

### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify

such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even

inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## CONTENTS

### OVERVIEW

Corporate information	1
Corporate snapshot	4
Chairman's overview	8
Managing Director's perspective	10
Fluorine in our lives	12

### PERFORMANCE REVIEW

This is how Navin Fluorine has performed over the years	14
How we have transformed our business over the years	16

### STRATEGY

Our robust business model	18
---------------------------	----

### GOVERNANCE

Notice	20
Summarised financial data	34
Directors' report	36
Management discussion and analysis	44
Corporate governance report	50
Other annexures to the Directors' report	61

### FINANCIAL STATEMENTS AND NOTES

Standalone Financial Statements	98
Consolidated Financial Statements	150

# CORPORATE INFORMATION

## BOARD OF DIRECTORS:

Mr. V P Mafatlal (DIN:00011350)	Chairman
Mr. T. M. M. Nambiar (DIN:00046857)	Director
Mr. P N. Kapadia (DIN:00078673)	Director
Mr. S. S. Lalbhai (DIN:00045590)	Director
Mr. S. M. Kulkarni (DIN:00003640)	Director
Mr. S. G. Mankad (DIN:00086077)	Director
Mr. H. H. Engineer (DIN:01843009)	Director
Mrs. R. V. Haribhakti (DIN:02409519)	Director
Mr. A. K. Srivastava (DIN:00046776)	Director
Mr. R. R. Welling (DIN:07279004)	Managing Director (w.e.f.11.12.2018)
Mr. S. S. Khanolkar (DIN:02202839)	Managing Director (up to 11.10.2018)

## COMPANY SECRETARY

Mr. N. B. Mankad

## BANKERS

State Bank of India

AXIS Bank Limited

HDFC Bank Limited

## AUDITORS

Price Waterhouse Chartered Accountants LLP

## SOLICITORS

Vigil Juris

## REGISTERED OFFICE:

2nd Floor, Sunteck Centre, 37/40, Subhash Road,  
Vile Parle (East), Mumbai 400057.

Tel.: 91 22 6650 9999, Fax: 91 22 6650 9800

E-mail: [info@nfil.in](mailto:info@nfil.in), Website: [www.nfil.in](http://www.nfil.in)

## UNITS:

Navin Fluorine, Surat 395023 (Gujarat)

Navin Fluorine, Dewas 455022 (M.P.)

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot no. 31-32, Gachibowli,  
Financial District, Nanakramguda,

Hyderabad 500032

Tel # 040 67162222

Toll Free No. # 1800 3454 001

Telefax # 040 – 23001153

Email # [einward.ris@karvy.com](mailto:einward.ris@karvy.com), [navin.ris@karvy.com](mailto:navin.ris@karvy.com)

Website: [www.karvyfintech.com](http://www.karvyfintech.com)

## INVESTOR RELATIONS CENTRE

Karvy Fintech Private Limited

24-B, Ground Floor, Rajabahadur Mansion, Ambalal Doshi Marg,  
Behind BSE, Fort, Mumbai 400 023.

Tel: 022-66235454, Fax: 022-66331135.

201, Shail Complex, Opp. Madhusudan House,

Off: C.G. Road, Near Navrangpura Telephone Exchange,

Ahmedabad 380 006.

Tel. No.079-26400527, 65150009.

E-mail: [ahmedabad@karvy.com](mailto:ahmedabad@karvy.com)

## 21<sup>st</sup> ANNUAL GENERAL MEETING

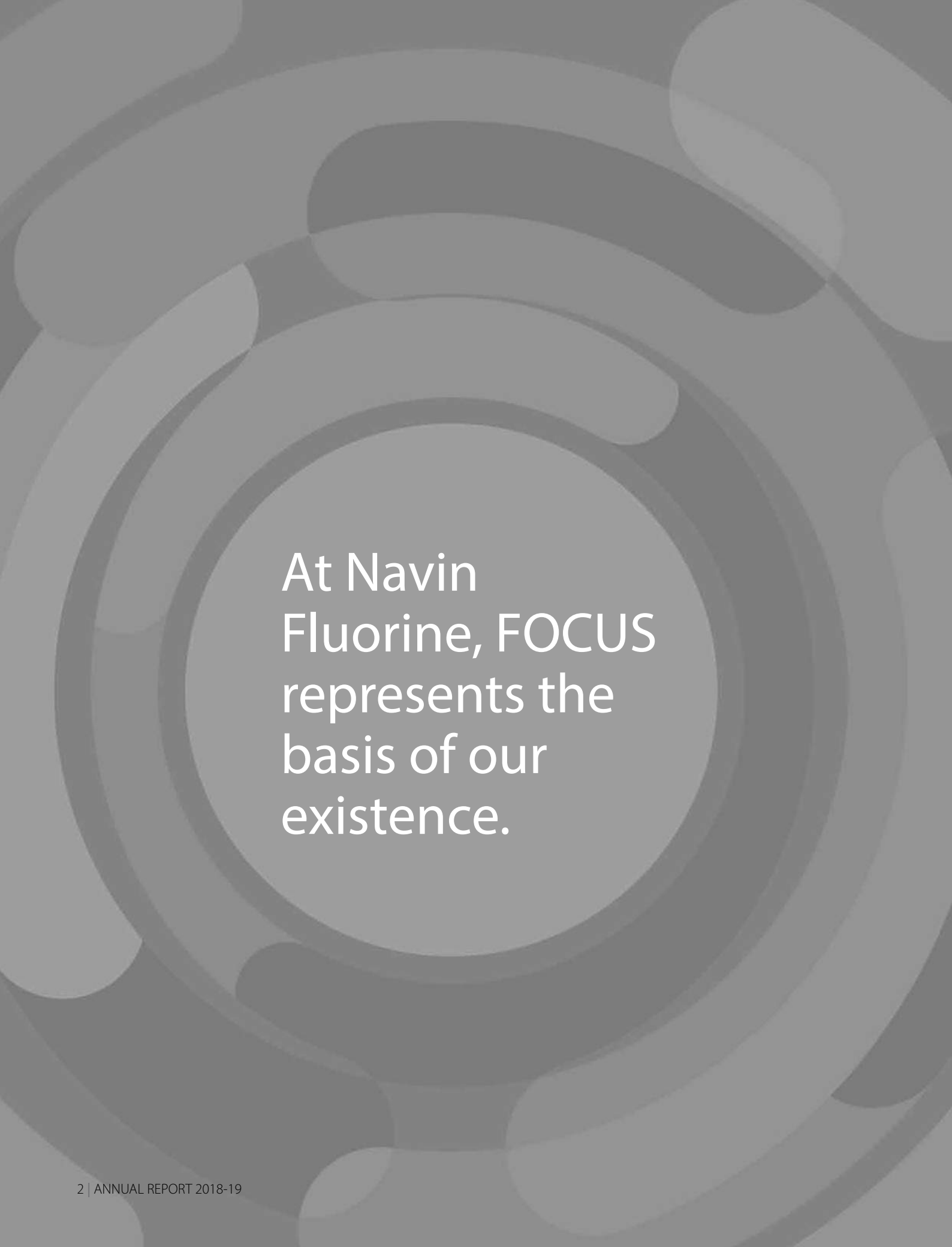
On Friday, 21<sup>st</sup> June, 2019

At 3.00 p.m. at Rama & Sundri Watumull Auditorium,

K. C. College, Dinshaw Wacha Road,

Churchgate, Mumbai 400020

1. Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.
3. The Listing Fees for the year 2019-20 have been paid by the Company to BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed.



At Navin  
Fluorine, FOCUS  
represents the  
basis of our  
existence.

Over the decades, we have consistently deepened our Fluorine Focus.

This Focus is being reinforced through progressive investments across a number of areas.

Products. Platforms.  
Partnerships.

Underlined by a strong Environmental, Social and Governance (ESG) commitment.

Leading to enhanced long-term competitiveness and sustainability.

---

# FOCUS ON OUR CORE FOR PROFITABLE GROWTH

---

THE PROBABILITY OF FULFILLING GROWTH OBJECTIVES IS SIGNIFICANTLY INCREASED WHEN AN ORGANISATION HAS A WELL-DEFINED GROWTH STRATEGY COMBINED WITH A STRONG EXECUTION INFRASTRUCTURE. A GOOD STRATEGIC FRAMEWORK ENHANCES FOCUS BY LIMITING THE NUMBER OF DIRECTIONS IN WHICH AN ORGANISATION CAN PROCEED.

## Identity

Navin Fluorine is one of the world's few pure-play fluorochemical companies and among the pioneers in the realm of fluorine chemistry in the country.

## Lineage

The Company is the flagship enterprise of the Padmanabh Mafatlal Group. Led by Mr. Vishad Mafatlal (Chairman), the Company is driven by a team of experienced and committed professionals.

## Experience

The Company has been in the business for more than five decades and was one of the pioneers in the fluorination business. Having started with refrigerants, the Company moved up the fluorination value chain through introduction of inorganic fluorides, specialty fluorochemicals and CRAMS.

## Offerings

Navin Fluorine is present across four business segments: refrigerants, inorganic fluorides, specialty fluorochemicals and CRAMS. Fluorine-based knowledge as well as innovative sustainable solutions and products link our areas of expertise with game-changing ideas across raw-material, multiple products and diverse applications.



### Presence

Headquartered in Mumbai, Maharashtra, the Company has manufacturing units in Surat (Gujarat) and Dewas (Madhya Pradesh). The plants are strategically located near major ports, helping it to cater to the export markets.

### Customers

The Company's global customers include large life science and crop science companies, major air-conditioner manufacturers, petrochemical majors and stainless steel companies, among others.

### Expertise

Navin Fluorine possesses deep chemistry and engineering expertise around fluorination, which is finding ever-growing applications across a range of market segments.

### Governance

Governance has been the core pillar of the Company since inception. Responsible care, transparency and sustainability have been the fabric of the Company long before they became industry buzzwords.

### Corporate philosophy

#### Vision

We, at Navin Fluorine, are committed to be a world-class, customer-focused, innovative organisation in the field of fine and specialty chemicals and partner of choice to global air-conditioner manufacturers and crop sciences and life sciences companies.

#### Mission

To provide customers the best 'value for money' by producing world-class specialty fluorochemicals at the most competitive prices

To continue and grow research & development as the sustenance engine of the organisation

To innovate, build and operate chemical plants in the safest and environment-friendly manner

To continuously enhance stakeholder value by optimum utilisation of resources

# A SNAPSHOT OF OUR BUSINESSES

## REFRIGERANTS

**280**

Revenues (₹ cr)

**29**

Share of total revenues (%)

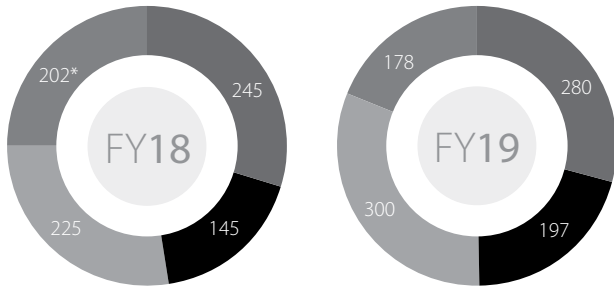
Sold under the Mafron® brand, the Navin Fluorine HCFC22 refrigerant gas was one of the earliest products of its kind in India. The Company provides this product to all major air-conditioning and refrigeration OEMs in the domestic and international markets. The Company is also a significant supplier to the after-market for refrigerant gases.

### Growth drivers

- Very low market penetration for air-conditioners and, hence, greater potential for growth
- Growing disposable incomes and other positive macroeconomic developments
- Favourable weather pattern leading to escalating sales of refrigeration products
- Increasing demand as feedstock use



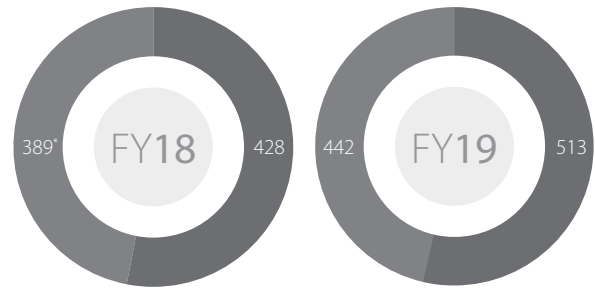
## REVENUES BY SEGMENT



● Refrigerants ● Inorganic fluorides ● Specialty chemicals ● CRAMS ● Domestic ● Exports

\* Excludes Dahej Operations

## REVENUES BY GEOGRAPHY



## INORGANIC FLUORIDES

**197**  
Revenues (₹ cr)

**21**  
Share of total revenues (%)

Navin Fluorine commissioned one of the largest anhydrous hydrofluoric and aqueous hydrofluoric acid manufacturing capacities in India. The Company provides a portfolio of ~10 products.

### Growth drivers

- High GDP growth leading to growth in industrial sectors
- International market expansion
- Pipeline of new products

## SPECIALTY CHEMICALS

**300**  
Revenues (₹ cr)

**31**  
Share of total revenues (%)

Navin Fluorine is one of the strongest players in the specialty fluoro intermediate segment. The Company services prominent global players from the life science, crop science and petrochemicals industries, among others. The Company invested in state-of-the-art multipurpose plants to process value-accretive products and intermediates. This enabled the Company to consistently graduate across the value-chain.

### Growth drivers

- Deep fluorination expertise
- Partnerships with global life science and crop science companies
- Global presence

## CRAMS

**178**  
Revenues (₹ cr)

**19**  
Share of total revenues (%)

More than 50 years of fluorination experience helped Navin Fluorine strengthen its CRAMS competence. The Company is a reliable partner for global life science innovators seeking fluorination services. Navin Fluorine's state-of-the-art CRAMS infrastructure at Dewas has strengthened its value proposition. The Company successfully integrated Manchester Organics Ltd into Navin Fluorine India, providing a flexibility to service global life science customers from multiple locations.

### Growth drivers

- Relationship with global life science innovators
- Strong global technology team
- Experience of half-a-century in the fluorination business
- State-of-the-art cGMP-compliant plant

---

CHAIRMAN'S OVERVIEW

**WE BELIEVE FOCUS IS NOT  
JUST A BUSINESS STRATEGY;  
IT IS AN ETHIC THAT DEFINES  
WHO YOU ARE.**

---

