GFL GM FLUORSPAR SA

AUDITED ANNUAL ACCOUNTS

2017-2018

Independent Auditor's Report to the Board of Directors of Gujarat Fluorochemicals Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **GFL GM Fluorspar SA** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's management is responsible for the preparation of the Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act").

This responsibility also includes maintenance of adequate accounting records 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 Ind AS 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 the Ind AS financial statements based on our audit.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 management, as well as evaluating the overall presentation of the Ind AS financial statements.

Independent Auditor's Report to the Board of Directors of Gujarat Fluorochemicals Limited on the Ind AS Financial Statements for the year ended 31st March 2018 *(continued)*

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India Including the Ind AS, of the financial position of the Company as at 31st March 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity and for the year ended on that date.

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

S S Agrawal
Partner
Membership No. 049051

Place: Vadodara
Date: 24th May 2018

GFL GM FLUORSPAR SA

Balance Sheet as at 31st March, 2018

(Rs. In Lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
(1) ***Non-current assets***			
(a) Property, plant & equipment	5	138.93	39.44
(b) Capital work-in-progress	6	9,373.21	6,284.55
(c) Intangible assets	7	810.21	811.67
(d) Financial assets			
(i) Loans	8	38.84	35.37
(e) Other non-current assets	9	1,079.26	560.78
Sub-total		**11,440.45**	**7,731.81**
(2) ***Current Assets***			
(a) Financial Assets			
(i) Cash & cash equivalents	10	469.23	456.81
(ii) Loans	8	21.35	10.75
(iii) Other financial assets	11	61.40	-
(b) Other current assets	9	0.29	4.17
Sub-total		**552.27**	**471.73**
Total Assets		**11,992.72**	**8,203.54**
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	12	1,349.96	1,349.96
(b) Other equity	13	(1,648.76)	(1,422.71)
Sub-total		**(298.80)**	**(72.75)**
LIABILITIES			
(1) ***Non-current liabilities***			
(a) Financial liabilities			
(i) Borrowings	14	8,487.51	5,573.63
Sub-total		**8,487.51**	**5,573.63**
(2) ***Current liabilities***			
(a) Financial liabilities			
(i) Borrowings	15	912.49	686.11
(ii) Trade payables	16	201.68	25.97
(iii) Other financial liabilities	17	2,207.27	1,654.38
(b) Other current liabilities	18	471.04	325.90
(c) Provisions	19	11.53	10.30
Sub-total		**3,804.01**	**2,702.66**
Total Equity & Liabilities		**11,992.72**	**8,203.54**
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 GFL GM Fluorspar SA

S.S.Agrawal
Partner

Deepak Asher
Chairman and
Managing Director

V. K. Soni
Director

Place: Vadodara
Date : 24th May, 2018

Place: Noida
Date : 24th May, 2018

GFL GM FLUORSPAR SA

Statement of Profit and Loss for the year ended on 31st March, 2018 **(Rs. In Lakhs)**

	Particulars	Notes	2017-2018	2016-2017
	Revenue			
I	Revenue from operations		-	-
II	Other income	20	147.92	1.36
III	**Total Revenue (I+II)**		**147.92**	**1.36**
IV	**Expenses**			
	Employee benefits expense	21	33.95	18.78
	Finance costs	22	86.81	34.07
	Depreciation and amortisation expense	23	97.93	80.93
	Other expenses	24	145.98	142.63
	Total expenses (IV)		**364.67**	**276.41**
V	**Loss before tax (III-IV)**		**(216.75)**	**(275.05)**
VI	Tax expense	25		
	(1) Current tax		-	0.37
	(2) Taxation pertaining to earlier years		0.02	0.56
			0.02	**0.93**
VII	**Loss for the year (V-VI)**		**(216.77)**	**(275.98)**
VIII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statements of foreign operations		(9.28)	(3.02)
	Total other comprehensive income		**(9.28)**	**(3.02)**
IX	**Total comprehensive income for the year**		**(226.05)**	**(279.00)**
X	Basic and Diluted loss per equity share	27	(115.21)	(146.68)

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 GFL GM Fluorspar SA

S.S.Agrawal
Partner

Deepak Asher
Chairman and Managing Director

V. K. Soni
Director

Place: Vadodara
Date : 24th May, 2018

Place: Noida
Date : 24th May, 2018

GFL GM FLUORSPAR SA

Statement of Cash flows for the year ended 31st March, 2018

(Rs. In Lakhs)

	Particulars	2017-2018	2016-2017
A	**Cash flow from operating activities**		
	Loss for the year	(216.77)	(275.98)
	Adjustments for :		
	Tax expense	0.02	0.93
	Finance costs	86.81	34.07
	Depreciation and amortization expenses	97.93	80.93
	Interest on deposit	-	(1.36)
	Exchange difference on translation of assets and liabilities	(85.94)	38.50
	Operating loss before working capital changes	(117.95)	(122.91)
	Adjustments for :		
	(Increase)/ decrease in Long-term loans	(3.47)	(1.22)
	(Increase)/ decrease in Short-term loans	(10.60)	(7.18)
	(Increase)/ decrease in Other non current assets	(551.47)	(295.24)
	(Increase)/ decrease in Other current financial assets	(61.40)	7.00
	(Increase)/ decrease in Other current assets	3.88	(3.72)
	Increase/ (decrease) in Other current financial liabilities	462.68	(15.11)
	Increase/ (decrease) in Short-term provisions	1.23	10.30
	Increase/ (decrease) in Other non-current liabilities	145.14	307.66
	Increase/ (decrease) in Trade payables	141.68	2.60
	Cash generated/(used in) operations	9.72	(117.82)
	Income tax paid (net)	(0.02)	(0.52)
	Net cash used in from operating activities	9.70	(118.34)
B	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment (including changes in capital advances and Capital WIP)	(3,029.90)	(2,885.71)
	Interest on deposit received	-	1.36
	Net cash used in investing activities	(3,029.90)	(2,884.35)
C	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	3,363.18	3,017.51
	Repayment of long-term borrowings	(1,206.59)	-
	Proceeds from short-term borrowings (net)	912.49	-
	Finance lease payments	(36.46)	-
	Net cash generated from financing activities	3,032.62	3,017.51
	Net increase in cash and cash equivalents	12.42	14.82
	Cash and cash equivalents as at the beginning of the year	456.81	441.99
	Cash and cash equivalents as at the end of the year	469.23	456.81

GFL GM FLUORSPAR SA
Statement of Cash flows for the year ended 31st March, 2018 - continued

Changes in liabilities arising from financing activities during the year ended 31st March, 2018

Particulars	**Non-current Borrrowing**	**Current Borrrowing**
Opening balance	6,874.70	747.80
Transfers	747.80	(747.80)
Acquisitions – finance leases	106.29	-
Cash flows	2,120.13	912.49
Interest expense	458.16	71.47
Interest paid	(377.74)	(67.00)
Foreign exchange loss/(gain)	6.67	-
Closing balance	9,936.01	916.96

Note:
1) Components of cash and cash equivalents are as per Note 10
2) The above Statement of cash flows has been prepared under the indirect method.
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

S.S.Agrawal
Partner

Place: Vadodara
Date : 24th May, 2018

For GFL GM Fluorspar SA

Deepak Asher
Chairman and
Managing Director

V. K. Soni
Director

Place: Noida
Date : 24th May, 2018

GFL GM FLUORSPAR SA

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital	(Rs. In Lakhs)
Balance as at 1st April, 2016	**1,349.96**
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,349.96**
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	**1,349.96**

B. Other Equity (Rs. In Lakhs)

Particulars	Reserves & Surplus	Other comprehensive income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance as at 1st April, 2016	**(1,062.54)**	**(81.17)**	**(1,143.71)**
Loss for the year	(275.98)	-	(275.98)
Other comprehensive income for the year	-	(3.02)	(3.02)
Total comprehensive income for the year	(275.98)	(3.02)	(279.00)
Balance as at 31st March, 2017	**(1,338.52)**	**(84.19)**	**(1,422.71)**
Loss for the year	(216.77)	-	(216.77)
Other comprehensive income for the year	-	(9.28)	(9.28)
Total comprehensive income for the year	(216.77)	(9.28)	(226.05)
Balance as at 31st March, 2018	**(1,555.29)**	**(93.47)**	**(1,648.76)**

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S.S.Agrawal
Partner

Place: Vadodara
Date : 24th May, 2018

For GFL GM Fluorspar SA

Deepak Asher
Chairman and Managing Director

V. K. Soni
Director

Place: Noida
Date : 24th May, 2018

1. Company information

GFL GM Fluorspar SA ("the Company") is engaged in the business of exploration of Fluorspar mines and is incorporated in Morocco. The Company is a subsidiary of Gujarat Fluorochemicals Pte. Limited, Singapore which is a subsidiary of Gujarat Fluorochemicals Limited, India and its ultimate holding company is Inox Leasing and Finance Limited. The Company is a venture between Gujarat Fluorochemicals Singapore Pte. Limited and Global Mines SARL. All the activities of the Company are in Morocco.

The Company's registered office is located at 419 BD Ibntachfin, 1st Floor, Casablanca, Morocco.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), and are prepared for the purpose of preparation of consolidated financial statements of the holding company, Gujarat Fluorochemicals Limited, India.

2.2 Basis of Measurement

The functional currency of the Company is Moroccan Dirhams (MAD). However, for purposes of compliance with the requirements of the Act, as aforesaid, these financial statements have been translated into Indian Rupees, being presentation currency, in accordance with the methodology prescribed for conversion of financial statements in Indian Accounting Standard (Ind-AS) 21: Effects of Changes in Foreign Exchange Rates. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

For the purpose of presenting these financial statements, the assets and liabilities of the Company are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

These financial statements have been prepared on 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.

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.

2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the transition date. The transition was carried out from the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) which was the Previous GAAP.

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.

The financial statements have been prepared on accrual and going concern basis.

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.

These financial statements were authorized for issue by the Company's Board of Directors on 24th May, 2018.

3. Significant Accounting Policies

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of indirect taxes.

3.1.1 Other income

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.

3.2 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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for 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, 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;

3.3 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.

3.4 Employee benefits

3.4.1 Retirement benefit costs

Recognition and measurement of defined contribution plans:

Payments to defined contribution retirement benefit plan viz. Contribution to Assurance Maladie Obligatoire (AMO) and CNSS are recognised as an expense when employees have rendered service entitling them to the contributions.

The Company presents the component of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

3.4.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.5.1 Current tax

The tax currently payable is based on taxable profit for the year computed in accordance with the provisions of the Morocco Income tax laws. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible and tax incentives.

3.5.2 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 generally 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.5.3 Presentation of current and deferred tax :

Current and deferred tax are recognised in profit or 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.

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.

3.6 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, PPE 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 respect of accounting period commencing on or after 1 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 3.2).

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 property, plant and equipment 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 property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Furniture and fixtures 5 years
- Computers 3 years
- Office equipment 5 years
- Plant and equipments 15 years

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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.7 Intangible assets

Intangible assets

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.

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 the intangible assets are as follows:

- Mining Rights 16 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.8 Impairment of tangible and intangible assets

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 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 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.

3.9 Leasing

The Company as lessee:

Leases of property, plant and equipment where the Company, as lessee, has substantially acquired all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.10 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.

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.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.11 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:

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:
a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

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, joint ventures and associate companies. 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.

The Company does not have any financial assets in this category.

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 or 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.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Financial assets measured at amortized cost
ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any exposure to trade receivables.

In case of other assets (listed as i and ii 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-monthECL.

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.

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.

iii. 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 the 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 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 profit or 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.

3.12 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

3.13 Recent accounting pronouncements

a) On 28th March, 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Company from 1st April, 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This amendment has no impact on the financial statements of the Company.

b) On 28th March, 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The effect on the financial statements is being evaluated by the Company.

4. Critical accounting judgements and use of estimates

In application of Company's accounting policies, which are described in Note 3, the management of the Company are required 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.

4.1 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of Property, Plant & Equipment (PPE) & Intangible assets

The Company has adopted useful lives of PPE as described in Note 3.6 & 3.7 above. The Company reviews the estimated useful lives of PPE and intangible assets at the end of each reporting period.

b) Other assumptions and estimation uncertainties, included in respective notes are as under:

- Estimation of current tax expense and payable, recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – see Note 25

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Notes to the financial statements for the year ended 31st March, 2018

5: Property, plant & equipment **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Carrying amount of:		
Plant and equipments under finance lease	100.97	-
Furniture & fixtures	27.00	31.45
Office equipments	10.96	7.99
	138.93	**39.44**

(Rs. In Lakhs)

Particulars	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
I. Cost or Deemed Cost				
Balance as at 1st April, 2016	**-**	**16.42**	**2.75**	**19.17**
Additions	-	22.48	7.52	**30.00**
Effect of foreign currency translation differences	-	(0.97)	(0.17)	**(1.14)**
Balance as at 31st March, 2017	**-**	**37.93**	**10.10**	**48.03**
Additions	106.29	0.66	5.60	**112.55**
Effect of foreign currency translation differences	-	3.73	1.01	**4.74**
Balance as at 31st March, 2018	**106.29**	**42.32**	**16.71**	**165.32**

(Rs. In Lakhs)

Particulars	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
II. Accumulated depreciation				
Balance as at 1st April, 2016	**-**	**1.02**	**0.55**	**1.57**
Depreciation for the year	-	5.53	1.61	**7.14**
Effect of foreign currency translation differences	-	(0.07)	(0.05)	**(0.12)**
Balance as at 31st March, 2017	**-**	**6.48**	**2.11**	**8.59**
Depreciation for the year	5.32	8.19	3.40	**16.91**
Effect of foreign currency translation differences	-	0.65	0.24	**0.89**
Balance as at 31st March, 2018	**5.32**	**15.32**	**5.75**	**26.39**

(Rs. In Lakhs)

Particulars	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
III. Net Carrying amount				
Balance as at 31st March, 2017	-	31.45	7.99	**39.44**
Balance as at 31st March, 2018	100.97	27.00	10.96	**138.93**

The lease term in respect of assets acquired under finance lease will be valid for five years from the date of commissioning of the plant. Under the terms of the lease, the Company will get all the rights, title and interest in the plant on payment of MAD 1 only immediately after the end on the term.

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Notes to the financial statements for the year ended 31st March, 2018

7: Intangible assets **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Carrying amount of:		
Mining Rights	810.21	811.67
	810.21	**811.67**

(Rs. In Lakhs)

Particulars	Mining Rights	Total
I. Cost or Deemed Cost		
Balance as at 1st April, 2016	**1,019.16**	**1,019.16**
Effect of foreign currency translation differences	(68.91)	**(68.91)**
Balance as at 31st March, 2017	**950.25**	**950.25**
Effect of foreign currency translation differences	114.59	**114.59**
Balance as at 31st March, 2018	**1,064.84**	**1,064.84**

(Rs. In Lakhs)

Particulars	Mining Rights	Total
II. Accumulated amortization		
Balance as at 1st April, 2016	**78.40**	**78.40**
Amortization expense for the year	73.79	**73.79**
Effect of foreign currency translation differences	(13.61)	**(13.61)**
Balance as at 31st March, 2017	**138.58**	**138.58**
Amortization expense for the year	81.02	**81.02**
Effect of foreign currency translation differences	35.03	**35.03**
Balance as at 31st March, 2018	**254.63**	**254.63**

(Rs. In Lakhs)

Particulars	Mining Rights	Total
III. Net Carrying amount		
Balance as at 31st March, 2017	811.67	**811.67**
Balance as at 31st March, 2018	810.21	**810.21**

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Notes to the financial statements for the year ended 31st March, 2018

6: Capital Work-in-progress **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital work-in-progress	6,280.49	4,851.26
Pre-operative expenses	3,092.72	1,433.29
	9,373.21	**6,284.55**
Pre-operative expenses (included above)		
As per last Balance Sheet	1,433.29	467.64
Movement during the year :		
Legal and professional fees	103.73	51.00
Borrowing costs	442.82	269.45
Rates & taxes	24.91	-
Salaries and wages	316.08	125.82
Contribution to funds	48.34	25.12
Insurance	8.79	1.38
Travelling expenses	135.73	43.27
Net (gain)/loss on foreign currency transactions and translation	(555.88)	154.86
Consumables	1,248.29	267.33
Miscellaneous expenses	33.02	27.42
Sub-total	**1,805.83**	**965.65**
Income from sale of testing material	(146.40)	-
Balance as at the end of the year	**3,092.72**	**1,433.29**

The weighted average cost of capitalization rate is 5.47% as at 31st March,2018 (5.11% as at 31st March, 2017)

Of the above, all the movable fixed assets have been pledged as security (for security see Note 14)

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Notes to the financial statements for the year ended 31st March, 2018

8: Loans

(Unsecured, considered good) **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current		
Security deposits	38.84	35.37
	38.84	**35.37**
Current		
Security deposits	21.35	10.75
	21.35	**10.75**

9: Other assets **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current		
Capital advances	7.81	40.80
Balances in VAT accounts	1,071.45	519.98
Total	**1,079.26**	**560.78**
Current		
Advance to employees	0.29	4.17
	0.29	**4.17**

10: Cash & cash equivalents **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balances with banks - in current accounts	469.23	456.81
	469.23	**456.81**

11: Other current financial assets **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Recoverable from related party	61.40	-
	61.40	**-**

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Notes to the financial statements for the year ended 31st March, 2018

12: Equity share capital (Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Authorised capital		
1,88,150 (31st March, 2017: 1,88,150) equity shares of MAD 100 each	1,349.96	1,349.96
Issued, subscribed and fully paid up capital		
1,88,150 (31st March, 2017: 1,88,150) equity shares of MAD 100 each	1,349.96	1,349.96
	1,349.96	**1,349.96**

Reconciliation of equity shares outstanding at the beginnning and at the end of the year

As at 31st March, 2018	**Nos.**	**(Rs. In Lakhs)**
At the beginning of the year	1,88,150	1,349.96
At the end of the year	**1,88,150**	**1,349.96**

As at 31st March, 2017	**Nos.**	**(Rs. In Lakhs)**
At the beginning of the year	1,88,150	1,349.96
At the end of the year	**1,88,150**	**1,349.96**

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of MAD 100 each. Each holder of equity shares is entitled to one vote per share. 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.

Shares held by holding company

As at 31st March, 2018	**(Nos.)**	**(Rs. In Lakhs)**
Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	991.54

As at 31st March, 2017	**(Nos.)**	**(Rs. In Lakhs)**
Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	991.54

Details of shareholders holding more than 5% shares in the company	**(Nos.)**	**Holding %**
As at 31st March, 2018		
a) Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%
As at 31st March, 2017		
a) Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%

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Notes to the financial statements for the year ended 31st March, 2018

13: Other equity **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Foreign currency translation reserve	(93.47)	(84.19)
Retained earnings	(1,555.29)	(1,338.52)
	(1,648.76)	**(1,422.71)**
a) Foreign currency translation reserve		
As per last Balance Sheet	(84.19)	(81.17)
Movement during the year	(9.28)	(3.02)
Balance as at the end of the year	**(93.47)**	**(84.19)**

Foreign curreny translation reserve is on account of translation of assets and liabilities from functional to presentation currency - see Note 2.2

Particulars	As at 31st March, 2018	As at 31st March, 2017
b) Retained earnings		
Balance at beginning of the year	(1,338.52)	(1,062.54)
Loss for the year	(216.77)	(275.98)
Balance at the end of the year	**(1,555.29)**	**(1,338.52)**

14: Non-current borrowings **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured:		
A) From Bank		
External Commercial Borrowing from EXIM Bank	4,977.59	6,185.07
Less: Current maturities of long-term borrowings (see Note 17)	1,237.73	1,231.50
Less: Interest accrued (see Note 17)	27.55	28.44
	3,712.31	4,925.13
B) Long-term maturities of finance lease obligations		
Obligations under finance leases	88.68	-
Less: Current maturities of finance leases (see Note 17)	18.03	-
	70.65	-
Total secured loans	3,782.96	4,925.13
Unsecured:		
Loans and Advances from related party		
Inter-corporate deposit from the holding company	4,869.74	689.63
Less: Interest accrued (see Note 17)	165.19	41.13
Total unsecured loans	4,704.55	648.50
	8,487.51	**5,573.63**

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Notes to the financial statements for the year ended 31st March, 2018

Security and terms of secured borrowings:

External commercial borrowing of USD 7.60 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 Corprorate Guarantee of Gujarat Fluorochemicals Limited, India - the intermediate holding 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.

The obligation under finance lease is repayable in 60 equated monthly instalments of MAD 36,960 at an effective interest rate of 16.60% p.a.

Terms of unsecured borrowings:

The unsecured inter-corporate deposit of USD 7.22 million from GFL Singapore Pte Ltd. carries interest @ 3% p.a. and is repayable on 30th April, 2021.

15: Current borrowings **(Rs. In Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured:		
From Bank		
- working capital borrowing from EXIM Bank	916.96	-
Less: Interest accrued (see Note 17)	4.47	-
	912.49	-
Unsecured:		
Loans and advances from related party		
- Inter-corporate deposit from the holding company	-	747.80
Less: Interest accrued (see Note 17)	-	61.69
	-	686.11
	912.49	**686.11**

Terms of secured borrowings:

Working Capital borrowing of USD 1.40 million is secured by exclusive charge on inventories, present and future receivables from Gujarat Fluorochemicals Limited, India (GFL) and irrevocable Corporate Guarantee of GFL and carries interest @ 6 months LIBOR plus 3.5% p.a. and is repayable at the end of 180 days from the date of disbursement.

Terms of unsecured borrowings:

The unsecured inter-corporate deposit of USD 1.06 million from GFL Singapore Pte Ltd. carried interest @ 3% p.a. and was repayable on 30th April, 2017. During the year, the repayment date is extended to 30th April, 2021 and consequently the inter-corporate deposit is classified under ''Non-current borrowings.''

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Notes to the financial statements for the year ended 31st March, 2018

16: Trade payables (Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade payables	201.68	25.97
	201.68	**25.97**

17: Other financial liabilities (Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Current maturities of long-term borrowings (from Note 14)	1,237.73	1,231.50
Current maturities of finance lease (from Note 14)	18.03	-
Interest accrued (from Note 14)	197.21	131.26
Creditors for capital expenditure	579.27	229.50
Payable to related party	80.38	17.27
Employee dues	1.83	18.57
Expenses payable	92.82	26.28
	2,207.27	**1,654.38**

18: Other current liabilities (Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory duties and taxes payable	79.97	34.07
Advance from customer - from related party	391.07	291.83
	471.04	**325.90**

19: Provisions (Rs. In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current		
Compensated absences	11.53	10.30
	11.53	**10.30**

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Notes to the financial statements for the year ended 31st March, 2018

20: Other income **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Interest income on deposits, calculated using effective interest method	-	1.36
Net gain on foreign currency transactions and translation	145.98	-
Miscellaneous income	1.94	-
	147.92	**1.36**

21: Employee benefits expense **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Salaries and wages	29.83	17.55
Contribution to funds	4.12	1.23
	33.95	**18.78**

22: Finance costs **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Interest expenses calculated using effective interest method		
Interest on loans	442.82	269.45
Interest on inter-corporate deposit	67.96	34.07
Finance charges on lease	18.85	-
Sub-total	529.63	303.52
Less: borrowing costs capitalised	(442.82)	(269.45)
	86.81	**34.07**

23: Depreciation and amortisation expense **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Depreciation of property, plant & equipment	16.91	7.14
Amortization of intangible asset	81.02	73.79
	97.93	**80.93**

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Notes to the financial statements for the year ended 31st March, 2018

24: Other expenses **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Legal and professional fees and expenses	71.14	41.31
Insurance	0.53	0.26
Rent	11.68	11.87
Rates and taxes	0.81	1.05
Communication expenses	4.89	2.90
Travelling expenses	10.43	-
Bank charges	15.84	1.94
Net loss on foreign currency transactions and translation	-	58.13
Miscellaneous expenses	30.66	25.17
	145.98	**142.63**

25: Tax Expense **(Rs. In Lakhs)**

Particulars	2017-2018	2016-2017
Current tax	-	0.37
Taxation pertaining to earlier years	0.02	0.56
	0.02	**0.93**

The current tax amount represents the minimim income tax that is payable as per Moroccan Tax Laws.

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31st March, 2018

26 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 viz. Exploitation of Fluorspar mines. Hence the Company is having only one reportable business segment under Ind AS 108 : Operating segment. Further, all the mining activities of the Company are in Morocco and hence there is a single geographical segment.

27 Earnings per share

Particulars	2017-2018	2016-2017
Net loss as per statement of Profit & Loss (Rs. In lakhs)	(216.77)	(275.98)
No. of Equity Shares at beginning of the year (Nos.)	1,88,150	1,88,150
No. of Equity Shares outstanding at the end of the year (Nos.)	1,88,150	1,88,150
Weighted average no. of Equity Shares used in computing basic and diluted EPS (Nos.)	1,88,150	1,88,150
Basic and Diluted loss per share (Rs.)	**(115.21)**	**(146.68)**

28 Employee Benefits:

The Company operates defined contribution retirement benefit plans for all qualifying employees.

Contibution to Assurance Maladie Obligatoire (AMO) of Rs. 15.43 Lakhs , of which Rs. 14.38 Lakhs is capitalised in CWIP (previous year Rs. 8.22 Lakhs, recognised in CWIP Rs. 7.95 Lakhs).

Contibution to CNSS of Rs. 37.03 Lakhs, of which Rs. 33.96 Lakhs is capitalised in CWIP (previous year Rs. 18.13 Lakhs, recognised in CWIP Rs. 17.17 Lakhs).

29 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) of Rs. 458.15 Lakhs (previous year Rs. 752.71 Lakhs).

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Notes to the financial statements for the year ended 31st March, 2018

30 Financial Instruments:

30.1 Capital Management

The Company is a subsidiary of Gujarat Fluorochemicals Pte. Limited, Singapore which is a wholly-owned subsidiary of Gujarat Fluorochemicals Limited, India. The Company is a joint venture between Gujarat Fluorochemicals Singapore Pte. Limited and Global Mines SARL.

The capital structure of Company consists of net debt (borrowings as detailed in Notes 14, 15 and 17 offset by cash and bank balance) and total equity of the company.
The Company is not subject to any externally imposed capital requirement.

30.1.1 The gearing ratio at the end of the reporting period was as follows: **(Rs. In Lakhs)**

Particulars	As at 31 March, 2018	As at 31 March, 2017
Total Debt	10,834.94	7,622.50
Cash & Cash Equivalents	(469.23)	(456.81)
Net Debt	**10,365.71**	**7,165.69**
Total Equity	**(298.80)**	**(72.75)**
Net Debt to equity Ratio	**NA**	**NA**

30.2 Categories of financial instruments **(Rs. In Lakhs)**

Particulars	As at 31 March, 2018	As at 31 March, 2017
a) Financial assets		
Measured at amortised cost		
(a) Cash & Cash Equivalents	469.23	456.81
(b) Other financial assets		
(i) Loans	60.19	46.12
(ii) Other financial assets	61.40	-
Total financial assets	**590.82**	**502.93**
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	10,852.97	7,622.50
(b) Trade Payables	201.68	25.97
(c) Other financial liabilities	754.30	291.62
Total financial liabilities	**11,808.95**	**7,940.09**

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

30.3 Financial risk management

The Company’s principal financial liabilities comprise of trade and other payables, borrowings (non-current and current, mainly for acquisition of property, plant and equipment), current maturities of long term borrowings and trade and other payables. The Company’s principal financial assets include loans, other receivables, cash and cash equivalents derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s management oversees the management of these risks. The management provides assurance that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives.

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Notes to the financial statements for the year ended 31st March, 2018

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in the market prices.Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk.

a. Foreign Currency Risk Management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Companys exposure is mainly on account of borrowings. Exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps, wherever necessary.

The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

The carrying amount of Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(USD In Lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Liabilities		
Long Term in FC Borrowings (EXIM Bank)	76.37	95.38
Long Term in FC deposit (inter-corporate deposit from holding company)	72.22	10.15
Short Term in FC deposit (inter-corporate deposit from holding company)	-	12.01
Short term working capital loan from EXIM	14.07	-
Borrowings	162.66	117.54
Trade Payables	0.05	0.01
Total liabilities in USD	**162.71**	**117.55**

Note : There are no foreign currency denominated monetary assets.

The carrying amount in MAD value of the above foreign currency is as under :

(MAD In Lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Liabilities		
Long Term in FC Borrowings (EXIM Bank)	702.47	958.42
Long Term in FC deposit (inter-corporate deposit from holding company)	664.33	104.90
Short Term in FC deposit (inter-corporate deposit from holding company)	-	106.32
Short term working capital loan from EXIM	129.41	-
Borrowings	1,496.21	1,169.64
Trade Payables	0.46	0.45
MAD equivalent of USD	**1,496.67**	**1,170.09**

Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from currency exposure in US Dollars.

The following table details the Company's sensitivity to a 10% increase and decrease in the Moroccan Dirham (MAD) against the relevant foreign currencies on equity and profit or loss.

A 10% strengthening of the MAD 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 MAD against these currencies would have led to an equal but opposite effect.

Particulars	US Dollars Impact	
	As at 31 March, 2018	As at 31 March, 2017
Impact on profit or loss for the year	149.67	117.01
Impact on total equity as at the end of the reporting period	149.67	117.01

b. Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The company is exposed to interest rate risk mainly on account of its borrowings from banks and inter corporate deposits, which have both fixed and floating rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

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, 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.

(Rs. in Lakhs)

Particulars	Impact (net of tax)	
	As at 31st March, 2018	As at 31st March, 2017
Increase by 50 basis points	(268.34)	(182.18)
Decrease by 50 basis points	268.34	182.18

B 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 cash and bank balances and other financial assets, hence, no risk is perceived.

C Liquidity Risk Management

Ultimate responsibility for Company's liquidity risk management rests with the holding company. The Company generally manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and if needed, financial support of holding company.

30 Liquidity and Interest risk tables

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Entity can be required to pay. The table below include only principal cash flows in relation to financial liabilities.

(Rs. In Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
	INR	INR	INR	INR
As at 31st March, 2018				
Borrowings	2,168.25	8,487.51	-	10,655.76
Trade Payables	201.68	-	-	201.68
Other financial liabilities	951.51	-	-	951.51
Total	**3,321.44**	**8,487.51**	**-**	**11,808.95**
As at 31st March, 2017				
Borrowings	1,917.61	5,573.63	-	7,491.24
Trade Payables	25.97	-	-	25.97
Other financial liabilities	422.88	-	-	422.88
Total	**2,366.46**	**5,573.63**	**-**	**7,940.09**

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets and support from holding company, whenever required.

31 Fair Value Measurements

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statement are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that will be eventually received or paid.

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31st March, 2018

31 Related Party Transaction

A. Names of related parties where control exists:

(i) Gujarat Fluorochemicals Singapore Pte Limited (Holding Company)
(ii) Gujarat Fluorochemicals Limited, India (Intermediate Holding Company)
(iii) Inox Leasing and Finance Limited, India (Ultimate Holding Company)

B. Shareholder having significant influence and an enterprise of which the the Company is an “associate” - Global Mines SARL, Morocco.

C. Transactions during the year

i) With Gujarat Fluorochemicals Singapore Pte Limited : **(Rs. In Lakhs)**

Sr.No.	Particulars	2017-2018	2016-2017
a)	Inter-corporate deposit received	3,363.18	648.50
b)	Interest paid on Inter-corporate deposit	67.96	34.07

ii) With Gujarat Fluorochemicals Limited, India : **(Rs. In Lakhs)**

Sr.No.	Particulars	2017-2018	2016-2017
a)	Reimbursement of expenses (paid)	60.15	6.90
b)	Loans and advances	392.05	291.70
c)	Sale of testing material	61.40	-

iii) Amount outstanding as at the end of the year : **(Rs. In Lakhs)**

Sr.no.	Particulars	As at 31 March, 2018	As at 31 March, 2017
	Amounts payable		
1)	Gujarat Fluorochemicals Singapore Pte. Limited		
a)	Inter-corporate deposit outstanding	4,869.74	1,334.61
b)	Interest payable on ICD	165.19	102.82
2)	Gujarat Fluorochemicals Limited		
a)	Other payables	77.55	17.27
b)	Advance for material	392.05	291.83
c)	Corporate guarantee given by GFL to Exim Bank for loan taken by the Company	5,862.53	6,156.63
d)	Other Recoverable	61.40	-

Notes:

(a) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
(b) The Company has been provided inter corporate deposits at rate comparable to the average commercial rate of interest of holding company. These loans are unsecured.

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S.S.Agrawal
Partner

Place: Vadodara
Date : 24th May, 2018

For GFL GM Fluorspar SA

Deepak Asher
Chairman and
Managing Director

V. K. Soni
Director

Place: Noida
Date : 24th May, 2018