

**GUJARAT  
FLUOROCHEMICALS  
SINGAPORE PTE.  
LIMITED**

**AUDITED ANNUAL ACCOUNTS**

2014-2015

**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, 2015, 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 2015 (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, 2015 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: 28<sup>th</sup> May, 2015

# Gujarat Fluorochemicals Singapore Pte. Limited

## Balance Sheet as at 31st March 2015

(Amount in Rs.)

	Note No	As at 31st March 2015	As at 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	4	14,56,85,004	14,35,36,529
(b) Reserves and surplus	5	2,52,90,710	2,16,44,501
		<b>17,09,75,714</b>	<b>16,51,81,030</b>
<b>(2) Current liabilities</b>			
(a) Trade payables	6	6,76,190	5,27,032
		<b>6,76,190</b>	<b>5,27,032</b>
<b>TOTAL</b>		<b>17,16,51,904</b>	<b>16,57,08,062</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	6,39,37,500	-
		<b>16,30,91,384</b>	<b>9,91,53,884</b>
<b>(2) Current assets</b>			
(a) Cash and bank balances	9	4,21,808	11,67,326
(b) Short-term loans and advances	10	23,60,938	6,13,41,314
(c) Other current assets	11	57,77,774	40,45,538
		<b>85,60,520</b>	<b>6,65,54,178</b>
<b>TOTAL</b>		<b>17,16,51,904</b>	<b>16,57,08,062</b>
<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

**P. K. Jain**

Director

**V. K. Jain**

Director

Place : Pune

Dated: 28th May, 2015

Place : Noida

Dated: 28th May, 2015

**Gujarat Fluorochemicals Singapore Pte. Limited**  
**Statement of Profit and Loss for the year ended 31st March 2015**

(Amount in Rs.)

	Note No	2014-2015	2013-2014
I. Operating Income	12	19,07,902	18,37,935
<b>II. Total Revenue</b>		<b>19,07,902</b>	<b>18,37,935</b>
III. Expenses			
Other expenses	13	8,13,535	8,05,695
<b>Total Expenses</b>		<b>8,13,535</b>	<b>8,05,695</b>
IV. Profit before tax (II-III)		<b>10,94,367</b>	<b>10,32,240</b>
V. Less: Tax expense:			
Current tax		3,88,983	3,62,997
<b>VI. Profit for the year</b>		<b>7,05,384</b>	<b>6,69,243</b>
VII. Basic and diluted Earnings Per Share (in Rs.)	16	0.26	0.25
<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

**P. K. Jain**  
Director

**V. K. Jain**  
Director

Place : Pune  
Dated: 28th May, 2015

Place : Noida  
Dated: 28th May, 2015

# Gujarat Fluorochemicals Singapore Pte. Limited

Cash flow statement for the year ended 31st March 2015

(Amount in Rs.)

	2014-2015	2013-2014
<b>A Cash flow from operating activities</b>		
Profit before tax	10,94,367	10,32,240
Adjustments for :		
Interest received	(19,02,593)	(18,30,746)
<i>Operating Loss before working capital changes</i>	(8,08,226)	(7,98,506)
Adjustments for :		
Short term loans and advances	(99,594)	(6,899)
Trade payables	3,19,515	23,731
Cash used in operations	(5,88,305)	(7,81,674)
Income tax paid (net)	(3,88,983)	(3,62,997)
<b>Net cash used in operating activities</b>	(9,77,288)	(11,44,671)
<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>		
Contribution from issue of equity shares	21,48,475	15,39,313
<b>Net cash generated from financing activities</b>	21,48,475	15,39,313
<b>D</b> Adjustment on account of foreign currency translation reserve	(41,04,205)	1,92,792
<b>Net increase in cash and cash equivalents</b>	(7,45,518)	5,87,434
Cash and cash equivalents as at the beginning of the year	11,67,326	5,79,892
Cash and cash equivalents as at the end of the year	4,21,808	11,67,326
Note: Components of cash and cash equivalents are as per note no.9		
<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

**P. K. Jain**

Director

**V. K. Jain**

Director

Place : Pune

Dated: 28th May, 2015

Place : Noida

Dated: 28th May, 2015

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

Notes to financial statements for the year ended 31st March 2015

### **1. CORPORATE INFORMATION**

Gujarat Fluorochemicals Singapore Pte. Limited ('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 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 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 reclassified, wherever necessary, to make them comparable with those 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 financial statements for the year ended 31st March 2015

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 financial statements for the year ended 31st March 2015

<b>4 Share capital</b>	<b>As at 31st March 2015</b>	<b>(Amount in Rs.) As at 31st March 2014</b>
Paid up capital 27,71,000 (Previous year 27,36,000) equity shares of USD 1 each	14,56,85,004	14,35,36,529
<b>Total</b>	<b><u>14,56,85,004</u></b>	<b><u>14,35,36,529</u></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 2015 Nos</b>	<b>As at 31st March 2014 Nos</b>	<b>As at 31st March 2015</b>	<b>(Amount in Rs.) As at 31st March 2014</b>
Beginning of the year	27,36,000	27,11,000	14,35,36,529	14,19,97,216
Additions during the year	35,000	25,000	21,48,475	15,39,313
Outstanding at the end of the year	<u>27,71,000</u>	<u>27,36,000</u>	14,56,85,004	14,35,36,529

### 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 ensuing 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 2015 Nos</b>	<b>As at 31st March 2014 Nos</b>	<b>As at 31st March 2015</b>	<b>(Amount in Rs.) As at 31st March 2014</b>
Holding Company - Gujarat Fluorochemicals Limited, India	27,71,000	27,36,000	14,56,85,004	14,35,36,529

<b>d) Details of shareholders holding more than 5% equity capital in the company</b>	<b>As at 31st March 2015 Nos</b>	<b>As at 31st March 2014 Nos</b>	<b>As at 31st March 2015 % of the holding</b>	<b>As at 31st March 2014 % of the holding</b>
Gujarat Fluorochemicals Limited, India	27,71,000	27,36,000	100.00%	100.00%

# Gujarat Fluorochemicals Singapore Pte. Limited

Notes to financial statements for the year ended 31st March 2015

		(Amount in Rs.)	
		As at 31st March 2015	As at 31st March 2014
<b>5</b>	<b><u>Reserves and surplus</u></b>		
	Foreign Currency Translation Reserve		
	As per last Balance Sheet	2,05,94,438	53,74,700
	Movement during the year	29,40,825	1,52,19,738
	Balance as at the end of the year	<u>2,35,35,263</u>	<u>2,05,94,438</u>
	Surplus in the Statement of Profit and Loss	10,50,063	3,80,820
	Profit for the year	7,05,384	6,69,243
	Balance as at the end of the year	<u>17,55,447</u>	<u>10,50,063</u>
	<b>Total</b>	<b><u>2,52,90,710</u></b>	<b><u>2,16,44,501</u></b>
<b>6</b>	<b><u>Trade payables</u></b>		
	Trade payables	6,76,190	5,27,032
	<b>Total</b>	<b><u>6,76,190</u></b>	<b><u>5,27,032</u></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><u>9,91,53,884</u></b>	<b><u>9,91,53,884</u></b>
	Note - The Holding company has provided an undertaking to the lenders of GFL GM Fluorspar S that the Company will not dilute its stake in GFL GM Fluorspar SA to below 51%		
<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	6,39,37,500	-
	<b>Total</b>	<b><u>6,39,37,500</u></b>	<b><u>-</u></b>

### Terms of unsecured borrowings:

The unsecured inter-corporate deposit is for the period of two years, repayable on 30th April, 2016 and carries interest @ 3% p.a.

# Gujarat Fluorochemicals Singapore Pte. Limited

Notes to financial statements for the year ended 31st March 2015

	(Amount in Rs.)	
	As at 31st March 2015	As at 31st March 2014
<b>9</b>	<b><u>Cash and bank balances</u></b>	
	Cash and cash equivalents -	
	Balances with banks - in current accounts	
	4,21,808	11,67,326
	<b>Total</b>	
	<b>4,21,808</b>	<b>11,67,326</b>
<b>10</b>	<b><u>Short-term loans and advances</u></b>	
	(Secured, considered good)	
	Loans and advances to related party	
	Inter-corporate deposits to subsidiary company	
	-	3,42,57,080
	(Unsecured, considered good)	
	Loans and advances to related party	
	Inter-corporate deposits to subsidiary company	
	21,87,500	2,70,10,390
	Prepaid expenses	
	1,73,438	73,844
	<b>Total</b>	
	<b>23,60,938</b>	<b>6,13,41,314</b>

## **Nature of security and terms of repayment for secured borrowings:**

Inter-corporate deposit from the holding company, Gujarat Fluorochemicals Singapore Pte. Limited, of USD nil (USD 572,000) was secured by first mortgage and charge in favour of the Lender of all immovable properties, present and future including Acid grade Fluorspar Ore, Acid grade Fluorspar reserve, at JT Mines and first charge by way of hypothecation in favour of the Lender of all movable properties including plant and machinery, spares, tools and accessories, furniture, fixture, vehicles, and all other movable assets, current assets, including book debts, (excluding the assets charge to the working capital financing banks) intangible, goodwill, uncalled capital, present and future. The loan carried interest @ 3%.

## **Terms of unsecured borrowings:**

The unsecured inter-corporate deposit is repayable on demand and carries interest @ 3% p.a.

<b>11</b>	<b><u>Other current assets</u></b>	
	Interest accrued on Inter-corporate deposits from subsidiary company	
	57,77,774	40,45,538
	<b>Total</b>	
	<b>57,77,774</b>	<b>40,45,538</b>

## Gujarat Fluorochemicals Singapore Pte. Limited

Notes to financial statements for the year ended 31st March 2015

	2014-2015	(Amount in Rs.) 2013-2014
<b>12 <u>Operating Income</u></b>		
Interest on inter-corporate deposit from subsidiary company	19,02,593	18,30,746
Net gain on foreign currency transactions and transalation	5,309	7,189
<b>Total</b>	<b><u>19,07,902</u></b>	<b><u>18,37,935</u></b>
<b>13 <u>Other expenses</u></b>		
Legal & professional fees & expenses	6,43,297	6,82,633
Tax compliance fee	70,485	72,492
Rates & taxes	89,613	45,825
Miscellaneous expenses	10,140	4,745
<b>Total</b>	<b><u>8,13,535</u></b>	<b><u>8,05,695</u></b>

## Gujarat Fluorochemicals Singapore Pte. Limited

Notes to financial statements for the year ended 31st March 2015

### 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:

(Amount in Rs.)

Sr.	Particulars	2014-2015	2013-2014
a)	Issue of equity shares	21,48,475	15,39,313

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

(Amount in Rs.)

Sr.	Particulars	2014-15	2013-14
a)	Inter-corporate deposit given	21,87,500	-
b)	Interest received on Inter-corporate deposit	19,02,593	18,30,746
c)	Investment in equity shares (Adjusted against inter-corporate deposit)	-	5,31,82,320

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

(Amount in Rs.)

Sr.	Particulars	2014-15	2013-14
	Amounts receivable		
a)	Inter Corporate Deposit outstanding	6,61,25,000	6,12,67,470
b)	Interest receivable	57,77,774	40,45,538

## Gujarat Fluorochemicals Singapore Pte. Limited

Notes to financial statements for the year ended 31st March 2015

16. Calculation of Earnings Per Share (EPS) :

Particulars	2014-2015	2013-2014
Net Profit as per Statement of Profit & Loss (Rs.)	7,05,384	6,69,243
No. of Equity Shares at the beginning of the year (Nos.)	27,36,000	27,11,000
No. of Equity Shares issued during the year (Nos.)	35,000	25,000
No. of Equity Shares outstanding at the end of the year (Nos.)	27,71,000	27,36,000
Weighted average no. of Equity Shares used in computing basic and diluted EPS (Nos.)	27,50,575	27,16,342
Basic and Diluted EPS (Rs.)	0.26	0.25

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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

P. K. Jain  
Director

V. K. Jain  
Director

Place: Pune  
Date : 28<sup>th</sup> May, 2015

Place: Noida  
Date : 28<sup>th</sup> May, 2015