

**GUJARAT  
FLUOROCHEMICALS  
SINGAPORE PTE. LIMITED**

**AUDITED ANNUAL ACCOUNTS**

**2015-2016**

## **Independent Auditor's Report to the members of Gujarat Fluorochemicals Singapore Pte. Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Gujarat Fluorochemicals Singapore Pte. Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**Independent Auditor's Report to the members of Gujarat Fluorochemicals Singapore Pte. Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016 (continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and cash flows for the year ended on that date.

**Other Matter**

These financial statements have been prepared by the Company for the purpose of preparation of consolidated financial statements of the holding company, Gujarat Fluorochemicals Limited, India, in accordance with the Accounting Standard (AS) 21-Consolidated Financial Statements, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and for providing information as required by section 129(3) of the Act by the holding company.

For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W

M Y Kulkarni  
Partner  
Membership No. 035524

Place: Pune  
Date: 14<sup>th</sup> May, 2016

# Gujarat Fluorochemicals Singapore Pte. Limited

Balance Sheet as at 31st March, 2016

(Amounts in Rs.)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	4	14,69,64,404	14,56,85,004
(b) Reserves and surplus	5	3,03,04,433	2,52,90,710
		<b>17,72,68,837</b>	<b>17,09,75,714</b>
<b>(2) Current liabilities</b>			
(a) Other current liabilities	6	4,02,915	6,76,190
		<b>4,02,915</b>	<b>6,76,190</b>
<b>TOTAL</b>		<b>17,76,71,752</b>	<b>17,16,51,904</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Non-current investments	7	9,91,53,884	9,91,53,884
(b) Long-term loans and advances	8	6,77,73,750	6,39,37,500
		<b>16,69,27,634</b>	<b>16,30,91,384</b>
<b>(2) Current assets</b>			
(a) Cash and bank balances	9	4,29,921	4,21,808
(b) Short-term loans and advances	10	25,02,928	23,60,938
(c) Other current assets	11	78,11,269	57,77,774
		<b>1,07,44,118</b>	<b>85,60,520</b>
<b>TOTAL</b>		<b>17,76,71,752</b>	<b>17,16,51,904</b>
<b>The accompanying notes are an integral part of the financial statements</b>			

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**For Gujarat Fluorochemicals Singapore Pte. Ltd**

**M.Y.Kulkarni**  
Partner

**Mukesh Patni**  
Director

**Deepak Asher**  
Director

Place : Pune

Dated: 14th May, 2016

Place : Noida

Dated: 14th May, 2016

**Gujarat Fluorochemicals Singapore Pte. Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2016**

(Amounts in Rs.)

	Note No.	2015-2016	2014-2015
I. Operating Income	12	20,82,755	19,07,902
II. <b>Total Revenue</b>		<b>20,82,755</b>	<b>19,07,902</b>
III. Expenses	13		
Other expenses		10,15,447	8,13,535
<b>Total Expenses</b>		<b>10,15,447</b>	<b>8,13,535</b>
IV. Profit before tax		<b>10,67,308</b>	<b>10,94,367</b>
V. Less: Tax expense:			
Current tax		4,21,706	3,88,983
<b>VI. Profit for the year</b>		<b>6,45,602</b>	<b>7,05,384</b>
VII. Basic and diluted Earnings Per Share of USD 1 each	16	0.23	0.26
<b><i>The accompanying notes are an integral part of the financial statements</i></b>			

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**For Gujarat Fluorochemicals Singapore Pte. Ltd**

**M.Y.Kulkarni**

Partner

**Mukesh Patni**

Director

**Deepak Asher**

Director

Place : Pune

Dated: 14th May, 2016

Place : Noida

Dated: 14th May, 2016

**Gujarat Fluorochemicals Singapore Pte. Limited**  
**Cash Flow Statement for the year ended 31st March, 2016**

(Amounts in Rs.)

	2015-2016	2014-2015
<b>A Cash flow from operating activities</b>		
Profit before tax	10,67,308	10,94,367
Adjustments for :		
Interest income	(20,82,755)	(19,02,593)
<i>Operating Loss before working capital changes</i>	(10,15,447)	(8,08,226)
Adjustments for :		
Short term loans and advances	(10,740)	(99,594)
Trade payables	(2,24,015)	3,19,515
Cash used in operations	(12,50,202)	(5,88,305)
Income tax paid (net)	(4,21,706)	(3,88,983)
<b>Net cash used in operating activities</b>	(16,71,908)	(9,77,288)
<b>B Cash flow from investing activities</b>		
Short-term Inter-corporate deposit given	-	(21,87,500)
<b>Net cash used in investing activities</b>	-	(21,87,500)
<b>C Cash flow from financing activities</b>		
Proceeds from issue of equity shares	12,79,400	21,48,475
<b>Net cash generated from financing activities</b>	12,79,400	21,48,475
<b>D Adjustment on account of foreign currency translation reserve</b>	4,00,621	2,70,795
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,113	(7,45,518)
Cash and cash equivalents as at the beginning of the year	4,21,808	11,67,326
Cash and cash equivalents as at the end of the year	4,29,921	4,21,808
<b>Note:</b> 1) Cash Flow Statement is prepared and presented under the 'Indirect Method'. 2) Components of cash and cash equivalents are as per note no.9 3) The accompanying notes are an integral part of the financial statements		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
 Chartered Accountants

**For Gujarat Fluorochemicals Singapore Pte. Ltd**

**M.Y.Kulkarni**  
 Partner

**Mukesh Patni**  
 Director

**Deepak Asher**  
 Director

Place : Pune  
 Dated: 14th May, 2016

Place : Noida  
 Dated: 14th May, 2016

# **Gujarat Fluorochemicals Singapore Pte. Limited**

## **Notes to the financial statements for the year ended 31st March, 2016**

### **1. CORPORATE INFORMATION**

Gujarat Fluorochemicals Singapore Pte. Limited (the 'Company') is incorporated in Singapore and is a wholly-owned subsidiary of Gujarat Fluorochemicals Limited, India. The Company has been set up for the purpose of investment activities. The Company has invested in joint venture in Morocco for mining of fluorspar.

These financial statements have been prepared by the Company for the purposes of publication of summarized financial information in the consolidated financial statements of its holding company, Gujarat Fluorochemicals Limited, India, as required by section 129(3) of the Companies Act, 2013 and for the purpose of preparation of consolidated financial statement of the holding company, in accordance with the Accounting Standard (AS) 21 – Consolidated Financial Statements.

The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 133 of the Act, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard (AS) 11 – Effects of Changes in Foreign Exchange Rates.

### **2. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Figures of the previous year have been regrouped or rearranged, wherever necessary, to confirm with the classification of the current year.

### **3. SIGNIFICANT ACCOUNTING POLICIES:**

#### **a) INVESTMENTS**

Long term Investments are carried at cost. Provision for diminution is made to recognise the decline, other than temporary, in the values of these investments.

#### **b) REVENUE RECOGNITION**

Interest income is recognised on a time proportion basis taking in to account the amount outstanding and the applicable interest rate. Dividend income is recognised when the unconditional right to receive the dividend is established.

## **Gujarat Fluorochemicals Singapore Pte. Limited**

### **Notes to the financial statements for the year ended 31st March, 2016**

#### **3. SIGNIFICANT ACCOUNTING POLICIES- CONTINUED:**

**c) FOREIGN CURRENCY TRANSACTIONS:**

The accounts are translated in Indian Rupees as follows:-

- 1) Share capital is retained at the initial contribution amount.
- 2) Assets & Liabilities are translated at the rates prevailing on the date of Balance Sheet.
- 3) Revenue transactions are translated at the average exchange rates prevailing during the year.
- 4) The resultant differences are accounted as translation reserve in the Balance Sheet.

**d) TAXES ON INCOME:**

Tax on income for the current year is determined on the basis of taxable income computed in accordance with the provisions of the Singapore income-tax laws.

**e) IMPAIRMENT OF ASSETS:**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets and impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

**f) PROVISIONS AND CONTINGENT LIABILITIES :**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

**g) USE OF ESTIMATES:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



# Gujarat Fluorochemicals Singapore Pte. Limited

## Notes to the financial statements for the year ended 31st March, 2016

(Amounts in Rs.)

<b>4 Share capital</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Paid up capital		
27,71,000 (Previous year 27,36,000) equity shares of USD 1 each	14,69,64,404	14,56,85,004
<b>Total</b>	<b>14,69,64,404</b>	<b>14,56,85,004</b>

<b>a) Reconciliation of the equity capital at the beginning and at the end of the reporting period</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
	<b>Nos</b>	<b>Nos</b>	<b>Rs.</b>	<b>Rs.</b>
Beginning of the year	27,71,000	27,36,000	14,56,85,004	14,35,36,529
Add: shares issued during the year	20,000	35,000	12,79,400	21,48,475
Outstanding at the end of the year	27,91,000	27,71,000	14,69,64,404	14,56,85,004

### b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in USD. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding.

<b>c) Equity capital held by holding/ultimate holding company and /or their subsidiaries</b>	<b>As at 31st March, 2016 Nos.</b>	<b>As at 31st March, 2015 Nos.</b>	<b>As at 31st March, 2016 Rs.</b>	<b>As at 31st March, 2015 Rs.</b>
Holding Company - Gujarat Fluorochemicals Limited, India	27,91,000	27,71,000	14,69,64,404	14,56,85,004

<b>d) Details of shareholders holding more than 5% equity capital in the company</b>	<b>As at 31st March, 2016 Nos.</b>	<b>As at 31st March, 2015 Nos.</b>	<b>As at 31st March, 2016 % of the holding</b>	<b>As at 31st March, 2015 % of the holding</b>
Gujarat Fluorochemicals Limited, India	27,91,000	27,71,000	100.00%	100.00%

# Gujarat Fluorochemicals Singapore Pte. Limited

## Notes to the financial statements for the year ended 31st March, 2016

		(Amounts in Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
<b>5</b>	<b><u>Reserves and surplus</u></b>		
	Foreign Currency Transalation Reserve		
	As per last Balance Sheet	2,35,35,263	2,05,94,438
	Movement during the year	43,68,121	29,40,825
	Balance as at the end of the year	2,79,03,384	2,35,35,263
	Surplus in the Statement of Profit and Loss	17,55,447	10,50,063
	Profit for the year	6,45,602	7,05,384
	Balance as at the end of the year	24,01,049	17,55,447
	<b>Total</b>	<b>3,03,04,433</b>	<b>2,52,90,710</b>
<b>6</b>	<b><u>Other current liabilities</u></b>		
	Expenses payable	4,02,915	6,76,190
	<b>Total</b>	<b>4,02,915</b>	<b>6,76,190</b>
<b>7</b>	<b><u>Non-current investment</u></b>		
	Investment in equity instruments (Long term, non-trade, at cost, unquoted)		
	Investment in subsidiary company GFL GM Fluorspar SA, Morocco 1,39,230 Equity shares of MAD 100 each, fully paidup	9,91,53,884	9,91,53,884
	<b>Total</b>	<b>9,91,53,884</b>	<b>9,91,53,884</b>

Note - The Holding company has provided an undertaking to the lenders of GFL GM Fluorspar SA that the Company will not dilute its stake in GFL GM Fluorspar SA to below 51%

# Gujarat Fluorochemicals Singapore Pte. Limited

## Notes to the financial statements for the year ended 31st March, 2016

		(Amounts in Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
<b>8</b>	<b><u>Long-term loans and advances</u></b>		
	(Unsecured, considered good)		
	Loans and advances to related party		
	Inter-corporate deposits to subsidiary company	6,77,73,750	6,39,37,500
	<b>Total</b>	<b>6,77,73,750</b>	<b>6,39,37,500</b>
The unsecured inter-corporate deposits are repayable on 30th April, 2017, carry interest @ 3% p.a. and are given for acquisition of fixed assets and general business purpose.			
<b>9</b>	<b><u>Cash and bank balances</u></b>		
	Cash and cash equivalents -		
	Balances with banks - in current accounts	4,29,921	4,21,808
	<b>Total</b>	<b>4,29,921</b>	<b>4,21,808</b>
<b>10</b>	<b><u>Short-term loans and advances</u></b>		
	(Unsecured, considered good)		
	Loans and advances to related party		
	Inter-corporate deposits to subsidiary company	23,18,750	21,87,500
	Prepaid expenses	1,84,178	1,73,438
	<b>Total</b>	<b>25,02,928</b>	<b>23,60,938</b>
The unsecured inter-corporate deposit is repayable on demand, carries interest @ 3% p.a. and is given for general business purpose.			
<b>11</b>	<b><u>Other current assets</u></b>		
	Interest accrued on Inter-corporate deposits from subsidiary company	78,11,269	57,77,774
		<b>78,11,269</b>	<b>57,77,774</b>

## Gujarat Fluorochemicals Singapore Pte. Limited

### Notes to the financial statements for the year ended 31st March, 2016

	(Amounts in Rs.)	
	2015-2016	2014-2015
<b>12 <u>Operating income</u></b>		
Interest on inter-corporate deposit from subsidiary company	20,82,755	19,02,593
Net gain on foreign currency transactions and translation	-	5,309
<b>Total</b>	<b>20,82,755</b>	<b>19,07,902</b>
<b>13 <u>Other expenses</u></b>		
Legal & professional fees & expenses	8,38,960	6,43,297
Tax compliance fee	70,687	70,485
Rates & taxes	53,600	89,613
Miscellaneous expenses	39,734	10,140
Net loss on foreign currency transaction and translation (Net)	12,466	-
<b>Total</b>	<b>10,15,447</b>	<b>8,13,535</b>

## Gujarat Fluorochemicals Singapore Pte. Limited

### Notes to the financial statements for the year ended 31st March, 2016

#### 14. Segment Information

The Company operates in a single business segment viz. Investment activity. Further, entire investment of the Company is in Morocco and hence there is a single geographical segment.

#### 15. Related Party Disclosures:

##### A) Names of Related Parties where control exists:

- (i) Gujarat Fluorochemicals Limited, India (Holding Company)
- (ii) Inox Leasing and Finance Limited, India (Ultimate Holding Company)
- (iii) GFL GM Fluorspar SA, Morocco (Subsidiary Company)

##### B) Transactions during the year :-

##### i) With Gujarat Fluorochemicals Limited, India:

(Amounts in Rs.)

Sr.No	Particulars	2015-2016	2014-2015
a)	Issue of equity shares	12,79,400	21,48,475

##### ii) With GFL GM Fluorspar SA:

(Amounts in Rs.)

Sr.No	Particulars	2015-2016	2014-2015
a)	Inter-corporate deposit given	-	21,87,500
b)	Interest on Inter-corporate deposit	20,82,755	19,02,593

##### iii) Amount outstanding with GFL GM Fluorspar SA as at the end of the year:

(Amounts in Rs.)

Sr.no.	Particulars	2015-2016	2014-2015
a)	Inter corporate deposit outstanding	7,00,92,500	6,61,25,000
b)	Interest receivable	78,11,269	57,77,774

## Gujarat Fluorochemicals Singapore Pte. Limited

### Notes to the financial statements for the year ended 31st March, 2016

#### 16. Calculation of Earnings Per Share (EPS) :

Particulars	2015-2016	2014-2015
Net Profit as per Statement of Profit & Loss (Rs.)	6,45,602	7,05,384
No. of Equity Shares at the beginning of the year (Nos.)	27,71,000	27,36,000
No. of Equity Shares issued during the year (Nos.)	20,000	35,000
No. of Equity Shares outstanding at the end of the year (Nos.)	27,91,000	27,71,000
Weighted average no. of Equity Shares used in computing basic and diluted EPS (Nos.)	27,88,923	27,50,575
Basic and Diluted EPS (Rs.)	0.23	0.26

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As per our report of even date attached  
**For Patankar & Associates**  
Chartered Accountants

**For Gujarat Fluorochemicals Singapore Pte. Limited**

**M.Y.Kulkarni**  
Partner

**Mukesh Patni**  
Director

**Deepak Asher**  
Director

Place: Pune  
Date : 14<sup>th</sup> May, 2016

Place: Noida  
Date : 14<sup>th</sup> May, 2016