GUJARAT FLUOROCHEMICALS SINGAPORE PTE. LIMITED

AUDITED ANNUAL ACCOUNTS

2016-2017

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

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Gujarat Fluorochemicals Singapore Pte. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("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.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India Including the Ind AS, of the financial position of the Company as at 31st March, 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: 26th May, 2017

Gujarat Fluorochemicals Singapore Pte. Limited

Balance Sheet as at 31st March, 2017 **(Amount in Rs.)**

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) ***Non-current assets***				
(a) Financial assets				
(i) Investments in subsidiary	6	9,91,53,884	9,91,53,884	9,91,53,884
(ii) Loans	7	6,48,50,000	6,77,73,750	6,39,37,500
Sub-total		**16,40,03,884**	**16,69,27,634**	**16,30,91,384**
(2) ***Current Assets***				
(a) Financial assets				
(i) Cash & cash equivalents	8	13,00,780	4,29,921	4,21,808
(ii) Loans	7	6,86,11,300	23,18,750	21,87,500
(iii) Other financial assets	9	1,02,82,146	78,11,269	57,77,774
(b) Other current assets	10	2,05,299	1,84,178	1,73,438
Sub-total		**8,03,99,525**	**1,07,44,118**	**85,60,520**
Total Assets		**24,44,03,409**	**17,76,71,752**	**17,16,51,904**
EQUITY & LIABILITIES				
Equity				
(a) Equity share capital	11	21,53,29,904	14,69,64,404	14,56,85,004
(b) Other equity	12	2,83,84,852	3,03,04,433	2,52,90,710
Sub-total		**24,37,14,756**	**17,72,68,837**	**17,09,75,714**
LIABILITIES				
(1) ***Current liabilities***				
(a) Financial liabilities				
(i) Other financial liabilities	13	6,88,653	4,02,915	6,76,190
Sub-total		**6,88,653**	**4,02,915**	**6,76,190**
Total Equity & Liabilities		**24,44,03,409**	**17,76,71,752**	**17,16,51,904**

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For PATANKAR & ASSOCIATES
Chartered Accountants

Gujarat Fluorochemicals Singapore Pte. Limited

M.Y.Kulkarni
Partner

Mukesh Patni
Director

Deepak Asher
Director

Place: Pune
Dated: 26th May 2017

Place: Noida
Dated: 26th May 2017

Gujarat Fluorochemicals Singapore Pte. Limited

Statement of Profit and Loss for the year ended on 31st March, 2017 **(Amount in Rs.)**

	Particulars	Notes	2016-2017	2015-2016
	Revenue			
I	Operating income	14	34,06,709	20,82,755
II	**Total Revenue**		**34,06,709**	**20,82,755**
III	**Expenses**			
	Other expenses	15	10,44,828	10,15,447
	Total expenses (III)		**10,44,828**	**10,15,447**
IV	**Profit before tax (II-III)**		**23,61,881**	**10,67,308**
V	Tax expense	16		
	(1) Current tax		6,58,986	4,21,706
			6,58,986	**4,21,706**
VI	**Profit for the year (IV-V)**		**17,02,895**	**6,45,602**
VII	**Other comprehensive income**			
	Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		(36,22,476)	43,68,121
	Total other comprehensive income		**(36,22,476)**	**43,68,121**
VIII	**Total comprehensive income for the year (VI+VII)**		**(19,19,581)**	**50,13,723**
IX	Basic and Diluted earning per equity share	18	0.50	0.23

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

Gujarat Fluorochemicals Singapore Pte. Limited

M.Y.Kulkarni
Partner

Mukesh Patni
Director

Deepak Asher
Director

Place: Pune
Dated: 26th May 2017

Place: Noida
Dated: 26th May 2017

Gujarat Fluorochemicals Singapore Pte. Limited

Statement of changes in equity for the year ended 31st March, 2017

A. Equity Share Capital	(Amount in Rs.)
Balance at 1st April, 2015	14,56,85,004
Changes in equity share capital during the year	12,79,400
Balance at 31st March, 2016	**14,69,64,404**
Changes in equity share capital during the year	6,83,65,500
Balance at 31st March, 2017	**21,53,29,904**

B. Other Equity			(Amount in Rs.)
	Reserves & Surplus	Other comprehensive income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance at 1st April, 2015	**17,55,447**	**2,35,35,263**	**2,52,90,710**
Additions			
Profit for the year	6,45,602	-	6,45,602
Other comprehensive income for the year	-	43,68,121	43,68,121
Total comprehensive income for the year	6,45,602	43,68,121	50,13,723
Balance at 31st March, 2016	**24,01,049**	**2,79,03,384**	**3,03,04,433**
Additions			
Profit for the year	17,02,895	-	17,02,895
Other comprehensive income for the year	-	(36,22,476)	(36,22,476)
Total comprehensive income for the year	17,02,895	(36,22,476)	(19,19,581)
Balance at 31st March, 2017	**41,03,944**	**2,42,80,908**	**2,83,84,852**

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

M.Y.Kulkarni
Partner

Place: Pune
Dated: 26th May 2017

Gujarat Fluorochemicals Singapore Pte. Limited

Mukesh Patni
Director

Deepak Asher
Director

Place: Noida
Dated: 26th May 2017

Gujarat Fluorochemicals Singapore Pte. Limited
Statement of Cash Flows for the year ended 31st March, 2017

(Amounts in Rs.)

		2016-2017	2015-2016
A	**Cash flow from operating activities**		
	Profit for the year	17,02,895	6,45,602
	Adjustments for :		
	Tax expense	6,58,986	4,21,706
	Interest income	(34,06,709)	(20,82,755)
	Exchange difference on translation of assets and liabilities	(21,41,276)	4,00,621
	Operating Loss before working capital changes	(31,86,104)	(6,14,826)
	Adjustments for :		
	(Increase)/decrease in Other current financial assets	(24,70,877)	(20,33,495)
	(Increase)/decrease in Other current assets	(21,121)	(10,740)
	Increase/(decrease) in Other payables	36,92,447	18,09,480
	Cash used in operations	(19,85,655)	(8,49,581)
	Income tax paid (net)	(6,58,986)	(4,21,706)
	Net cash used in operating activities	(26,44,641)	(12,71,287)
B	**Cash flow from investing activities**		
	Inter-corporate deposit given	(6,48,50,000)	-
	Net cash used in investing activities	(6,48,50,000)	-
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	6,83,65,500	12,79,400
	Net cash generated from financing activities	6,83,65,500	12,79,400
	Net increase in cash and cash equivalents	8,70,859	8,113
	Cash and cash equivalents as at the begining of the year	4,29,921	4,21,808
	Cash and cash equivalents as at the end of the year	13,00,780	4,29,921

Note:
1) Components of cash and cash equivalents are as per Note 8
2) The above statement of cash flows has been prepared under the indirect method.
3) The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For PATANKAR & ASSOCIATES
Chartered Accountants

M.Y.Kulkarni
Partner

Place : Pune
Dated: 26th May 2017

For Gujarat Fluorochemicals Singapore Pte. Ltd

Mukesh Patni
Director

Deepak Asher
Director

Place : Noida
Dated: 26th May 2017

Gujarat Fluorochemicals Singapore Pte. Limited

Notes to the standalone financial statements for the year ended 31st March, 2017

1. Company information

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

The Company's office is located at 38 Beach Road, 29-11 South Beach Tower, Singapore 189767.

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 31st 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 1st 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 US Dollar (USD). 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.

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 1st 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 case 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 26th May 2017.

2.4 Particulars of investments in subsidiary is as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiary		
GFL GM Fluorspar SA	Morocco	74%

The above investment is carried at cost – refer Note 6.

3. Significant Accounting Polices

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.

3.1.1 Other income

Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Foreign currency translation and transaction:

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

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

3.3 Taxation

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

3.3.1 <u>Current tax</u>

The tax currently payable is based on taxable profit for the year computed in accordance with the provisions of the Singapore 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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.3.2 <u>Deferred tax</u>

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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

3.3.3 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.

3.4 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.

3.5 Financial instruments

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

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

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

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:
i. The Company's business model for managing the financial asset and
ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following 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, 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.

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 subsidiary. 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) isderecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;
ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Financial assets measured at amortized cost (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.

<u>i. Equity instruments:-</u>

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.

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.

3.6 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

3.7 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 1stApril, 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 withInd AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – Firsttime adoption of Indian Accounting Standard, with 1st April, 2015 as the transition date.

The Company has prepared the opening balance sheet as per Ind AS as of 1st 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 theretoand accounting policies and principles. The accounting policies set out in Note 3 have been applied in preparing the financialstatements for the year ended 31st 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) Investment in subsidiary:

The Company has opted to measure the investments in its subsidiary at deemed cost of such investment which is previous GAAP carrying amount on the date of transition.

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:

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 1st April, 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.

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

6: Investment in subsidiary **(Amount in Rs.)**

Particular	Face Value (Rs.)	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos	Amount	Nos	Amount	Nos	Amount
Non-current (carried at cost or deemed cost) **Unquoted investments (all fully paid)** **Investments in equity instruments**							
GFL GM Fluorspar SA, Morocco	MAD 100	1,39,230	9,91,53,884	1,39,230	9,91,53,884	1,39,230	9,91,53,884
Total unquoted investments			**9,91,53,884**		**9,91,53,884**		**9,91,53,884**
Aggregate carrying value of unquoted investments			**9,91,53,884**		**9,91,53,884**		**9,91,53,884**

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

7: Loans (measured at amortized cost)

(Unsecured, considered good) **(Amount in Rs.)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Loans and advances to related party (refer note 20)			
Inter-corporate deposits to subsidiary company	6,48,50,000	6,77,73,750	6,39,37,500
Total	**6,48,50,000**	**6,77,73,750**	**6,39,37,500**

The unsecured inter-corporate deposits are repayable on 30th April, 2018, carry interest @ 3% p.a. and are given for acquisition of fixed assets and general business purpose

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Loans and advances to related party (refer note 20)			
Inter-corporate deposits to subsidiary company	6,86,11,300	23,18,750	21,87,500
Total	**6,86,11,300**	**23,18,750**	**21,87,500**

The unsecured inter-corporate deposit of USD 1.058 million given to GFL GM Fluorspar SA carries interest @ 3% p.a. and is repayable on 30th April, 2017, with a prior notice period of 30 days

8: Cash & cash equivalents **(Amount in Rs.)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents -			
Balances with banks - in current accounts	13,00,780	4,29,921	4,21,808
	13,00,780	**4,29,921**	**4,21,808**

9: Other financial assets **(Amount in Rs.)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Interest accrued on inter-corporate deposits from subsidiary company	1,02,82,146	78,11,269	57,77,774
	1,02,82,146	**78,11,269**	**57,77,774**

10: Other current assets **(Amount in Rs.)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Prepaid expenses	2,05,299	1,84,178	1,73,438
	2,05,299	**1,84,178**	**1,73,438**

Gujarat Fluorochemicals Singapore Pte. Limited
Notes to the financial statements for the year ended 31st March, 2017

11: Equity share capital (Amount in Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Paid up			
38,16,000 (31 March 2016 : 27,91,000; 1 April 2015 : 27,71,000) Equity shares of USD 1 each	21,53,29,904	14,69,64,404	14,56,85,004
	21,53,29,904	**14,69,64,404**	**14,56,85,004**

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

As at 31 March 2017	Nos.	(Amount in Rs.)
At the beginning of the year	27,91,000	14,69,64,404
Add : Issued during the year	10,25,000	6,83,65,500
At the end of the year	**38,16,000**	**21,53,29,904**

As at 31 March 2016	Nos.	(Amount in Rs.)
At the beginning of the year	27,71,000	14,56,85,004
Add : Issued during the year	20,000	12,79,400
At the end of the year	**27,91,000**	**14,69,64,404**

As at 1 April 2015	Nos.	(Amount in Rs.)
At the beginning of the year	27,36,000	14,35,36,529
Add : Issued during the year	35,000	21,48,475
At the end of the year	**27,71,000**	**14,56,85,004**

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share. 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

	(Nos.)	(Amount in Rs.)
As at 31st March, 2017		
Gujarat Fluorochemicals Limited, India	38,16,000	21,53,29,904
As at 31st March, 2016		
Gujarat Fluorochemicals Limited, India	27,91,000	14,69,64,404
As at 1st April, 2015		
Gujarat Fluorochemicals Limited, India	27,71,000	14,56,85,004

d) Details of shareholders holding more than 5% shares in the company	(Nos.)	Holding %
As at 31st March, 2017		
Gujarat Fluorochemicals Limited, India	38,16,000	100.00%
As at 31st March, 2016		
Gujarat Fluorochemicals Limited, India	27,91,000	100.00%
As at 1st April, 2015		
Gujarat Fluorochemicals Limited, India	27,71,000	100.00%

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

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

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Foreign currency transalation reserve	2,42,80,908	2,79,03,384	2,35,35,263
Retained earnings	41,03,944	24,01,049	17,55,447
	2,83,84,852	**3,03,04,433**	**2,52,90,710**

a) Foreign currency translation reserve

As per last Balance Sheet	2,79,03,384	2,35,35,263
Movement during the year	(36,22,476)	43,68,121
Balance as at the end of the year	**2,42,80,908**	**2,79,03,384**

Foreign curreny 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	24,01,049	17,55,447
Profit for the Year	17,02,895	6,45,602
Balance at the end of the year	**41,03,944**	**24,01,049**

13: Other financial liabilities

(measured at amortized cost) **(Amount in Rs.)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Other payables	6,88,653	4,02,915	6,76,190
	6,88,653	**4,02,915**	**6,76,190**

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

14: Operating income **(Amount in Rs.)**

Particulars	2016-2017	2015-2016
Interest income, calculated using effective interest method		
Interest on inter-corporate deposit from subsidiary company	34,06,709	20,82,755
	34,06,709	**20,82,755**

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

Particulars	2016-2017	2015-2016
Legal and professional fees and expenses	9,10,895	9,09,647
Rates and taxes	71,764	53,600
Net loss on foreign currency translation and transactions	3,263	12,466
Miscellaneous expenses	58,906	39,734
	10,44,828	**10,15,447**

16: Tax expense **(Amount in Rs.)**

Particulars	2016-2017	2015-2016
Current tax	6,58,986	4,21,706
	6,58,986	**4,21,706**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Rs.)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before tax	23,61,881	10,67,308
Income tax expense calculated at 20% (2015-2016: 20%)	4,72,376	2,13,462
Effect of expenses that are not deductible in determining taxable profit	2,08,966	2,03,089
	6,81,342	**4,16,551**
Foreign exchange translation difference	(22,356)	5,155
Income tax expense recognised in profit and loss	**6,58,986**	**4,21,706**

Gujarat Fluorochemicals Singapore Pte. Limited
Notes to the financial statements for the year ended 31st March, 2017

17 Segment information

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

18 Earning Per Share

Particulars	2016-17	2015-16
Net Profit as per Statement of Profit & Loss (Rs.)	17,02,895	6,45,602
No. of Equity Shares at beginning of the year (Nos.)	27,91,000	27,71,000
No. of Equity Shares issued during the year (Nos.)	10,25,000	20,000
No. of Equity Shares outstanding at the end of the year (Nos.)	38,16,000	27,91,000
Weighted average no. of Equity Shares used in computing basic and diluted EPS (Nos.)	33,72,233	27,88,923
Basic and Diluted EPS (Rs)	**0.50**	**0.23**

19 Financial Instruments:

19.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) and Holding Company reviews the capital structure of the entity on annual basis. The Company is wholly owned by its parent company and it does not have any external borrowings and is not subject to any externally imposed capital requirements.

19.2 Categories of financial instruments **(Amount in Rs.)**

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Financial assets				
Measured at Cost				
Investment in Subsidary	6	9,91,53,884	9,91,53,884	9,91,53,884
Measured at amortised cost				
(a) Cash & Cash Equivalents	8	13,00,780	4,29,921	4,21,808
(b) Other financial assets at amortised cost				
Non-current loan	7	6,48,50,000	6,77,73,750	6,39,37,500
Current - Loan	7	6,86,11,300	23,18,750	21,87,500
		13,34,61,300	7,00,92,500	6,61,25,000
Other current financial assets	9	1,02,82,146	78,11,269	57,77,774
b) Financial liabilities				
Measured at amortised cost				
Other current financial liabilities	13	6,88,653	4,02,915	6,76,190

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

19.3 Financial risk management objectives

The Company’s principal financial liabilities comprise of other payables. The Company’s principal financial assets include loans, other receivables, cash and cash equivalents .

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Senior 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.

19.4 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. The company does not have any foreign currency exposure and hence not subject to foreign currency risk. The company does not have any borrowing hence there is no interest rate risk. Further, the entire investments of the company are only in its subsidiary company.

Gujarat Fluorochemicals Singapore Pte. Limited
Notes to the financial statements for the year ended 31st March, 2017

19.5 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 loans and other financial assets, which are only given to subsidiary company. Hence, no risk is perceived.

19.6 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.

19.6.1 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.

(Amount in Rs.)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31 March 2017				
Other Payables	6,88,653	-	-	6,88,653
Total	**6,88,653**	**-**	**-**	**6,88,653**
As at 31 March 2016				
Other Payables	4,02,915	-	-	4,02,915
Total	**4,02,915**	**-**	**-**	**4,02,915**
As at 1 April 2015				
Other Payables	6,76,190	-	-	6,76,190
Total	**6,76,190**	**-**	**-**	**6,76,190**

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.

19.7 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.

Gujarat Fluorochemicals Singapore Pte. Limited
Notes to the financial statements for the year ended 31st March, 2017

20 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.)**

	Particulars	2016-2017	2015-2016
a)	Issue of equity shares	6,83,65,500	12,79,400

ii) With GFL GM Fluorspar SA: **(Amount in Rs.)**

	Particulars	2016-2017	2015-2016
a)	Inter-corporate deposit given	6,48,50,000	-
b)	Interest on Inter-corporate deposit	34,06,709	20,82,755

iii) Amount outstanding with GFL GM Fluorspar SA as at the end of the year: **(Amount in Rs.)**

	Particulars	2016-2017	2015-2016	2014-2015
	Amounts receivable			
a)	Inter corporate deposit outstanding	13,34,61,300	7,00,92,500	6,61,25,000
b)	Interest receivable	1,02,82,146	78,11,269	57,77,774

As per our report of even date attached
For PATANKAR & ASSOCIATES
Chartered Accountants

Gujarat Fluorochemicals Singapore Pte. Limited

M.Y.Kulkarni
Partner

Mukesh Patni
Director

Deepak Asher
Director

Place: Pune
Dated: 26th May 2017

Place: Noida
Dated: 26th May 2017