

GFL GM FLUORSPAR SA

10th

ANNUAL REPORT

2020-2021

Independent Auditor's Report to the Board of Directors of Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited)

Report on the Special Purpose Ind AS Financial Statements of GFL GM Fluorspar SA

Opinion

We have audited the accompanying special purpose Ind AS financial statements of **GFL GM Fluorspar SA** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements"). The financial information has been prepared by the management as described in Note 2.1 to these Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity 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"), of the state of affairs of the Company as at 31st March 2021, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date in accordance with Note 2.1 to the Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

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

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Independent Auditor's Report to the Board of Directors of Gujarat Fluorochemicals Limited on the Special Purpose Ind AS Financial Statements of GFL GM Fluorspar SA for the year ended 31st March 2021 (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report to the Board of Directors of Gujarat Fluorochemicals Limited on the Special Purpose Ind AS Financial Statements of GFL GM Fluorspar SA for the year ended 31st March 2021 (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.1 to the Financial Statements, which describes the basis of accounting. The Financial Statements are prepared to assist the holding Company, Gujarat Fluorochemicals Limited, to comply with the requirements of Section 129(3) of the Act. These financial statements are not the statutory financial statements of the Company. As a result, these Financial Statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted or circulated, or referred to, in correspondence or discussion, in whole or in part or distributed to anyone other than the purpose for which it has been issued without our prior written consent.

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

S.S. Malani

S S Malani
Partner
Membership No. 110051



Place: Pune
Date: 17th June 2021
UDIN: 21110051AAAABA8191

GFL GM FLUORSPAR SA
Balance Sheet as at 31 March 2021

(Rs. In Lakhs)

Particulars	Notes	As at	
		31 March 2021	31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment	5	8,784.08	9,460.87
(b) Right of use assets	6	92.08	94.56
(c) Intangible assets	7	645.86	681.52
(d) Financial assets			
(i) Loans	8	83.83	83.50
(e) Other non-current assets	9	479.55	1,376.60
Sub-total		10,085.40	11,697.05
(2) Current Assets			
(a) Inventories	10	1,984.53	2,327.87
(b) Financial Assets			
(i) Trade Receivables	11	163.18	79.63
(ii) Cash & cash equivalents	12	60.25	227.09
(iii) Loans	8	6.61	-
(c) Other current assets	9	38.25	9.51
Sub-total		2,252.82	2,644.10
Total Assets		12,338.22	14,341.15
EQUITY & LIABILITIES			
Equity			
(a) Equity share capital	13	1,349.96	1,349.96
(b) Other equity	14	(5,689.70)	(5,461.59)
Sub-total		(5,339.74)	(4,111.63)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,352.19	9,152.77
(ii) Other financial liabilities	16	-	26.84
Sub-total		9,352.19	9,179.61
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,217.23	1,469.35
(ii) Trade payables	18	1,570.00	1,822.26
(iii) Other financial liabilities	19	3,605.08	3,016.17
(b) Other current liabilities	20	1,907.16	2,928.86
(c) Provisions	21	25.53	25.11
(d) Current tax liabilities (net)	22	0.77	11.47
Sub-total		8,325.77	9,273.17
Total Equity & Liabilities		12,338.22	14,341.15

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W


S. S. Malani
Partner
Membership No. 110051

Place: Pune
Date: 17 June 2021



For GFL GM Fluorspar SA


V. K. Soni
-Director

Place: New Delhi
Date: 17 June 2021


Manoj Agrawal
Director

Place: Vadodara
Date: 17 June 2021

GFL GM FLUORSPAR SA

Statement of Profit and Loss for the period 31 March, 2021

(Rs. in Lakhs)

Particulars	Notes	2020-2021	2019-2020
Revenue			
I Revenue from operations	23	4,153.05	4,846.45
II Other income	24	520.33	-
III Total Revenue		4,673.38	4,846.45
IV Expenses			
Material extraction and processing cost	25	3,247.75	3,892.44
Changes in inventories of finished goods and work-in-progress	26	356.56	(803.10)
Power & fuel		403.69	496.81
Employee benefits expense	27	431.53	393.14
Finance costs	28	597.67	591.35
Depreciation and amortisation expense	29	1,575.39	1,461.84
Net (gain)/loss on foreign currency transactions and translation		(1,538.30)	520.08
Other expenses	30	656.16	969.66
Total expenses (IV)		5,730.45	7,522.22
V Loss before tax (III-IV)		(1,057.07)	(2,675.77)
VI Tax expense	31		
(1) Current tax		24.93	29.75
(2) Taxation pertaining to earlier years		-	(8.08)
		24.93	21.67
VII Loss for the year (V-VI)		(1,082.00)	(2,697.44)
VIII Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(146.11)	(203.84)
Total other comprehensive income		(146.11)	(203.84)
IX Total comprehensive income for the year (VII+VIII)		(1,228.11)	(2,901.28)
X Basic and Diluted loss per equity share	38	(575.07)	(1,433.66)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
 For Patankar & Associates
 Chartered Accountants
 Firm's Registration No. 107628W

S.S. Malani
 S. S. Malani
 Partner
 Membership No. 110051

Place: Pune
 Date: 17 June 2021



For GFL GM Fluorspar SA

V. R. Soni
 V. R. Soni
 Director

Place: New Delhi
 Date: 17 June 2021

Manoj Agrawal
 Manoj Agrawal
 Director

Place: Vadodara
 Date: 17 June 2021

GFL GM FLUORSPAR SA**Statement of changes in equity for the year ended 31 March 2021**

A. Equity Share Capital	(Rs. In Lakhs)
Balance as at 1 April 2019	1,349.96
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,349.96
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,349.96

Particulars	B. Other Equity (Rs. In Lakhs)		
	Reserves & Surplus	Other comprehensive income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance as at 1 April 2019	(2,480.59)	(79.72)	(2,560.31)
Loss for the year	(2,697.44)	-	(2,697.44)
Other comprehensive income for the year	-	(203.84)	(203.84)
Total comprehensive income for the year	(2,697.44)	(203.84)	(2,901.28)
Balance as at 31 March 2020	(5,178.03)	(283.56)	(5,461.59)
Loss for the year	(1,082.00)	-	(1,082.00)
Other comprehensive income for the year	-	(146.11)	(146.11)
Total comprehensive income for the year	(1,082.00)	(146.11)	(1,228.11)
Balance as at 31 March 2021	(6,260.03)	(429.67)	(6,689.70)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

Firm's Registration No. 107628W

S.S. Malani

S. S. Malani

Partner

Membership No. 110051

Place: Pune

Date : 17 June 2021



For GFL GM Fluorspar SA

V. K. Soni
V. K. Soni
Director

Place: New Delhi

Date : 17 June 2021

Manoj Agrawal
Manoj Agrawal
Director

Place: Vadodara

Date : 17 June 2021

GFL GM FLUORSPAR SA

Statement of Cash flows for the year ended 31 March 2021

(Rs. In Lakhs)

Particulars	2020-2021	2019-2020
A Cash flow from operating activities		
Loss for the year	(1,082.00)	(2,697.44)
Adjustments for :		
Tax expense	24.93	21.67
Finance costs	597.67	591.35
Depreciation and amortization expenses	1,575.39	1,461.84
Liabilities and provisions no longer required, written back	(520.33)	-
Exchange difference on translation of assets and liabilities	(1,293.15)	14.54
<i>Operating loss before working capital changes</i>	(697.49)	(608.04)
Adjustments for :		
(Increase)/ decrease in Inventories	343.34	(1,082.52)
(Increase)/ decrease in trade receivables	(83.55)	279.14
(Increase)/ decrease in Long-term loans	7.02	-
(Increase)/ decrease in Short-term loans	(6.61)	-
(Increase)/ decrease in Other non current assets	897.05	(121.01)
(Increase)/ decrease in Other current assets	(28.74)	(9.49)
Increase/ (decrease) in Other current financial liabilities	173.78	(27.02)
Increase/ (decrease) in Short-term provisions	0.42	5.20
Increase/ (decrease) in Other current liabilities	(1,021.70)	2,058.89
Increase/ (decrease) in Trade payables	(179.59)	956.15
Cash generated from/(used in) operations	(596.07)	1,451.30
Income tax paid (net)	(37.10)	(32.67)
Net cash generated from / (used in) operating activities	(633.17)	1,418.63
B Cash flow from investing activities		
Acquisition of property, plant and equipment (including changes in capital advances and Capital WIP)	(10.14)	(36.31)
Net cash used in investing activities	(10.14)	(36.31)
C Cash flow from financing activities		
Proceeds from long-term borrowings	2,010.23	-
Repayment of long-term borrowings	(883.97)	(1,211.05)
Proceeds from short-term borrowings (net)	(252.12)	355.88
Finance costs	(361.65)	(372.01)
Payment of lease liabilities	(36.03)	(32.17)
Net cash generated from / (used in) financing activities	476.47	(1,259.35)
Net increase/(decrease) in cash and cash equivalents	(166.84)	122.97
Cash and cash equivalents as at the beginning of the year	227.09	104.12
Cash and cash equivalents as at the end of the year	60.25	227.09



GFL GM FLUORSPAR SA

Statement of Cash flows for the year ended 31 March 2021

GFL GM FLUORSPAR SA

Statement of Cash flows for the year ended 31 March 2021 - continued

Changes in liabilities arising from financing activities during the year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	2020-2021		2019-2020	
	Non-current Borrowing	Current Borrowing	Non-current Borrowing	Current Borrowing
Opening balance	11,184.16	1,475.32	11,369.70	1,119.41
Cash flows	1,126.26	(252.12)	(1,211.05)	355.88
Interest expense	456.31	67.93	451.00	69.46
Interest paid	(227.95)	(71.09)	(138.43)	(36.26)
Foreign exchange (gain)/loss	(290.69)	0.86	712.94	(33.17)
Closing balance	12,248.09	1,220.90	11,184.16	1,475.32

Note:

- 1) The above Statement of cash flows has been prepared under the indirect method.
- 2) Components of cash and cash equivalents are as per Note 12
- 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

Firm's Registration No. 107628W

**S. S. Malani**

Partner

Membership No. 110051

Place: Pune

Date : 17 June 2021

**For GFL GM Fluorspar SA**
V. K. Soni
Director

Place: New Delhi

Date : 17 June 2021


Manoj Agrawal
Director

Place: Vadodara

Date : 17 June 2021

GFL GM Fluorspar SA
Notes to the financial statements for the year ended 31st March, 2021

1. Company information

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

The Company's registered office is located at- 425, Boulevard IBN Tachefine, 3rd Floor Casablanca – Morocco.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These special purpose financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India and are prepared for the purpose of preparation of consolidated financial statements of the holding company, Gujarat Fluorochemicals Limited earlier known as Inox Fluorochemicals Limited, India. Accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.3) and the disclosures in respect of significant accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 17th June, 2021.

2.2 Basis of Measurement

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

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

These financial statements have been prepared on an accrual basis and under 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, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.



GFL GM Fluorspar SA
Notes to the financial statements for the year ended 31st March, 2021

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.

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. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.3 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

There is no new accounting standard which has been become effective during the year.

b. Amendments to existing accounting standards applicable to the Company:

Amendments to the following accounting standards have become applicable for the current reporting period:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24 July 2020 amendments to the existing standards have been notified and all these amendments are effective for annual periods beginning from 1 April 2020. Amendments to the following accounting standards have become applicable for the current reporting period:

- Amendments to Ind AS 103 Business Combination: The amendments substitute the existing definition of "business" with a more detailed definition and also provides optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive. These amendments will apply to future business combinations.
- Amendments to Ind AS 107 Financial Instruments – Disclosures: The amendments prescribe additional disclosures in respect of uncertainty arising from interest rate benchmark reform. These amendments did not have any impact on the Company's financial statements.

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- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. These amendments did not have any impact on the Company's financial statements.
- Amendments to Ind AS 116 Leases: The amendments provide a practical expedient for treatment of rent concessions occurring as a direct consequence of COVID-19 pandemic and related clarifications. These amendments did not have any impact on the Company's financial statements.
- Amendments to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors: The amendments provide a new definition of the term "material" and also provides related clarifications.
- Amendments to Ind AS 10 Events after the Reporting Period: The conditions requiring disclosure for a non-adjusting event has been elaborated.

Amendments to Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets: The amendments are consequent to amendments to Ind AS 1, Ind AS 8 and Ind AS 10, and also provides clarifications in respect of restructuring plans.

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which is applicable from 1 April 2021.

3. Significant Accounting Policies

3.1 Revenue recognition

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Sale of products: Revenue from sale of products is recognized when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e. when the material is shipped to the customer or on delivery to the customer, as per the terms of the contract.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are made with a credit term of less than 90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money.

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due



GFL GM Fluorspar SA
Notes to the financial statements for the year ended 31st March, 2021

(whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as 'Advances from customers'.

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 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease viz. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

"Lease liability" and "Right of use asset" have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

- as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency



GFL GM Fluorspar SA
Notes to the financial statements for the year ended 31st March, 2021

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.

3.4 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.

3.5 Employee benefits

Retirement benefit costs

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees and recognized as expenses in the Statement of profit and loss. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These benefits include wages and salaries etc.

Long-term employee benefits:

The Company has only has only defined contribution plan under Long term employee benefits.

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. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions. The Company presents the component of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

3.6 Taxation

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises of amount of tax payable on taxable profit for the year determined in accordance with the provisions of the Morocco income tax laws and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



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Notes to the financial statements for the year ended 31st March, 2021

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.

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.

3.7 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, PPE are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (see Note 3.3).

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Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of a property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

- Furniture and fixtures 5 years
- Computers 3 years
- Office equipment 5 years
- Plant and Equipments 8 years
- Building 9 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

3.8 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.



Estimated useful lives of the intangible assets are as follows:

- Mining Rights 16 years

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

3.9 Impairment of tangible and intangible assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.10 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 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. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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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.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.12 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:

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.

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

i. Financial assets measured at amortized cost:

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

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

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

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

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

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

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

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

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

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

d) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

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e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

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

In cases where Company has neither transferred or retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

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

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

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Financial assets measured at amortized cost (other than trade receivables)
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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.

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Notes to the financial statements for the year ended 31st March, 2021

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

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

B) Financial liabilities and equity instruments

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

i. Equity instruments:

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

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

iii. Financial Liabilities:

a) Initial recognition and measurement:

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

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.



d) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.13 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

4. Critical accounting judgements and use of estimates

The preparation of Company's financial statements requires management 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.

Following are the critical judgements, assumptions and use of estimates that have the most significant effects on the amounts recognized in these financial statements:

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets (other than goodwill):

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.7 and 3.8 above. Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges. The Company reviews the estimated useful lives of PPE and intangible assets (other than goodwill) at the end of each reporting period

b) Expected credit losses on financial assets:

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.



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Notes to the financial statements for the year ended 31st March, 2021

c) Recognition and measurement of provisions and contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Judgment is required to determine the probability of such potential liabilities actually crystallising. In case the probability is low, the same is treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

d) Income taxes:

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing Morocco Income tax laws. The amount of such provision is based on various factors including interpretation of tax regulations, changes in tax laws, acceptance of tax positions in the tax assessments etc.



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Notes to the financial statements for the year ended 31 March 2021

5: Property, plant & equipment

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Carrying amount of:		
Buildings	20.22	23.43
Plant and equipments	8,751.87	9,414.33
Plant and equipments under finance lease	-	-
Furniture & fixtures	5.91	13.84
Office equipments	6.08	9.27
	8,784.08	9,460.87

Particulars	(Rs. in Lakhs)					
	Buildings	Plant and equipments	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
I. Cost or Deemed Cost						
Balance as at 1st April, 2019	27.47	10,260.91	107.34	45.39	20.87	10,461.98
Additions		50.88	-	0.42	1.79	53.09
Reclassification (see Note 2 below)			(107.34)			(107.34)
Effect of foreign currency exchange differences		140.76				140.76
Effect of foreign currency translation differences	1.12	422.22		2.05	1.22	426.61
Balance as at 31st March, 2020	28.59	10,874.77	-	47.86	23.88	10,975.10
Additions		9.46	-	-	0.68	10.14
Effect of foreign currency translation differences	2.38	903.30	-	3.98	3.98	911.64
Balance as at 31st March, 2021	30.97	11,787.53	-	51.84	26.54	11,896.88

Particulars	(Rs. in Lakhs)					
	Buildings	Plant and equipments	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
II. Accumulated depreciation						
Balance as at 1st April, 2019	0.39	106.88	12.53	23.77	9.76	153.33
Depreciation for the year	4.76	1,349.15	-	9.09	4.09	1,367.09
Effect of foreign currency translation differences	0.01	4.41		1.16	0.76	6.34
Reclassification (see Note 2 below)			(12.53)			(12.53)
Balance as at 31st March, 2020	5.16	1,460.44	-	34.02	14.61	1,514.23
Depreciation for the year	5.16	1,453.91	-	9.08	4.64	1,472.79
Effect of foreign currency translation differences	0.43	121.31	-	2.83	1.21	125.78
Balance as at 31st March, 2021	10.75	3,035.66	-	45.93	20.46	3,112.80

Particulars	(Rs. in Lakhs)					
	Buildings	Plant and equipments	Plant and equipments under finance lease	Furniture & fixtures	Office equipments	Total
III. Net Carrying amount						
Balance as at 31st March, 2020	23.43	9,414.33	-	13.84	9.27	9,460.87
Balance as at 31st March, 2021	20.22	8,751.87	-	5.91	6.08	8,784.08

Note:

- Above movable fixed assets, other than on finance lease, have been pledged as security (for security see Note 15)
- On transition to Ind AS 116, Plant and equipment under finance lease has been reclassified to Right of use assets (see Note 36)



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Notes to the financial statements for the year ended 31 March, 2021

6: Right of use assets

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Right of use assets (see Note 36)	92.08	94.56
	<u>92.08</u>	<u>94.56</u>



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Notes to the financial statements for the year ended 31 March 2021

7: Intangible assets

(Rs. In Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amount of: Mining Rights	645.86	681.52
	645.86	681.52

(Rs. In Lakhs)

Particulars	Mining Rights	Total
I. Cost or Deemed Cost		
Balance as at 1st April, 2019	1,064.02	1,064.02
Effect of foreign currency translation differences	72.17	72.17
Balance as at 31st March, 2020	1,136.19	1,136.19
Effect of foreign currency translation differences	113.22	113.22
Balance as at 31st March, 2021	1,249.41	1,249.41

(Rs. In Lakhs)

Particulars	Mining Rights	Total
II. Accumulated amortization		
Balance as at 1st April, 2019	327.62	327.62
Amortization expense for the year	85.19	85.19
Effect of foreign currency translation differences	41.86	41.86
Balance as at 31st March, 2020	454.67	454.67
Amortization expense for the year	92.27	92.27
Effect of foreign currency translation differences	56.61	56.61
Balance as at 31st March, 2021	603.55	603.55

(Rs. In Lakhs)

Particulars	Mining Rights	Total
III. Net Carrying amount		
Balance as at 31st March, 2020	681.52	681.52
Balance as at 31st March, 2021	645.86	645.86



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Notes to the financial statements for the year ended 31 March, 2021

8: Loans

(Unsecured, considered good)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposits	83.83	83.50
	83.83	83.50
Current		
Security deposits	6.61	-
	6.61	-

9: Other assets

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Non-current		
Balances in VAT accounts	479.55	1,376.60
	479.55	1,376.60
Current		
Advance to employees	0.08	2.33
Advance to suppliers	0.53	7.18
Prepaid expenses	37.64	-
	38.25	9.51

10: Inventories

(at lower of cost and net realizable value)

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Work-in-progress - raw/semi-processed ore	862.60	715.04
Finished Goods - fluorspar	927.56	1,268.94
Stores, spares and consumables	194.37	343.89
	1,984.53	2,327.87

i) The mode of valuation of inventories has been stated in note 3.10

ii) The cost of inventories recognised as an expense includes Rs 223.01 Lakhs (Previous year : Rs 101.83 Lakhs) in respect of write downs of inventory to net realisable value.

11: Trade receivables

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Current		
Considered good - Unsecured	163.18	79.63
	163.18	79.63

12: Cash & cash equivalents

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Balances with banks - in current accounts	60.25	227.09
	60.25	227.09



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Notes to the financial statements for the year ended 31 March, 2021

13: Equity share capital

Particulars	(Rs. in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Authorised capital 1,88,150 (31st March, 2020: 1,88,150) equity shares of MAD 100 each	1,349.96	1,349.96
Issued, subscribed and fully paid up capital 1,88,150 (31st March, 2020: 1,88,150) equity shares of MAD 100 each	1,349.96	1,349.96
	<u>1,349.96</u>	<u>1,349.96</u>

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

As at 31st March, 2021	Nos.	(Rs. in Lakhs)
At the beginning of the year	188,150	1,349.96
At the end of the year	<u>188,150</u>	<u>1,349.96</u>

As at 31st March, 2020	Nos.	(Rs. in Lakhs)
At the beginning of the year	188,150	1,349.96
At the end of the year	<u>188,150</u>	<u>1,349.96</u>

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

Shares held by holding company

As at 31st March, 2021	(Nos.)	(Rs. in Lakhs)
Gujarat Fluorochemicals Singapore Pte. Limited	139,231	991.54

As at 31st March, 2020	(Nos.)	(Rs. in Lakhs)
Gujarat Fluorochemicals Singapore Pte. Limited	139,231	991.54

Details of shareholders holding more than 5% shares in the company

As at 31st March, 2021	(Nos.)	Holding %
a) Gujarat Fluorochemicals Singapore Pte. Limited	139,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%

As at 31st March, 2020	(Nos.)	Holding %
a) Gujarat Fluorochemicals Singapore Pte. Limited	139,231	74.00%
b) Global Mines SARL, Morocco	48,919	26.00%



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Notes to the financial statements for the year ended 31 March, 2021

14: Other equity

Particulars	(Rs. In Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Foreign currency translation reserve	(429.67)	(283.56)
Retained earnings	(6,260.03)	(5,178.03)
	(6,689.70)	(5,461.59)
a) Foreign currency translation reserve		
As per last Balance Sheet	(283.56)	(79.72)
Movement during the year	(146.11)	(203.84)
Balance as at the end of the year	(429.67)	(283.56)
Foreign currency translation reserve is on account of translation of assets and liabilities from functional to presentation currency - see Note 2.2		
b) Retained earnings		
Balance at beginning of the year	(5,178.03)	(2,480.59)
Loss for the year	(1,082.00)	(2,697.44)
Balance at the end of the year	(6,260.03)	(5,178.03)

15: Non-current borrowings

Particulars	(Rs. In Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Secured:		
From Bank-		
External Commercial Borrowing from EXIM Bank	4,011.79	2,882.26
Less: Current maturities of long-term borrowings (see Note 19)	2,112.89	1,434.60
Less: Interest accrued (see Note 19)	17.35	14.08
	1,881.55	1,433.58
Unsecured:		
Loans and Advances from related party-		
Inter-corporate deposit from the holding company	8,236.30	8,301.90
Less: Interest accrued (see Note 19)	765.66	582.71
Total unsecured loans	7,470.64	7,719.19
	9,352.19	9,152.77

Security and terms of secured borrowings:

External commercial borrowing of USD 2.80 million is secured by way of exclusive charge on movable fixed assets of the proposed project upto value of USD 9.50 million, book debts, operating cashflows, receivables, commission, present & future revenues and unconditional Irrevocable Corporate Guarantee of Gujarat Fluorochemicals Limited (Earlier known as Inox Fluorochemicals Limited), India, the intermediate holding company and GFL Limited (Earlier know as Gujarat Fluorochemicals Limited), India a fellow subsidiary company. The term loan is repayable in the 10 structured half yearly instalments commencing from 8th September, 2017, and carries interest @ 6 months LIBOR plus 4% p.a.

External commercial borrowing of USD 2.725 million is secured by way of exclusive charge on entire movable fixed assets of GFL GM, both present and future and unconditional irrevocable Corporate Guarantee of Gujarat Fluorochemicals Limited (Earlier known as Inox Fluorochemicals Limited), India. The term loan is repayable in the 11 structured half yearly instalments commencing from 1st September, 2021 and carries interest @ 6 months LIBOR plus 4% p.a.

Terms of unsecured borrowings:

The unsecured inter-corporate deposit of USD 10.218 million from GFL Singapore Pte Ltd. carries interest @ 3% p.a. and is repayable on 30th April, 2023.

There is no default in repayment of principal and payment of interest on borrowings.



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March, 2021

16: Other financial liabilities (non-current)		(Rs. In Lakhs)	
Particulars	As at		
	31 March 2021	31 March 2020	
Lease liabilities (see Note 36)	-	26.84	
	-	26.84	

17: Current borrowings		(Rs. In Lakhs)	
Particulars	As at		
	31 March 2021	31 March 2020	
Secured:			
From Bank			
- working capital borrowing from EXIM Bank	1,220.90	1,475.32	
Less: Interest accrued (see Note 19)	3.67	5.97	
	1,217.23	1,469.35	
	1,217.23	1,469.35	

Terms of secured borrowings:

Working Capital borrowing of USD 1.66 million is secured by exclusive charge on inventories, present and future receivables and Corporate Guarantee from Gujarat Fluorochemicals Limited, India (Earlier known as Inox Fluorochemicals Limited) and carries interest @ 6 months LIBOR plus 3.5% p.a. and is repayable at the end of 180 days from the date of disbursement.

18: Trade payables		(Rs. In Lakhs)	
Particulars	As at		
	31 March 2021	31 March 2020	
Trade payables	1,570.00	1,822.26	
	1,570.00	1,822.26	

19 : Other financial liabilities		(Rs. In Lakhs)	
Particulars	As at		
	31 March 2021	31 March 2020	
Current			
Current maturities of long-term borrowings (from Note 15)	2,112.89	1,434.60	
Lease liabilities	29.06	28.48	
Interest accrued (from Notes 15 and 17)	786.68	602.76	
Creditors for capital expenditure	36.06	101.48	
Employee dues	22.34	24.49	
Other payable			
- related party (see Note 37)	282.64	232.35	
- other	-	426.20	
Expenses payable	335.41	165.81	
	3,605.08	3,016.17	



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Notes to the financial statements for the year ended 31 March, 2021

20: Other current liabilities		(Rs. In Lakhs)	
Particulars	As at	As at	
	31 March 2021	31 March 2020	
Statutory duties and taxes payable	79.94	102.02	
Advance from customer			
- related party (see Note 37)	1,812.62	2,805.46	
- other	14.60	21.38	
	<u>1,907.16</u>	<u>2,928.86</u>	

21: Provisions		(Rs. In Lakhs)	
Particulars	As at	As at	
	31 March 2021	31 March 2020	
<u>Current</u>			
Compensated absences	25.53	25.11	
	<u>25.53</u>	<u>25.11</u>	

22: Current tax liabilities (net)		(Rs. In Lakhs)	
Particulars	As at	As at	
	31 March 2021	31 March 2020	
Provision for tax (net)	0.77	11.42	
	<u>0.77</u>	<u>11.42</u>	



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March, 2021

23: Revenue from operations

Particulars	(Rs. In Lakhs)	
	2020-2021	2019-2020
Revenue from contracts with customers:		
Sale of products	4,126.24	4,844.87
Other operating revenue	26.81	1.58
	<u>4,153.05</u>	<u>4,846.45</u>

Disaggregated revenue information

Particulars	(Rs. In Lakhs)	
	2020-2021	2019-2020
On the basis of type of goods		
Acid Grade Fluorspar	4,126.24	4,844.87
Scrap materials	26.81	1.58
	<u>4,153.05</u>	<u>4,846.45</u>

Contract balances:

Particulars	(Rs. In Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Trade receivables	163.18	79.63
Contract liability	1,827.22	2,826.84

During the year ended 31 March 2021, the Company has recognized revenue of Rs. 1,604.65 Lakhs arising from opening contract liabilities.

Performance obligation

There are no remaining performance obligations as at the end of the year. For this purpose, as permitted under Ind AS 115, the transaction price allocated to contracts for original expected duration of one year or less are not considered.

24: Other income

Particulars	(Rs. In Lakhs)	
	2020-2021	2019-2020
Liability written back	520.33	-
	<u>520.33</u>	<u>-</u>

25: Material extraction and processing cost

Particulars	(Rs. In Lakhs)	
	2020-2021	2019-2020
Stripping Cost		
Drilling, blasting loading and stripping cost	1,671.24	2,103.82
Royalty	51.56	67.42
Subtotal (A)	<u>1,722.80</u>	<u>2,171.24</u>
Benefication Cost		
Material Cost	774.84	852.66
Stores, spares & consumable expenses	87.92	170.33
Equipment hiring charges	436.16	475.29
Production labour charges	163.90	169.68
Laboratory expenses	13.00	19.32
Other expenses	49.13	33.92
Subtotal (B)	<u>1,524.95</u>	<u>1,721.20</u>
Total (A+B)	<u>3,247.75</u>	<u>3,892.44</u>



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Notes to the financial statements for the year ended 31 March, 2021

26: Changes in inventories of finished goods and work-in-progress (Rs. In Lakhs)

Particulars	2020-2021	2019-2020
Opening stock (A)		
Work-in-progress - raw/semi-processed ore	715.04	624.08
Finished Goods	1,268.94	497.14
	<u>1,983.98</u>	<u>1,121.22</u>
Less : Closing stock (C)		
Work-In-progress - raw/semi-processed ore	862.60	715.04
Finished Goods	927.56	1,268.94
	<u>1,790.16</u>	<u>1,983.98</u>
Sub-total (A+B-C)	193.82	(862.76)
Effect of changes in exchange currency rates	162.74	59.66
Net (Increase) / Decrease in Stock	356.56	(803.10)

27: Employee benefits expense (Rs. In Lakhs)

Particulars	2020-2021	2019-2020
Salaries and wages	375.34	342.48
Contribution to funds	56.19	50.66
	<u>431.53</u>	<u>393.14</u>

28: Finance costs (Rs. In Lakhs)

Particulars	2020-2021	2019-2020
Interest expenses		
a. calculated using effective interest method		
Interest on loans	298.54	304.47
Interest on inter-corporate deposit	227.73	218.02
b. Interest on lease liabilities (see Note 36)	7.33	10.74
Sub-total	<u>533.60</u>	<u>533.23</u>
Corporate guarantee commission	57.77	50.88
Other borrowing costs	6.30	7.24
	<u>597.67</u>	<u>591.35</u>

29: Depreciation and amortisation expense (Rs. In Lakhs)

Particulars	2020-2021	2019-2020
Depreciation of property, plant & equipment	1,472.79	1,367.11
Depreciation expenses -right to use assets (see Note 36)	10.33	9.54
Amortization of intangible asset	92.27	85.19
	<u>1,575.39</u>	<u>1,461.84</u>



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March, 2021

30: Other expenses

Particulars	(Rs. in Lakhs)	
	2020-2021	2019-2020
Repairs to Plant and equipments	11.63	17.11
Repairs To Building	0.62	3.52
Legal and professional fees and expenses	81.21	72.35
Insurance	40.40	29.49
Freight	322.81	581.00
Rent	7.09	10.72
Rates and taxes	2.58	2.95
Communication expenses	4.93	5.79
Travelling expenses	4.71	22.25
Bank charges	29.87	36.38
Miscellaneous expenses	150.31	188.10
	656.16	969.66

31: Tax Expense

Particulars	(Rs. in Lakhs)	
	2020-2021	2019-2020
Current tax	24.93	29.75
Taxation pertaining to earlier years	-	8.08
	24.93	21.67

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

As at 31st March 2021, Unrecognized deductible temporary difference, un-used tax losses and un-used tax credits

Nature of tax loss or tax credit	Gross amount	
	(Rs. in Lakhs)	Expiry date
a) Tax losses (FY : 2017-18)	116.88	31/03/2022
b) Tax losses (FY : 2018-19)	2,513.18	31/03/2023
c) Tax losses (FY : 2019-20)	1,980.65	31/03/2024
d) Depreciation losses	2,566.21	Indefinite

Note:

The Company is eligible for tax exemption for a period of five years in respect of its export business which is tax exempt. In the opinion of the management, the entire production will be exported and hence, the accumulated losses will not be set-off during the tax exemption period and no deferred tax is recognized in respect of accumulated losses, including unabsorbed depreciation.

(Signature)



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2021

32 Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of mining and sale of resultant fluorspar i.e. chemical segment. Hence the Company is having only one reportable business segment under Ind AS 108 : Operating segment. The information is further analysed based on the different classes of products:

32.1 Revenue from major products		(Rs. In Lakhs)	
Particulars	2020-2021	2019-2020	
Acid Grade Fluorspar	4,126.24	4,844.87	
Other operating revenue	26.81	1.58	
Total	4,153.05	4,846.45	

32.2 Geographical Information

The Company's revenue from external customers by location of operations are detailed below

		(Rs. In Lakhs)	
Particulars	2020-2021	2019-2020	
India	953.30	3,090.64	
Europe	2,507.65	1,451.77	
Hongkong	43.48	21.81	
Morocco	304.69	282.23	
Japan	343.93	-	
Total	4,153.05	4,846.45	

32.3 Information about major customers

No external customer contributed more than 10% of the Company's revenue in the current year and previous year.

33 Employee Benefits:

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

Contribution to Assurance Maladie Obligatoire (AMO) is Rs. 14.44 Lakhs (previous year Rs. 12.65 Lakhs).

Contribution to CNSS is Rs. 41.75 Lakhs (previous year Rs. 38.00 Lakhs).

34 Contingent liability

		(Rs. In Lakhs)	
Particulars	2020-2021	2019-2020	
Claims against the company not acknowledged as debts: This is in respect of amount recovered by way of revocation of performance guarantee from a supplier of plant and equipments for mining project, on account of delays and non commissioning of the project. The same was contested by the supplier.	-	826.24	

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Notes to the financial statements for the year ended 31 March 2021

35 Financial Instruments:**35.1 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 15, 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.

35.1.1 The gearing ratio at the end of the reporting period was as follows:

Particulars	(Rs. In Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Total Debt	13,468.99	12,659.48
Cash & Cash Equivalents	(60.25)	(227.00)
Net Debt	13,408.74	12,432.39
Total Equity	(5,339.74)	(4,111.63)
Net Debt to equity Ratio	NA	NA

35.2 Categories of financial instruments

Particulars	(Rs. In Lakhs)	
	As at 31 March 2021	As at 31 March 2020
a) Financial assets		
Measured at amortised cost		
(a) Cash & Cash Equivalents	60.25	227.00
(b) Other financial assets at amortised cost		
(i) Trade receivables	163.18	79.63
(ii) Loans	90.44	83.50
Total financial assets	313.87	390.22
b) Financial liabilities		
Measured at amortised cost		
(a) Borrowings	13,468.99	12,659.48
(b) Trade Payables	1,570.00	1,822.26
(c) Other financial liabilities	705.51	1,005.65
Total financial liabilities	15,744.50	15,487.39

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 2021

35.3 Financial risk management

The Company's principal financial liabilities comprise of trade and other payables, borrowings (non-current and current, mainly for acquisition of property, plant and equipment), current maturities of long term borrowings. The Company's principal financial assets include loans, 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	(USD in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Liabilities		
Long Term in FC Borrowings (EXIM Bank)	54.87	38.15
Long Term in FC deposit (Inter-corporate deposit from holding company)	112.65	109.89
Short term working capital loan from EXIM	16.70	19.53
Borrowings	184.22	167.57
Trade and other payables	10.43	7.40
Total liabilities in USD	194.65	174.97

Note : There are no foreign currency denominated monetary assets.



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Notes to the financial statements for the year ended 31 March 2021

35 Financial Instruments - continued

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

Particulars	(MAD in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Liabilities		
Long Term in FC Borrowings (EXIM Bank)	497.16	386.83
Long Term in FC deposit (inter-corporate deposit from holding company)	1,020.70	1,114.29
Short term working capital loan from EXIM	151.51	198.08
Borrowings	1,669.17	1,699.15
Trade and other payables	94.49	75.02
MAD equivalent of USD	1,763.66	1,774.17

Foreign Currency Sensitivity Analysis

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

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

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

Particulars	US Dollars Impact	
	As at 31 March 2021	As at 31 March 2020
Impact on profit or loss for the year	176.37	177.42
Impact on total equity as at the end of the reporting period	176.37	177.42



GFL GM FLUORSPAR SA**Notes to the financial statements for the year ended 31 March 2021****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	(Rs. in Lakhs)	
	Impact (net of tax)	
	As at 31 March 2021	As at 31 March 2020
Increase by 50 basis points	(19.97)	(13.19)
Decrease by 50 basis points	19.97	13.19

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, trade receivables and other financial assets, hence, no risk is perceived.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 60 days. There are two customers representing more than 5% of the total balance of trade receivables as on 31 March 2021 (1 customer as on 31 March 2020), amounting to Rs.163.18 Lakhs (Rs 79.63 Lakhs as on 31 March 2020). All trade receivables are reviewed and assessed for default on a time-to-time basis.

The Company has started commercial production w.e.f 1st March, 2019 and mainly obtains advances from its customers and hence the Company will develop a provision matrix on the basis of expected credit loss trend in the coming years.

C Liquidity Risk Management

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



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Notes to the financial statements for the year ended 31 March 2021

35 Financial Instruments - continued**35.4 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	(Rs. In Lakhs)			
	Less than 1 year INR	1 to 5 years INR	5 years and above INR	Total INR
As at 31 March 2021				
Borrowings	3,330.12	9,352.19	-	12,682.31
Trade Payables	1,570.00	-	-	1,570.00
Other financial liabilities	1,492.19	-	-	1,492.19
Total	6,392.31	9,352.19	-	15,744.50
As at 31 March 2020				
Borrowings	2,903.95	9,152.77	-	12,056.72
Trade Payables	1,822.26	-	-	1,822.26
Other financial liabilities	1,581.57	26.84	-	1,608.41
Total	6,307.78	9,179.61	-	15,487.39

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

35.5 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 2021

36. Leases**Company as a lessee**

(a) The Company's leasing arrangements are in respect of commercial premises on lease and plant and equipment taken on finance lease

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and had measured right of use asset an amount equal to lease liability. The Company was not required to restate the comparative information.

On transition to Ind AS 116, the opening finance leases recognised as per earlier Ind AS 17 have been reclassified as follows-

- 'Plant and equipments under finance lease' earlier classified in PPE is reclassified to Right to use assets
- Finance lease obligation earlier classified in Borrowings is reclassified to Lease liabilities.

(b) The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases expiring within 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the initial application.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 was 5.675 % p.a.

There is no difference between the operating lease commitments disclosed applying Ind AS 17 as at 31 March 2019, discounted using the incremental borrowing rate at the date of the application of Ind AS 116.

The effect of adoption of Ind AS 116 on the line items in the financial statements, profit before tax, profit for the period and earnings per share is not significant. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(b) Particulars of right-to-use assets and lease liabilities**i. Carrying value of right-of-use assets by class of underlying assets**

(Rs.in Lakhs)

Particulars	As at March 31, 2021		
	Plant and equipment	Buildings	Total
Gross Block			
On recognition and reclassification as at April 1, 2019	94.81	5.39	100.20
Add: Effect of foreign currency translation differences (gain)/loss	3.90	-	3.90
Balance as at 31 March 2020	98.71	5.39	104.10
Add: Effect of foreign currency translation differences (gain)/loss	8.19	0.45	8.64
Balance as at 31 March 2021	106.90	5.84	112.74
Accumulated depreciation and impairment			
On recognition and reclassification as at 1 April 2019	-	-	-
Depreciation expense for the year	7.45	2.09	9.54
Balance as at 31 March 2020	7.45	2.09	9.54
Depreciation expense for the year	8.07	2.26	10.33
Add: Effect of foreign currency translation differences (gain)/loss	0.62	0.17	0.79
Balance as at 31 March 2021	16.14	4.52	20.66
Carrying amounts			
As at 31 March 2020	91.26	3.30	94.56
As at 31 March 2021	90.76	1.32	92.08



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2021

36. Leases-continued**ii. Movement in lease liability during year ended**

(Rs.in Lakhs)

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Opening Balance	55.32	
On recognition and reclassification of finance lease as at April 1, 2019	-	76.75
Interest on lease liabilities	7.33	10.74
Payment of lease liabilities	(36.03)	(32.17)
Add: Effect of foreign currency translation differences(gain)/loss	2.44	-
Closing Balance	29.06	55.32

iii. Contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

(Rs.in Lakhs)

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	1.41	2.24
One to five years	-	1.30
More than five years	-	-
Total undiscounted lease liabilities	1.41	3.54

iv. Amount recognized in statement of profit and loss

(Rs.in Lakhs)

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Interest on lease liabilities	7.33	10.74
Included in rent expenses: Expense relating to short-term leases	7.09	10.72

v. Amounts recognised in the statement of cash flows

(Rs.in Lakhs)

Particulars	As at	As at
	31 March, 2021	31 March, 2020
Total cash outflow for leases	36.03	32.17



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2021

37 Related Party Disclosures**A. Names of related parties:****Where control exists:**

- (i) Gujarat Fluorochemicals Singapore Pte Limited (Holding Company)
- (ii) Gujarat Fluorochemicals Limited, India (earlier known as Inox Fluorochemicals Limited) (Intermediate Holding Company w.e.f. 1st April 2019)
- (iii) Inox Leasing and Finance Limited, India (Ultimate Holding Company)

Other related party with whom there are transactions:

- (i) Gujarat Fluorochemicals GmbH (Fellow Subsidiary Company)
- (ii) Global Mines SARL, Morocco Shareholder having significant influence and an enterprise of which the Company is an "associate".

C. Transactions during the year

Sr.No.	Particulars	(Rs. In Lakhs)	
		2020-2021	2019-2020
a)	Interest paid on Inter-corporate deposit Gujarat Fluorochemicals Singapore Pte Limited	227.73	218.02
b)	Reimbursement of expenses (paid) Gujarat Fluorochemicals Limited, India	-	22.35
c)	Corporate guarantee commission Gujarat Fluorochemicals Limited, India	57.76	50.88
d)	Sale of Goods Gujarat Fluorochemicals Limited, India Gujarat Fluorochemicals GmbH Global Mines Sarl, Morocco	953.30 2,507.65 53.99	3,090.64 576.23 -
e)	Royalty expense Global Mines Sarl, Morocco	33.12	46.32
f)	Advance received against sale of goods Gujarat Fluorochemicals GmbH Gujarat Fluorochemicals Limited, India	222.39 1,565.86	1246.37 2,016.33



GFL GM FLUORSPAR SA

Notes to the financial statements for the year ended 31 March 2021

Related Party Disclosures continued

C. Amount outstanding as at the end of the year :		(Rs. In Lakhs)	
Sr.no.	Particulars	As at 31 March 2021	As at 31 March 2020
1)	Gujarat Fluorochemicals Singapore Pte. Limited		
a)	Inter-corporate deposit outstanding	7,470.64	7,719.19
b)	Interest payable on ICD	765.66	582.71
2)	Gujarat Fluorochemicals Limited, India		
a)	Other payables	282.64	232.35
b)	Advance for material	1,590.24	2,140.34
c)	Corporate guarantee given by GFL to Exim Bank for loan taken by the Company	5,211.67	4,337.53
3)	GFL Limited, India		
a)	Corporate guarantee given by GFL to Exim Bank for loan taken by the Company	2,045.07	4,337.53
4)	Global Mines Sarl		
a)	Royalty payable	58.75	34.24
b)	Trade Receivables	69.04	-
5)	Gujarat Fluorochemicals GmbH		
a)	Advance for material received	222.39	665.12

Notes:

(a) Amounts outstanding are unsecured and will be settled in cash or receipt/sale 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.

38 Earnings per share

Particulars	2020-2021	2019-2020
Net loss as per statement of Profit & Loss (Rs. In lakhs)	(1,082.00)	(2,697.44)
No. of Equity Shares at beginning of the year (Nos.)	188,150	188,150
No. of Equity Shares outstanding at the end of the year (Nos.)	188,150	188,150
Basic and Diluted loss per share (Rs.)	(575.07)	(1433.66)

As per our report of even date attached

For **Patankar & Associates**

Chartered Accountants

Firm's Registration No. 107628W

S.S. Malani

S. S. Malani

Partner

Membership No. 110051

Place: Pune

Date : 17 June 2021



For GFL GM Fluorspar SA

V. K. Soni
V. K. Soni
Director

Manoj Agrawal
Manoj Agrawal
Director

Place: New Delhi

Date : 17 June 2021

Place: Vadodara

Date : 17 June 2021