of demerged company	1,098.50
Aggregate of transferred reserve and fresh issue of equity shares (b)	3,50,986.85
Net amount adjusted against the capital reserve (a) - (b)	(280.96)

Summary of the assets and liabilities of the Chemical Business Undertaking (including those of the subsidiaries), transferred and vested with the Company was as under:

Particulars	(₹ in Lakhs)
	Amount
a) Assets transferred	
Property, plant & equipment	2,26,150.43
Capital work-in-progress	22,867.56
Investment property	1,032.00
Intangible assets	3,365.35
Financial assets	
Investments	
Investments in joint venture	88.33
Other investments	34,104.09
Trade receivables	57,405.91

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for the year ended 31st March, 2021

50. Demerger of Chemical Business during the previous year (Contd..)

Particulars	(₹ in Lakhs)
	Amount
Cash & cash equivalents	4,065.41
Loans	4,889.17
Other financial assets	937.14
Inventories	64,206.20
Deferred tax assets (net)	32,376.73
Income tax assets (net)	20,505.88
Other assets	19,867.04
Total assets transferred	4,91,861.24
b) Liabilities transferred	
Financial liabilities	
Borrowings	89,030.42
Trade payables	23,164.22
Other financial liabilities	23,496.52
Provisions	3,234.12
Deferred tax liabilities (net)	5.84
Current tax liabilities	1,181.62
Other liabilities	1,042.61
Total liabilities transferred	1,41,155.35

51. Details of subsidiaries at the end of the reporting period are as follows:

a) Subsidiaries of the Company

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31 st March, 2021	31 st March, 2020
Gujarat Fluorochemicals Americas, LLC (GFL Americas)	Trading in fluoropolymers (PTFE, PVDF, PFA, FEP & FKM) and allied products	USA	100.00%	100.00%
Gujarat Fluorochemicals Singapore Pte. Limited (#)	Investment activities.	Singapore	100.00%	100.00%
Gujarat Fluorochemicals GmbH, Germany (GFL GmbH)	Trading in fluoropolymers (PTFE, PVDF, PFA, FEP & FKM) and allied products	Germany	100.00%	100.00%

b) Subsidiary of GFL Singapore Pte. Limited

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			31 st March, 2021	31 st March, 2020
GFL GM Flourspar SA	Exploration of fluorspar mines and sale of resultant fluorspar.	Morocco	74.00%	74.00%

The financial year of the above entities is 1st April to 31st March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

(#) The Group has provided undertaking to the lenders of GFL GM Flourspar SA that the Group will not dilute its stake below 100% in Gujarat Fluorochemicals Singapore Pte. Limited.

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52. Disclosure of additional information as required by the Schedule III

(a) As at and for the year ended 31st March, 2021

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
Gujarat Fluorochemicals Limited	99.59%	3,46,478.40	103.02%	(22,817.00)	(11.97%)	53.32	100.75%	(22,763.68)
Subsidiaries (Group's share)								
Foreign Subsidiaries								
GFL GmbH	1.08%	3,766.10	(4.68%)	1,035.98	(18.42%)	82.08	(4.95%)	1,118.06
GFL LLC USA	1.48%	5,148.35	(3.43%)	759.15	36.48%	(162.54)	(2.64%)	596.61
GFL Singapore	2.78%	9,659.59	(0.86%)	190.16	61.12%	(272.35)	0.36%	(82.19)
GFL GM Morocco	(1.53%)	(5,339.74)	4.88%	(1,082.00)	32.79%	(146.11)	5.43%	(1,228.11)
Minority Interest in all subsidiaries	(0.40%)	(1,388.34)	1.27%	(281.32)	8.53%	(37.99)	1.41%	(319.31)
Joint Ventures (Investments as per equity method)								
Indian Joint Venture								
Swarnim Gujarat Flourspar Private Limited	0.03%	87.33	0.00%	(0.51)	0.00%	–	0.00%	(0.51)
Intercompany eliminations								
Consolidation eliminations / adjustments	(3.02%)	(10,517.67)	(0.20%)	43.32	(8.53%)	38.00	(0.36%)	81.32
Total	100.01%	3,47,894.02	100.00%	(22,152.22)	100.00%	(445.59)	100.00%	(22,597.81)

(b) As at and for the year ended 31st March, 2020

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
Gujarat Fluorochemicals Limited	99.67%	3,69,242.08	100.33%	18,994.75	(24.42%)	(208.71)	94.94%	18,786.04
Subsidiaries (Group's share)								
Foreign Subsidiaries								
GFL GmbH	0.71%	2,648.04	3.75%	709.37	21.33%	182.27	4.51%	891.64
GFL LLC USA	1.23%	4,551.74	4.50%	851.40	44.57%	380.94	6.23%	1,232.34
GFL Singapore	2.53%	9,373.13	0.96%	182.28	82.37%	704.05	4.48%	886.33
GFL GM Morocco	(1.11%)	(4,111.63)	(14.25%)	(2,697.44)	(23.85%)	(203.84)	(14.67%)	(2,901.28)
Minority Interest in all subsidiaries	(0.29%)	(1,069.02)	(3.70%)	(701.34)	(6.20%)	(53.00)	(3.81%)	(754.34)
Indian Joint Ventures (Investments as per equity method)								
Swarnim Gujarat Flourspar Private Limited	0.02%	87.84	0.00%	(0.49)	0.00%	–	0.00%	(0.49)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

52. Disclosure of additional information as required by the Schedule III (Contd.)

(b) As at and for the year ended 31st March, 2020 (Contd.)

Name of the entity in the Group	(₹ in Lakhs)							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Intercompany eliminations								
Consolidation eliminations / adjustments	(2.76%)	(10,230.35)	8.41%	1,592.94	6.20%	53.01	8.32%	1,645.95
Total	100.00%	3,70,491.83	100.00%	18,931.47	100.00%	854.72	100.00%	19,786.19

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Reg. No: 107628W

S S Agrawal

Partner

Mem No: 049051

Place: Pune

Dated: 18th June 2021

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN

Chairman

DIN: 00029782

Place: New Delhi

B. V. DESAI

Company Secretary

Place: Vadodara

Dated: 18th June 2021

V. K. JAIN

Managing Director

DIN: 00029968

MANOJ AGRAWAL

Chief Financial Officer

Our ESG Goals

Social Performance - Trend Target Data

NO	Year	Social Performance - Trend Target Data																		
		2018-2019			2019-2020			2020-2021			2021-2022			2022-2023			2023-2024			
		Locations	DHJ-A	RNJ	OFFICES	DHJ-A	RNJ	OFFICES	-DHJ-A/B	Actual - DHJ-A/B	Target -RNJ	Actual -RNJ	Target -OFFICES	Actual - OFFICES	DHJ-A/B	RNJ	OFFICES	DHJ-A/B	RNJ	OFFICES
SOCIAL ACCOUNTABILITY & SOCIAL RESPONSIBILITY																				
1 Leadership																				
a % Compliance of SARS Corporate Steering Committee meeting	0								100									100		
b % Compliance of Ethics Committee meeting	0								100									100		
c % Compliance of Internal Complaints Committee meeting	0								0									100		
2 Human Rights																				
a Sites assessed for human rights - Own	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
b Sites assessed for human rights - Contractors and suppliers	NA	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
c Number of Human Rights violation - Own	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d Number of Human rights violation - Contractors and suppliers	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e Number of Human Rights violation addressed - Own	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f Number of Human Rights violation addressed - Contractors and suppliers	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
3 Child Labour																				
a Number of Child Labour - Own operations	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b Number of Child Labour - Contractors & Suppliers	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
4 Forced/Compulsory Labour																				
a Number of forced/ Compulsory labour - Own operations	0	0	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	



Our ESG Goals

No	Locations	Social Performance - Trend Target Data												Targets			
		Year		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024			
		DHJ-A	RNJ OFFICES	DHJ-A	RNJ OFFICES	Target -DHJ-A/B	Actual -DHJ-A/B	Target -RNJ	Actual -RNJ	Target -OFFICES	Actual -OFFICES	DHJ-A/B	RNJ OFFICES	DHJ-A/B	RNJ OFFICES	DHJ-A/B	RNJ OFFICES
b	Number of forced/ Compulsory labour - Contractors and suppliers	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	SA8000 Audit score	NA	NA	4	4	NA	4.5	4.4	4.5	4.4	NA	NA	4.7	4.7	4.8	4.8	4.8
d	Number of manhours lost due to industrial action	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5 Diversity																	
a	Number of women In supervisory positions - L5/ L4	45	47	50	50	50	51	60	60	51	60	70	70	75	75	75	75
c	Number of specially abled employees	11	11	15	15	15	11	20	20	11	20	25	25	27	27	27	27
d	Number of socially relevant event for women	5	4	6	6	6	2	10	10	2	10	12	12	12	12	12	12
6 Integrity																	
a	Code of Conduct violations	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Bribery and Corruption charges established	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c	Fraud incidence	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d	% of consultants taken through ethical recruitment practice training	0	0	0	0	0	100	-	100	-	100	100	100	100	100	100	100
e	Anti bribery & Corruption audit conducted across locations	0	0	0	0	0	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
f	Number of sites ISO37001 certified	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 Compliance																	
a	Number of notices, showcase, stricture etc from Labour Law Authority	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b	Annual Audit score on Labour Law Compliance	85	85	90	90	90	95	95	95	92	95	95	96	96	98	98	98
8 Harassment																	
a	No of incidence of Sexual harassment	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Our ESG Goals

No	Locations	Social Performance - Trend Target Data												Targets						
		2018-2019				2019-2020				2020-2021				2021-2022		2022-2023				
		DHJ-A	RNJ	OFFICES	DHJ-A	RNJ	OFFICES	DHJ-A/B	Target -DHJ-A/B	Actual -DHJ-A/B	Target -RNJ	Actual -RNJ	Target -OFFICES	Actual -OFFICES	DHJ-A/B	RNJ OFFICES	DHJ-A/B	RNJ OFFICES		
b	No of incidences of Discrimination	0	0	0	0	0	0	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
9	Training & Education	a	% trained on Fair business practices - Own employees	49	77	65	66	64	76	80	76	80	75	80	74	90	90	100	100	
b	% trained on Fair business practices - Contractors/ Labours/Suppliers	0	0	NA	71	0	NA	80	23	80	65	80	55	90	90	100	100	100	100	
c	% employees trained on Service Conditions, Social Accountability & Social Responsibility	49	77	65	64	82	64	80	76	85	75	80	77	90	90	100	100	100	100	
d	% trained on Social Accountability & Social Responsibility - Contractors/labours/ Suppliers	0	0	NA	71	0	NA	80	23	80	40	NA	NA	90	90	NA	100	100	NA	
e	% employees trained on POSH	0	0	30	5	9	55	50	71	50	30	80	77	80	80	90	100	100	100	
f	Training manthours per employee	16.08	12.69	15.82	16.50	14.43	16.41	20	10.8	18	15	20	4.3	24	22	24	28	26	28	
g	Number of Wellness awareness programs	2	3	4	2	4	2	5	1	7	4	5	5	8	10	8	11	13	11	
10	Employee Engagement & Participation	b	% Attrition	22	25	12	21	15	20	19	9.76	13	10	18	12	17	11	16	15	9
c	% compliance of SPT team meeting	NA	NA	80	80	NA	90	100	90	90	82	NA	NA	100	100	NA	100	100	NA	
f	Employee Satisfaction E-SAT Survey Score	NA	NA	3.88	4.33	NA	4	did not happen in pandemic situation	did not happen in pandemic situation	NA	NA	4.2	4.5	NA	4.5	4.6	NA	4.5	4.6	NA
g	Employee Effectiveness EE2 Survey Score	NA	NA	4.03	3.94	4.07	4.2					4	4.2	did not happen in pandemic situation	4.5	4.5	4.6	4.6	4.6	4.6

Our ESG Goals

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No	Year	Social Performance - Trend Target Data												Targets									
		2018-2019				2019-2020				2020-2021				2021-2022		2022-2023		2023-2024					
		Locations	DHJ-A	RNJ	OFFICES	DHJ-A	RNJ	OFFICES	Target -DHJ-A/B	Actual - DHJ-A/B	Target -RNJ	Actual -RNJ	Target -OFFICES	Actual - OFFICES	DHJ- RNJ	OFFICES	DHJ- A/B	RNJ	OFFICES	DHJ- A/B	RNJ	OFFICES	
i	% of employees in celebrations - Environment day, safety day etc	53	58	20	66	62	25	70	47	65	45	40	100	75	70	50	80	75	60	80	75	60	
j	Number of events conducted with atleast 20% employee participation	3	4	3	3	4	4	5	2	6	4	6	4	4	7	8	8	9	10	10	9	10	
k	Number of engagement events conducted	6	4	5	6	4	6	8	12	6	4	8	4	10	8	10	12	10	12	12	12	12	
m	Number of CEO Talk/ Town Halls etc	NA	NA	2	2	NA	4	0	4	0	0	NA	NA	5	5	NA	6	6	NA	6	6	1	
o	Number of employees covered in Skip level meetings	NA	NA	30	20	55	40	32	30	27	65	20	50	40	75	70	60	95	90	80	100		
p	Number of Spot on awarded	687	219	31	1053	578	35	100	875	600	1122	50	24	1150	650	70	1200	700	80	1300	1250	85	
11 Sustainable Procurement														Actual									
a	Number of Suppliers given the Sustainable Procurement policy	-		432				800						432	1000							950	
b	% supplier plan for Sustainability Audit	0		0			0		40					41	60		75				80		
c	Number of Supplier already audited/Self Evaluation received on Sustainability	0		0			0			19				28	25		40			80			
d	Number of Suppliers trained on Sustainable Procurement	0		0			0			186				186	250		300			700			
12 Responsible Sales & Marketing														Actual									
a	% of employees in sales and marketing team trained	100		100			100							100	100		100			100			
b	% of warehouse and depot operations given declaration on social accountability parameters	100		100			100							100	100		100			100			

Our ESG Goals

No	Locations	Social Performance - Trend Target Data										Targets												
		2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024												
Year	DHJ-A	RNJ	OFFICES	DHJ-A	RNJ	OFFICES	DHJ-A/B	Target -DHJ-A/B	Actual -DHJ-A/B	Target -RNJ	Actual -RNJ	Target -OFFICES	Actual -OFFICES	DHJ-A/B	RNJ	OFFICES	DHJ-A/B	RNJ	OFFICES	DHJ-A/B	RNJ	OFFICES		
c	% of employees given declaration on adherence to responsible sales & marketing practices	96		100				100						30	100		100			100				
d	Number of Customer privacy issues raised	0		0				0						0	0		0			0				
13 Community Development																								
a	Number of employees covered through voluntarism	150		600		750								Actual 900	900									2150
b	Number of stakeholders meetings	50		250		400								450	450									
c	Number of beneficiary across all projects	5726		20826		883130								1004980	20826									1030
d	Number of awareness programmes for society	8		15		20								25	25									65782
e	Number of trees planted & survival rate	500		4000		2000								2000	2000									74
																								4500

*Please note that Offices include all the Domestic & International Offices located in Baroda, Chennai, Hyderabad, US, Europe.

Our ESG Goals

Safety and Health - Trend Target Data

No	Year	Trend						Safety and Health - Trend Target Data							
		2017-2018		2018-2019		2019-2020		2020-2021 Target		2020-2021 - Actual Status		Targets & Target Status			
Locations		DHJ-A	Ranijinagar	DHJ-A	Ranijinagar	DHJ-A	Ranijinagar	DHJ-B	Ranijinagar	DHJ-A	DHJ-B	RNU	DHJ-A	DHJ-B	RNU
1 Felt Leadership															
a	% of Unit Apex/Steering Committee meeting held	100	100	100	100	100	100%	100%	100%	100%	100%	100%	100%	100%	100%
b	% of Safety Observations Compliance	92	75	83	80	50	80	100%	100%	60%	57%	90%	100%	100%	100%
2 Lead Indications															
a	No of Near Misses Recorded	32	75	54	65	143	65	157	20	72	110	06	72	22	80
b	No of Unsafe Conditions rectified	Not Available	170	Not Available	153	812	153	893	100	170	546	411	200	982	110
c	Total hrs training - employees	2908 hrs	2024 hrs	2648 hrs	3956 hrs	5297 hrs	4455 hrs	5826 hrs	500hrs	4900hrs	973	143	2000	6408hrs	550hrs
d	Total hrs training - contract labour	4000 hrs	2631 hrs	4500 hrs	2761 hrs	5000 hrs	3994 hrs	5500hrs	250hrs	4394hrs	1907	447	2310	6050hrs	275hrs
e	% of employees involved in identifying unsafe conditions	20	20	35	25	40	55	50	10	75	60	60	79	100	25
g	No Of spot On Recognition for Safety Samrat	5	5	36	11	50	46	40	10	36	40	0	117	80	25
h	No of Safety Suggestions	Not Available	55	Not Available	55	Not Available	55	20	10	55	Not Available	Not Available	61	40	25
i	% of PSAP compliance	Not Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Not Applicable	100%	100%	80%	60%	80%	100%	100%
3 Fatalities and Injuries (Disclosure)															
a	"Rate of fatalities as a result of work-related injury Contract Labour = (Nos. of fatalities as a result of work-related injury/Nos. of hours worked)*1,00,000"	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	"Rate of fatalities as a result of work-related injury - Own Employee (Nos. of fatalities as a result of work-related injury/Nos. of hours worked)*1,00,000"	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Fatalities per 100 million working hours (employees and contractors)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Lost Time Accidents - Contract Labour	2	0	4	1	7	0	0	0	0	5	0	2	0	0
e	Lost Time Accidents - Own Employee	1	0	3	1	3	0	0	0	0	4	0	0	0	0
f	First Aid Cases - Contract Labour	21	56	54	38	62	12	0	0	0	40	9	207	0	0

Our ESG Goals

No	Year	Trend										Safety and Health - Trend Target Data						Targets & Target Status							
		2017-2018		2018-2019		2019-2020		2020-2021 Target		2020-2021 Actual Status		2021-2022 Target		2022-2023 Target		2023-2024 Target									
Locations		DHJ-A	Ranijitnagar	DHJ-A	Ranijitnagar	DHJ-A	Ranijitnagar	DHJ-A	Ranijitnagar	DHJ-B	Ranijitnagar	DHJ-A	DHJ-B	RNJ	DHJ-A	DHJ-B	RNJ	DHJ-A	DHJ-B	RNJ	DHJ-A	DHJ-B	RNJ		
9	First Aid Cases - Own Employees	9	28	39	24	28	5	0	0	10	3	76	0	0	0	0	0	0	0	0	0	0	0	0	
h	Incidence Rate ((Number of OSHA Recordable Injuries and illnesses X 200,000) / Employee total hours worked))	0.11	0	0.23	0.194	0.67	0	0	0	0.21	0	0.11	0	0	0	0	0	0	0	0	0	0	0	0	
i	Rate of recordable work-related injuries = (Nos. of recordable work-related injuries/Nos. of hours worked)*1,00,000,000	0.54	0	1.13	1.42	1.783	0	0	0	1.07	0	0.55	0	0	0	0	0	0	0	0	0	0	0	0	
j	Severity Rate (Men days lost *1000000/Total men hour worked)	20.43	0	132.47	16.06	5173	0	0	0	47.94	0	6813	0	0	0	0	0	0	0	0	0	0	0	0	
k	Rate of high-consequence work-related injuries (excluding fatalities)= (Nos. of high-consequence work-related injuries excluding fatalities)/ (Nos. of hours worked)*1,00,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Process Safety Management	a	% of processes where Hazop has been completed	100	100%	100	100%	100	100	100	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
b	% of Hazop Recommendation Implemented	Not Available	70%	Not Available	80%	Not Available	85%	100	100	100	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
c	Number of Process Safety related incidents	Not Available	1	Not Available	2	55	3	0	0	0	42	3	27	0	0	0	0	0	0	0	0	0	0	0	0
d	% of plants started after PSSR	100	100%	100	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
e	% of Changes done as per MOC	Not Available	50%	Not Available	60%	100	70%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
f	No of employee trained on HAZOP and I&SA	Not Available	25	Not Available	30	122	40	34	42	20	34	42	30	75	75	75	150	150	150	200	200	200	200	200	
5	Fatalities and Ill Health (Disclosure 403-10) Work-related ill health	a	Rate of fatalities as a result of work-related ill health	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Employees = (Nos. of fatalities as a result of work-related ill health / Nos. of hours worked)*1,00,000 (Employees only)																								



Our ESG Goals

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No	Year	Safety and Health - Trend Target Data										Targets & Target Status								
		Trend		2017-2018		2018-2019		2019-2020		2020-2021 Target		2020-2021 - Actual Status		2021-2022 Target		2022-2023 Target		2023-2024 Target		
Locations	DHJ-A	Ranjithnagar	DHJ-A	Ranjithnagar	DHJ-A	Ranjithnagar	DHJ-A	Ranititnagar	DHJ-A	Ranjithnagar	DHJ-B	Ranjithnagar	DHJ-B	Ranjithnagar	DHJ-A	DHJ-B	RNJ	DHJ-A	DHJ-B	RNJ
b Rate of fatalities as a result of work-related ill health Contractor Labour = (Nos. of fatalities as a result of work-related ill health / Nos. of hours worked)*100,000 (Contractor Labour only)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c Rate of recordable work-related ill health = (Nos. of recordable work-related ill health / Nos. of hours worked)*100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d Rate of high-consequence work-related ill health (excluding fatalities) = (Nos. of high-consequence work-related ill health excluding fatalities) / (Nos. of hours worked)*100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e % of own employee medical Health Check up completed	100 %	100	100 %	100	100 %	100	100 %	100	100 %	100	100 %	100 %	100	100 %	100 %	100 %	100 %	100 %	100 %	100 %
f % of Contractor Labour medical Health Check up completed	100 %	100	100 %	100	100 %	100	100 %	100	100 %	100	100 %	100 %	100	100 %	100 %	100 %	100 %	100 %	100 %	100 %
g No of Work Place Hygiene audit done	12	4	12	2	12	2	13	6	6	12	12	1	14	7	7	15	8	8	16	10
6 Security																				
a No of security Trained on Human Rights	0	0	0	0	48	42	38	10	42	37	10	84	42	11	45	47	12	50	15	55
b No of Security audits conducted	1	0	1	0	2	0	2	0	1	2	0	2	1	1	2	1	1	4	2	6
c No of security Trained on fire fighting	25	18	45	22	52	24	48	0	26	21	6	39	35	10	45	45	15	50	20	55
7 Emergency Response																				
a No of Mock drills conducted	11	9	6	10	9	12	12	12	12	1	9	12	12	12	12	12	12	12	12	12
b No of people involved in Mock drills	233	120	109	108	112	125	240	240	133	15	900	275	275	300	300	300	300	325	325	325
c No Of fire incidences occurred (even minor to be accounted)	Not Available	5	11	14	13	16	0	0	15	0	19	0	0	0	0	0	0	0	0	0
d No of Community engagement programmes	1	4	2	8	4	10	6	1	12	1	1	10	8	2	16	10	4	20	12	5
8 Distribution Safety																				
a % of Vehicles covered BY GPS	12%	15%	22%	20%	25%	40%	5%	40%	40%	50%	40%	40%	50%	40%	40%	50%	65%	70%		
b No of Distribution Incidences	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c No of Road Incidences	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d % of Drivers trained of chemical transportation and safety by Company	65	65	70	75	80	80	80	80	80	80	80	80	85	90	90	92	92			

*Please note that Offices include all the Domestic & International Offices located in Baroda, Chennai, Hyderabad, US, Europe.

GRI Index

GRI Reference	Indicator detail	Chapter	Page No.	ISO26000 Reference	SA8000 Reference	NVGSEER of Business	SDG	UNGC Principles	ISO20400 Reference	OECD	ISO37001 Reference	ISO27001 Reference	SASB
GR102-1	Name of the organization.	Corporate Information	2										
GR102-2	Activities, brands, products, and services.	About Us	10										
GR102-3	Location of the organization's headquarters	Corporate Information	3										
GR102-4	Location of operations	Our Presence	12										
GR102-5	Ownership and legal form.	Our Presence	12										
GR102-6	Markets served	Our Presence	12										
GR102-7	Scale of the organization	Our Capitals	14-15										
GR102-8	Information on employees and other workers	Our Capitals	15										
GR102-9	Supply chain	Manufacturing Capital.	68										
GR102-10	Significant changes to the organization and its supply chain	About this report, Social and relationship capital	5, 116-117										
GR102-11	Precautionary approach or principle	Governance	50-57										7
GR102-12	External initiatives	Social and relationship capital	123										
GR102-13	Memberships of associations	Social and relationship capital	123										
GR102-14	Statement from senior decision-maker	MD's Message	20-21										
GR102-15	Key impacts, risks, and opportunities	Strategy and risk management	40-47										
GR102-16	Values, principles, standards, and norms of behaviour	Governance	50	4.4									
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GRI-306-2	Waste by type and disposal method	Natural capital	139	6.5.4.1		Principle 6.5	SDG-6 SDG-12 SDG-14	8					R/T-CH-150a.1
GRI-306-3	Significant spills	Not disclosed				Principle 6.5	SDG-3 SDG-6 SDG-12 SDG-14	7.8					
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GRI-306-5	Water bodies that are significantly affected by water discharges	Not disclosed				Principle 6.5	SDG-3 SDG-12	7.8					
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GRI-408-1	Operations and suppliers considered to have significant risk for incidents	Human Capital	88-89	6.3.10.3	11.1.4	Principle 3.3 SDG-16	SDG-8 SDG-16	5					
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