

GFL GM FLUORSPAR SA

AUDITED ANNUAL ACCOUNTS

2016-2017

Independent Auditor's Report to the Board of Directors of GFL GM FLUORSPAR SA

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 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the Ind AS financial statements")

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 GFL GM FLUORSPAR SA on the Ind AS Financial Statements for the year ended 31 March 2017(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 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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

M Y Kulkarni
Partner
Membership No. 035524

Place: Pune
Date: 26 May 2017

GFL GM FLUORSPAR SA
Balance Sheet as at 31 March 2017
(Amount in Rs.)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant & equipment	6	39,43,656	17,60,196	71,437
(b) Capital work-in-progress	7	62,84,54,735	34,44,36,135	3,04,46,313
(c) Intangible assets	8	8,11,68,206	9,40,75,994	9,30,34,125
(d) Financial assets				
(i) Loans	9	35,36,984	34,14,989	-
(e) Income tax assets (net)	10	-	41,141	18,750
(f) Other non-current assets	11	5,60,77,093	2,50,03,877	7,18,74,439
Sub-total		77,31,80,674	46,87,32,332	19,54,45,064
(2) Current Assets				
(a) Financial Assets				
(i) Cash & cash equivalents	12	4,56,81,053	4,41,98,886	2,08,55,813
(ii) Loans	9	10,75,213	3,56,558	2,75,375
(iii) Other financial assets	13	4,16,855	6,99,998	1,79,625
(b) Other current assets	11	-	44,653	32,751
Sub-total		4,71,73,121	4,53,00,095	2,13,43,564
Total Assets		82,03,53,795	51,40,32,427	21,67,88,628
EQUITY & LIABILITIES				
Equity				
(a) Equity share capital	14	13,49,96,432	13,49,96,432	13,49,96,432
(b) Other equity	15	(14,22,71,017)	(11,43,71,626)	(10,54,46,083)
Sub-total		(72,74,585)	2,06,24,806	2,95,50,349
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	55,73,63,040	44,65,35,680	17,01,87,500
Sub-total		55,73,63,040	44,65,35,680	17,01,87,500
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	6,86,11,300	23,18,750	21,87,500
(ii) Trade payables	18	43,23,806	30,29,813	22,26,440
(iii) Other financial liabilities	19	16,37,09,984	3,96,99,052	1,10,10,463
(b) Other current liabilities	20	3,25,89,913	18,24,326	16,26,376
(c) Provisions	21	10,30,337	-	-
Sub-total		27,02,65,340	4,68,71,941	1,70,50,779
Total Equity & Liabilities		82,03,53,795	51,40,32,427	21,67,88,628

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
M.Y.Kulkarni

Partner

Deepak Asher

Chairman and Managing Director

V. K. Soni

Director

Place: Pune

Dated: 26 May 2017

Place: Noida

Dated: 26 May 2017

GFL GM FLUORSPAR SA**Statement of Profit and Loss for the year ended on 31 March 2017****(Amount in Rs.)**

Particulars		Notes	2016-2017	2015-2016
Revenue				
I	Revenue from operations		-	-
II	Other income	22	1,35,843	25,56,283
III	Total Revenue (I+II)		1,35,843	25,56,283
IV Expenses				
	Employee benefits expense	23	18,78,205	3,78,702
	Finance costs	24	34,06,709	20,82,755
	Depreciation and amortisation expenses	25	80,92,826	79,96,375
	Other expenses	26	1,42,62,541	37,75,717
	Total expenses (IV)		2,76,40,281	1,42,33,549
V	Loss before tax (III-IV)		(2,75,04,438)	(1,16,77,266)
VI	Tax expense	27		
	(1) Current tax		36,835	-
	(2) Taxation pertaining to earlier years		56,160	-
			92,995	-
VII	Loss for the year (V-VI)		(2,75,97,433)	(1,16,77,266)
VIII	Other comprehensive income			
	Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		(3,01,958)	27,51,723
	Total other comprehensive income		(3,01,958)	27,51,723
IX	Total comprehensive income for the year (VII+VIII)		(2,78,99,391)	(89,25,543)
X	Basic and Diluted loss per equity share	29	(146.68)	(62.06)

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**M.Y.Kulkarni**

Partner

Deepak Asher

Chairman and Managing Director

V. K. Soni

Director

Place: Pune

Dated: 26 May 2017

Place: Noida

Dated: 26 May 2017

GFL GM FLUORSPAR SA**Statement of changes in equity for the year ended 31 March 2017**

A. Equity Share Capital	(Amount in Rs.)
Balance at 1 April 2015	13,49,96,432
Changes in equity share capital during the year	-
Balance at 31 March 2016	13,49,96,432
Changes in equity share capital during the year	-
Balance at 31 March 2017	13,49,96,432

	(Amount in Rs.)		
	Reserves & Surplus	Other comprehensive income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance at 1 April 2015	(9,45,77,218)	(1,08,68,865)	(10,54,46,083)
Addition			
Loss for the year	(1,16,77,266)	-	(1,16,77,266)
Other comprehensive income for the year	-	27,51,723	27,51,723
Total comprehensive income for the year	(1,16,77,266)	27,51,723	(89,25,543)
Balance at 31 March 2016	(10,62,54,484)	(81,17,142)	(11,43,71,626)
Addition			
Loss for the year	(2,75,97,433)	-	(2,75,97,433)
Other comprehensive income for the year	-	(3,01,958)	(3,01,958)
Total comprehensive income for the year	(2,75,97,433)	(3,01,958)	(2,78,99,391)
Balance at 31 March 2017	(13,38,51,917)	(84,19,100)	(14,22,71,017)

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

For GFL GM Fluorspar SA**M.Y.Kulkarni**

Partner

Deepak Asher

Chairman and Managing Director

V. K. Soni

Director

Place: Pune

Dated: 26 May 2017

Place: Noida

Dated: 26 May 2017

GFL GM FLUORSPAR SA**Statement of Cash flows for the year ended 31 March 2017****(Amount in Rs.)**

	2016-2017	2015-2016
A Cash flow from operating activities		
Loss for the year	(2,75,97,433)	(1,16,77,266)
Adjustments for :		
Tax expense	92,995	-
Finance costs	34,06,709	20,82,755
Depreciation and amortization expenses	80,92,826	79,96,375
Interest on deposit	(1,35,843)	(27,747)
Exchange difference on translation of assets and liabilities	38,49,148	(21,69,143)
<i>Operating loss before working capital changes</i>	(1,22,91,598)	(37,95,026)
Adjustments for :		
(Increase)/ decrease in Long-term loans	(1,21,995)	(34,14,989)
(Increase)/ decrease in Short-term loans	(7,18,655)	(81,183)
(Increase)/ decrease in Other non current assets	(2,95,23,124)	(1,29,03,384)
(Increase)/ decrease in Other non current financial assets	2,83,143	(5,20,373)
(Increase)/ decrease in Other current assets	44,653	(11,902)
Increase/ (decrease) in Other current financial liabilities	(32,39,068)	2,58,23,510
Increase/ (decrease) in Short-term provisions	10,30,337	-
Increase/ (decrease) in Other current liabilities	3,07,65,587	1,97,950
Increase/ (decrease) in Trade payables	19,87,134	15,85,697
Cash generated from/ (used in) operations	(1,17,83,586)	68,80,300
Income tax paid (net)	(51,854)	(22,391)
Net cash (used in)/generated from operating activities	(1,18,35,440)	68,57,909
B Cash flow from investing activities		
Acquisition of Fixed Assets (including changes in capital advances and Capital WIP)	(28,85,69,496)	(25,60,54,513)
Interest on deposit received	1,35,843	55,747
Net cash used in investing activities	(28,84,33,653)	(25,59,98,766)
C Cash flow from financing activities		
Proceeds from long-term borrowings	23,69,01,260	27,25,11,930
Proceeds from Inter corporate deposit	6,48,50,000	-
Net cash generated from financing activities	30,17,51,260	27,25,11,930
Net increase in cash and cash equivalents	14,82,167	2,33,71,073
Cash and cash equivalents as at the beginning of the year	4,41,98,886	2,08,27,813
Cash and cash equivalents as at the end of the year	4,56,81,053	4,41,98,886

Note:

- 1) Components of cash and cash equivalents are as per Note 12
- 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.

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**M.Y.Kulkarni**

Partner

Deepak Asher

Chairman and Managing Director

V. K. Soni

Director

Place: Pune

Dated: 26 May 2017

Place: Noida

Dated: 26 May 2017

GFL GM Fluorspar SA

Notes to the financial statements for the year ended 31 March 2017

1. Company information

GFL GM Fluorspar SA (“the Company”) is incorporated in Morocco and is a subsidiary of Gujarat Fluorochemicals Pte. Limited, Singapore which in turn 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 Company is engaged in the business of exploration of Fluorspar mines.

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements have been prepared by the Company in accordance with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013 (“the Act”), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, for the purpose of preparation of consolidated financial statement of the holding company, Gujarat Fluorochemicals Limited, India as required by the provisions of the Act.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (‘Previous GAAP’). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Basis of Measurement

The functional currency of the Company is Moroccan Dirhams (MAD). However, for purposes of compliance with the requirements of 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.

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.

Notes to the financial statements for the year ended 31 March 2017

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2015 being the 'date of transition to Ind AS'.

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 Management on 26 May 2017.

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 value added tax and other similar 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.

Notes to the financial statements for the year ended 31 March 2017

3.2 Foreign currency translation

The transactions in currencies other than the entity'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'.

Notes to the financial statements for the year ended 31 March 2017

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.

For the current year, the Company has a minimum tax payable as per the Morocco Tax Code (MTC).

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.

Notes to the financial statements for the year ended 31 March 2017

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 that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, Property, Plant and Equipment (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 (refer 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 fixed assets 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 fixed asset 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

Notes to the financial statements for the year ended 31 March 2017

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 the continued use of the asset. 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

3.7.1 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.

3.7.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from 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.

3.7.3 Estimated useful lives of intangible assets

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 Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

Notes to the financial statements for the year ended 31 March 2017

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 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.

3.10 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.

Notes to the financial statements for the year ended 31 March 2017

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 category:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

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.

All 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.

Notes to the financial statements for the year ended 31 March 2017

This category does not apply to any of the financial assets of the Company.

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.

This category does not apply to any of the financial assets of the Company.

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 (there by 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:

GFL GM Fluorspar SA

Notes to the financial statements for the year ended 31 March 2017

- i. Financial assets measured at amortized cost (other than trade receivables)
- 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-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Notes to the financial statements for the year ended 31 March 2017

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.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

The Company has not designated any financial liability as at FVTPL other than derivative instrument. Further the Company does not have any commitments to provide a loan at a below market interest rate.

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.

3.11 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

3.12 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1, 2017.

Notes to the financial statements for the year ended 31 March 2017

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

4. First-time adoption – mandatory exceptions and optional exemptions

These Ind AS financial statements have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – First time adoption of Indian Accounting Standard, with 1 April 2015 as the transition date.

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2017 and the comparative information. Transition from previous GAAP to Ind AS has not affected the Company's Balance Sheet, and Statement of Profit and Loss. There was no reconciliation for Cash Flow Statement under IGAAP and Ind AS. Accordingly, reconciliation statements in accordance with Ind AS 101 have not been presented.

The Company has availed certain mandatory exceptions and optional exemptions allowed by Ind AS 101 as detailed below:

I. Optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and 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.

b) Foreign currency translation of long-term monetary items

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.

II. Mandatory exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

Notes to the financial statements for the year ended 31 March 2017

a) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

c) Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d) Derecognition of financial assets and financial liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

5. 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.

5.1 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)

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

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2017

6: Property, plant & equipment

(Amount in Rs.)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amount of:			
Furniture & fixtures	31,45,288	15,40,047	46,687
Office equipments	7,98,368	2,20,149	24,750
	39,43,656	17,60,196	71,437

(Amount in Rs.)

	Furniture & fixtures	Office equipments	Total
I. Cost or Deemed Cost			
Balance as at 1 April 2015	46,687	24,750	71,437
Additions	15,90,994	2,47,643	18,38,637
Effect of foreign currency translation differences	4,391	2,412	6,803
Balance as at 31 March 2016	16,42,072	2,74,805	19,16,877
Additions	22,48,479	7,52,325	30,00,804
Effect of foreign currency translation differences	(97,098)	(17,373)	(1,14,471)
Balance as at 31 March 2017	37,93,453	10,09,757	48,03,210

(Amount in Rs.)

	Furniture & fixtures	Office equipments	Total
II. Accumulated depreciation			
Balance as at 1 April 2015	-	-	-
Depreciation expense	1,02,025	54,656	1,56,681
Balance as at 31 March 2016	1,02,025	54,656	1,56,681
Depreciation expense	5,52,717	1,61,217	7,13,934
Effect of foreign currency translation differences	(6,577)	(4,484)	(11,061)
Balance as at 31 March 2017	6,48,165	2,11,389	8,59,554

(Amount in Rs.)

	Furniture & fixtures	Office equipments	Total
III. Net carrying amount			
Balance as at 1 April 2015	46,687	24,750	71,437
Balance as at 31 March 2016	15,40,047	2,20,149	17,60,196
Balance as at 31 March 2017	31,45,288	7,98,368	39,43,656

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2017

8: Intangible assets

(Amount in Rs.)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amount of:			
Mining Rights	8,11,68,206	9,40,75,994	9,30,34,125
	8,11,68,206	9,40,75,994	9,30,34,125

(Amount in Rs.)

	Mining Rights	Total
I. Cost or Deemed Cost		
Balance as at 1 April 2015	9,30,34,125	9,30,34,125
Effect of foreign currency translation differences	88,81,563	88,81,563
Balance as at 31 March 2016	10,19,15,688	10,19,15,688
Effect of foreign currency translation differences	(68,90,992)	(68,90,992)
Balance as at 31 March 2017	9,50,24,696	9,50,24,696

(Amount in Rs.)

	Mining Rights	Total
II. Accumulated amortization		
Balance as at 1 April 2015	-	-
Amortization expense	78,39,694	78,39,694
Balance as at 31 March 2016	78,39,694	78,39,694
Amortization expense	73,78,892	73,78,892
Effect of foreign currency translation differences	(13,62,096)	(13,62,096)
Balance as at 31 March 2017	1,38,56,490	1,38,56,490

(Amount in Rs.)

	Mining Rights	Total
III. Net carrying amount		
Balance as at 1 April 2015	9,30,34,125	9,30,34,125
Balance as at 31 March 2016	9,40,75,994	9,40,75,994
Balance as at 31 March 2017	8,11,68,206	8,11,68,206

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****7: Capital Work-in-progress****(Amount in Rs.)**

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Capital work-in-progress	51,18,59,658	29,76,72,529	1,56,471
Pre-operative expenses	11,65,95,077	4,67,63,606	3,02,89,842
	62,84,54,735	34,44,36,135	3,04,46,313

Pre-operative expenses (included above)

As per last Balance Sheet	4,67,63,606	3,02,89,842	
Movement during the year :			
Survey and Investigation Expenses	5,94,305	16,99,213	
Legal and Professional Fees	51,00,305	19,59,135	
Borrowing cost	2,69,45,040	75,58,321	
Rates & Taxes	-	36,83,526	
Foreign currency translation and transactions	1,54,85,844	(69,77,064)	
Employee Benefits	1,50,94,123	49,08,944	
Insurance	1,37,545	1,72,810	
Travelling Expenses	43,26,798	23,24,207	
Miscellaneous Expenses	21,47,511	11,44,672	
Sub-total	6,98,31,471	1,64,73,764	
Balance as at the end of the year	11,65,95,077	4,67,63,606	

The weighted average cost of capitalization rate is 5.11% as at 31 March 2017 (4.48% as at 31 March 2016)

Of the above, all the movable fixed assets have been pledged as security (for security refer Note 16)

9: Loans**(Unsecured, considered good)****(Amount in Rs.)**

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Non-current			
Security deposits	35,36,984	34,14,989	-
	35,36,984	34,14,989	-
Current			
Security deposits	10,75,213	3,56,558	2,75,375
	10,75,213	3,56,558	2,75,375

10: Income tax assets**(Amount in Rs.)**

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Advance income tax (net)	-	41,141	18,750
	-	41,141	18,750

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****11: Other assets** (Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Non-current			
Capital advances	40,79,584	25,29,492	6,23,03,438
Balances in VAT accounts	5,19,97,509	2,24,74,385	95,71,001
Total	5,60,77,093	2,50,03,877	7,18,74,439
Current			
Prepaid expenses	-	15,370	14,063
Advances to suppliers	-	29,283	18,688
Total	-	44,653	32,751

12: Cash & cash equivalents (Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Cash and cash equivalents -			
Balances with banks - in current accounts	4,56,81,053	4,41,98,886	51,80,750
Deposits with original maturity of less than 3 months	-	-	1,56,75,063
Total	4,56,81,053	4,41,98,886	2,08,55,813

13: Other current financial assets (Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Employee advances	4,16,855	6,99,998	1,79,625
Total	4,16,855	6,99,998	1,79,625

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****14: Equity share capital**

Particulars	(Amount in Rs.)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised capital 1,88,150 Equity Shares of MAD 100 each	13,49,96,432	13,49,96,432	13,49,96,432
Issued, subscribed and fully paid up capital 1,88,150 Equity Shares of MAD 100 each	13,49,96,432	13,49,96,432	13,49,96,432
	13,49,96,432	13,49,96,432	13,49,96,432

a) Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31 March 2017	Nos.	(Amount in Rs.)
At the beginning of the year	1,88,150	13,49,96,432
Add : Issued during the year	-	-
At the end of the year	1,88,150	13,49,96,432

As at 31 March 2016	Nos.	(Amount in Rs.)
At the beginning of the year	1,88,150	13,49,96,432
Add : Issued during the year	-	-
At the end of the year	1,88,150	13,49,96,432

As at 1 April 2015	Nos.	(Amount in Rs.)
At the beginning of the year	1,88,150	13,49,96,432
Add : Issued during the year	-	-
At the end of the year	1,88,150	13,49,96,432

b) 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.

c) Shares held by holding company

As at 31 March 2017	(Nos.)	(Amount in Rs.)
Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	9,91,53,884
As at 31 March 2016		
Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	9,91,53,884
As at 1 April 2015		
Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	9,91,53,884

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****d) Details of shareholders holding more than 5% shares in the company**

	(Nos.)	Holding %
As at 31 March 2017		
a) Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%
As at 31 March 2016		
a) Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%
As at 1 April 2015		
a) Gujarat Fluorochemicals Singapore Pte. Limited	1,39,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%

15: Other equity**(Amount in Rs.)**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Foreign currency translation reserve	(84,19,100)	(81,17,142)	(1,08,68,865)
Retained earnings	(13,38,51,917)	(10,62,54,484)	(9,45,77,218)
	(14,22,71,017)	(11,43,71,626)	(10,54,46,083)

a) Foreign currency translation reserve

As per last Balance Sheet	(81,17,142)	(1,08,68,865)
Movement during the year	(3,01,958)	27,51,723
Balance as at the end of the year	(84,19,100)	(81,17,142)

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

b) Retained earnings

Balance at beginning of the year	(10,62,54,484)	(9,45,77,218)
Loss for the year	(2,75,97,433)	(1,16,77,266)
Balance at the end of the year	(13,38,51,917)	(10,62,54,484)

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****16: Non-current borrowings**

(measured at amortized cost)

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Secured:			
From Bank			
- External Commercial Borrowing from EXIM Bank	61,56,63,190	37,87,61,930	10,62,50,000
Less: Current maturities of long-term borrowings (refer Note 19)	12,31,50,150	-	-
	49,25,13,040	37,87,61,930	10,62,50,000
Unsecured:			
Loans and Advances from related party			
- Inter-corporate deposit from the holding company	6,48,50,000	6,77,73,750	6,39,37,500
	55,73,63,040	44,65,35,680	17,01,87,500

Security and terms of secured borrowings:

Foreign currency term loan is secured by way of exclusive charge on movable fixed assets of the proposed project upto value of USD 9.495 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of Gujarat Fluorochemicals Limited, India - the intermediate holding company. The term loan is repayable in the 10 structured half yearly instalments commencing from 8 September 2017, and carries interest @ 6 months LIBOR plus 4% p.a.

Terms of unsecured borrowings:

The unsecured inter-corporate deposit of USD 1.00 million from GFL Singapore Pte Ltd. carries interest @ 3% p.a. and is repayable on 30 April 2018, with a prior notice period of 30 days

There are no defaults on repayment of interest on borrowings and no amount is due for principal repayment.

17: Current borrowings

(measured at amortized cost)

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Unsecured:			
Loans and advances from related party			
- Inter-corporate deposit from the holding company	6,86,11,300	23,18,750	21,87,500
	6,86,11,300	23,18,750	21,87,500

Terms of unsecured borrowings:

The unsecured inter-corporate deposit of USD 1.058 million from GFL Singapore Pte Ltd. carries interest @ 3% p.a. and is repayable on 30 April 2017, with a prior notice period of 30 days

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****18: Trade payables** (Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Trade payables	43,23,806	30,29,813	22,26,440
	43,23,806	30,29,813	22,26,440

19: Other financial liabilities

(measured at amortized cost)

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Current maturities of long-term borrowings (from Note 16)	12,31,50,150	-	-
Interest accrued and not due on external commercial borrowing	28,43,932	12,14,959	3,83,375
Interest accrued and due on inter-corporate deposit	1,02,82,146	78,11,269	57,77,774
Creditors for capital expenditure	2,29,49,832	2,82,20,712	38,92,313
Employee dues	18,56,591	3,93,658	1,31,000
Expenses payable	26,27,333	20,58,454	8,26,001
	16,37,09,984	3,96,99,052	1,10,10,463

20: Other current liabilities

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Statutory dues and taxes payable	34,07,413	18,24,326	16,26,376
Advances from customer (Refer Note 33)	2,91,82,500	-	-
	3,25,89,913	18,24,326	16,26,376

21: Provisions

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Current			
Leave encashment	10,30,337	-	-
	10,30,337	-	-

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017**

22: Other income		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Interest income on deposits, calculated using effective interest method	1,35,843	52,549	
Net gain on foreign currency transactions and translation	-	25,03,734	
	1,35,843	25,56,283	

23: Employee benefits expense		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Salaries and wages	17,55,101	3,15,421	
Contribution to funds	1,23,104	63,281	
	18,78,205	3,78,702	

24: Finance costs		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Interest expenses calculated using effective interest method			
Interest on inter-corporate deposit	34,06,709	20,82,755	
Interest on loans	2,69,45,040	75,58,321	
Sub-total	3,03,51,749	96,41,076	
Less: Borrowing costs capitalised	(2,69,45,040)	(75,58,321)	
	34,06,709	20,82,755	

25: Depreciation and amortisation expense		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Depreciation on property, plant & equipment	7,13,934	1,56,681	
Amortization of intangible assets	73,78,892	78,39,694	
	80,92,826	79,96,375	

26: Other Expenses		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Legal and professional fees and expenses	41,30,682	20,57,434	
Insurance	25,948	15,378	
Rent	11,87,254	9,85,200	
Rates and taxes	1,05,336	76,892	
Communication expenses	2,89,522	95,150	
Net loss on foreign currency transactions and translation	58,13,436	-	
Miscellaneous expenses	27,10,363	5,45,663	
	1,42,62,541	37,75,717	

27: Tax Expense		(Amount in Rs.)	
Particulars	2016-2017	2015-2016	
Current tax	36,835	-	
Taxation pertaining to earlier years	56,160	-	
	92,995	-	

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

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2017

28 Segment information

The Company operates in a single business segment viz. Exploitation of Fluorspar mines. Further, all the mining activities of the Company are in Morocco and hence there is a single geographical segment.

29 Earnings per share

Particulars	2016-17	2015-16
Net loss as per statement of Profit & Loss (Rs.)	(2,75,97,433)	(1,16,77,266)
No. of Equity Shares at beginning of the year (Nos.)	1,88,150	1,88,150
No. of Equity Shares issued during the year (Nos.)	-	-
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 Earnings per share (Rs.)	<u>(146.68)</u>	<u>(62.06)</u>

30 Employee Benefits:

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

Contribution to Assurance Maladie Obligatoire (AMO) of Rs 8,21,622, of which Rs. 7,94,761 is capitalised in CWIP (previous year Rs 2,30,535, recognised in CWIP Rs. 2,04,123).

Contribution to CNSS of Rs 18,12,745, of which Rs. 17,16,553 is capitalised in CWIP (previous year Rs 5,03,030, recognised in CWIP Rs.4,08,446).

31 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) of Rs.7,52,70,638 (previous year Rs. 21,69,01,707).

GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2017****32 Financial Instruments:****32.1 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 16, 17 and 19 offset by cash and bank balance) and total equity of the company.

The Company is not subject to any externally imposed capital requirement.

32.1.1 The gearing ratio at the end of the reporting period was as follows: (Amount in Rs.)

Particulars		As at	As at	As at
		31 March 2017	31 March 2016	1 April 2015
Non-Current Borrowings	16	55,73,63,040	44,65,35,680	17,01,87,500
Current maturities of long term debt	19	12,31,50,150	-	-
Interest Accrued but not due on Borrowings	19	28,43,932	12,14,959	3,83,375
Interest accrued and due on inter-corporate deposit	19	1,02,82,146	78,11,269	57,77,774
Current Borrowings	17	6,86,11,300	23,18,750	21,87,500
Total Debt		76,22,50,568	45,78,80,658	17,85,36,149
Cash & Cash Equivalents	12	(4,56,81,053)	(4,41,98,886)	(2,08,55,813)
Net Debt		71,65,69,515	41,36,81,772	15,76,80,336
Total Equity		(72,74,585)	2,06,24,806	2,95,50,349
Net Debt to equity Ratio		NA	2005.75%	533.60%

32.2 Categories of financial instruments (Amount in Rs.)

Particulars	Note	As at	As at	As at
		31 March 2017	31 March 2016	1 April 2015
a) Financial assets				
Measured at amortised cost				
(a) Cash & Cash Equivalents	12	4,56,81,053	4,41,98,886	2,08,55,813
(b) Other financial assets at amortised cost				
Non-current loan	9	35,36,984	34,14,989	-
Current - Loan	9	10,75,213	3,56,558	2,75,375
Sub-total		46,12,197	37,71,547	2,75,375
Other current financial assets	13	4,16,855	6,99,998	1,79,625
b) Financial liabilities				
Measured at amortised cost				
Non-current Borrowings	16	55,73,63,040	44,65,35,680	17,01,87,500
Current Borrowings	17	6,86,11,300	23,18,750	21,87,500
Current Maturities of Long Term Borrowings	19	12,31,50,150	-	-
Borrowings		74,91,24,490	44,88,54,430	17,23,75,000
Trade Payables	18	43,23,806	30,29,813	22,26,440
Other current financial liabilities	19	4,05,59,834	3,96,99,052	1,10,10,463

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

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2017

32.3 Financial risk management objectives

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.

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 Company's 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:

Particulars	(Amount in USD)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Long Term in FC Borrowings (EXIM Bank)	95,37,504	57,35,500	17,06,134
Long Term in FC deposit (inter-corporate deposit from holding company)	10,15,255	11,39,853	11,15,015
Short Term in FC deposit (inter-corporate deposit from holding company)	12,01,298	36,053	35,429
Borrowings	1,17,54,057	69,11,406	28,56,578
Trade Payable	696	1,27,081	-
USD	1,17,54,753	70,38,487	28,56,578

Note : There are no foreign currency denominated monetary assets.

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

Particulars	(Amount in INR)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Liabilities			
Long Term in FC Borrowings (EXIM Bank)	61,85,07,122	37,99,76,889	10,66,33,375
Long Term in FC deposit (inter-corporate deposit from holding company)	6,58,39,273	7,55,15,266	6,96,88,485
Short Term in FC deposit (inter-corporate deposit from holding company)	7,79,04,173	23,88,503	22,14,289
Borrowings	76,22,50,568	45,78,80,658	17,85,36,149
Trade Payable	45,136	84,19,116	-
INR equivalent of USD	76,22,95,704	46,62,99,774	17,85,36,149

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 Rupees against the relevant foreign currencies on equity and profit or loss.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

Particulars	(Amount in Rs.)		
	US Dollars Impact (net of tax)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Impact on profit or loss for the year	5,16,26,477	3,15,80,152	1,20,91,361
Impact on total equity as at the end of the reporting period	5,16,26,477	3,15,80,152	1,20,91,361

GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2017

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.

Particulars	(Amount in Rs.)	
	Impact (net of tax)	
	As at 31 March 2017	As at 31 March 2016
Increase by 50 basis points	(18,21,800)	(5,41,100)
Decrease by 50 basis points	18,21,800	5,41,100

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 senior management and its 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.

32.4 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.

Particulars	(Amount in Rs.)			
	Less than 1 year	1 to 5 years	5 years and above	Total
	INR	INR	INR	INR
As at 31 March 2017				
Borrowings	-	61,85,07,122	14,37,43,446	76,22,50,568
Trade Payables	43,23,806	-	-	43,23,806
Other Payables	2,74,33,756	-	-	2,74,33,756
Total	3,17,57,562	61,85,07,122	14,37,43,446	79,40,08,130
As at 31 March 2016				
Borrowings	-	37,99,76,889	7,79,03,769	45,78,80,658
Trade Payables	30,29,813	-	-	30,29,813
Other Payables	3,06,72,824	-	-	3,06,72,824
Total	3,37,02,637	37,99,76,889	7,79,03,769	49,15,83,295
As at 1 April 2015				
Borrowings	-	10,66,33,375	7,19,02,774	17,85,36,149
Trade Payables	22,26,440	-	-	22,26,440
Other Payables	48,49,314	-	-	48,49,314
Total	70,75,754	10,66,33,375	7,19,02,774	18,56,11,903

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.

32.5 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 31 March 2017****33 Related Party Disclosures****A. Names of related parties where control exists:**

- (i) Gujarat Fluorochemicals 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 Company is an "associate" - Global Mines SARL, Morocco.**C. Transaction during the year**

i) With Gujarat Fluorochemicals Pte Limited :

(Amount in Rs.)

Sr.No.	Particulars	2016-2017	2015-2016
a)	Inter-corporate deposit received	6,48,50,000	-
b)	Interest paid on Inter-corporate deposit	34,06,709	20,82,755

ii) With Gujarat Fluorochemicals Limited, India :

(Amount in Rs.)

Sr.No.	Particulars	2016-2017	2015-2016	2014-2015
a)	Corporate guarantee given by GFL to Exim Bank for loan taken by the Company	61,56,63,190	37,87,61,930	10,62,50,000
b)	Reimbursement of expenses (paid)	6,90,127	-	-
c)	Advance received	2,98,60,252	-	-

iii) Amount outstanding as at the end of the year :

(Amount in Rs.)

Sr.no.	Particulars	2016-2017	2015-2016	2014-2015
	Amounts payable			
1)	Gujarat Fluorochemicals Singapore Pte. Limited			
a)	Inter-corporate deposit outstanding	13,34,61,300	7,00,92,500	6,61,25,000
b)	Interest payable on ICD	1,02,82,146	78,11,269	57,77,774
2)	Gujarat Fluorochemicals Limited			
a)	Trade payable	17,27,508	10,49,756	10,49,756
b)	Advance from customer	2,91,82,500	-	-
c)	Corporate guarantee given by GFL to Exim Bank for loan taken by the Company	61,56,63,190	37,87,61,930	10,62,50,000

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

For GFL GM Fluorspar SA**M.Y.Kulkarni**

Partner

Deepak Asher

Chairman and Managing Director

V. K. Soni

Director

Place: Pune

Dated: 26 May 2017

Place: Noida

Dated: 26 May 2017