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

Report on the Special Purpose Ind AS Financial Statements of Gujarat Fluorochemicals FZE

Opinion

We have audited the accompanying special purpose Ind AS financial statements of **Gujarat Fluorochemicals FZE** ("the Company"), which comprise the Balance Sheet as at 31 March 2025, 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 material 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 31 March 2025, 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 on the financial statements.

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.

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 Gujarat Fluorochemicals FZE for the year ended 31 March 2025 *(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

SD/-

Sandesh S Malani
Partner
Membership No. 110051

Place: Pune
Date: 26 May 2025
UDIN: 25110051BMKUFO3453

Gujarat Fluorochemicals FZE
Balance Sheet as at 31 March 2025

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
(1) Non-current assets			
(a) Property, plant & equipment	5	8,057.31	8,147.81
(b) Capital work in progress	6	-	-
(c) Right of use assets	30	1,873.23	1,934.71
(d) Financial assets			
(i) Other financial assets	7	6.60	2.19
(e) Other non-current assets	8	108.20	-
Sub-total		**10,045.34**	**10,084.71**
(2) Current assets			
(a) Inventories	9	1,097.88	1,292.68
(b) Financial assets			
(i) Trade receivables	10	1,142.71	1,499.59
(ii) Cash & cash equivalents	11	364.94	219.56
(iii) Other financial assets	7	2.50	-
(c) Other current assets	8	100.63	193.96
Sub-total		**2,708.66**	**3,205.79**
Total Assets		**12,754.00**	**13,290.50**
EQUITY & LIABILITIES			
(1) Equity			
(a) Share capital	12	7,931.16	7,931.16
(b) Other equity	13	(1,571.47)	(980.09)
Sub-total		**6,359.69**	**6,951.07**
LIABILITIES			
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	30	2,398.55	2,344.00
Sub-total		**2,398.55**	**2,344.00**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,237.42	1,136.09
(ii) Lease liabilities	30	3.17	2.80
(iii) Trade payables	15	2,592.39	2,801.87
(iv) Other financial liabilities	16	68.52	54.67
(b) Other current liabilities	17	76.66	-
(c) Current tax liabilities (net)	18	17.60	-
Sub-total		**3,995.76**	**3,995.43**
Total Equity & Liabilities		**12,754.00**	**13,290.50**

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

SD/-
Sandesh S Malani
Partner
Membership No. 110051
Place: Pune
Date: 26 May 2025

For Gujarat Fluorochemicals FZE

SD/-
Jitendra Gaur
Manager
Place: Dubai
Date: 26 May 2025

Gujarat Fluorochemicals FZE
Statement of Profit and Loss for the year ended 31 March 2025

(Rs. in Lakhs)

Particulars	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations	19	4,469.81	3,715.78
Other income		-	-
Total income		**4,469.81**	**3,715.78**
Expenses			
Cost of materials consumed	20	3,874.44	4,179.14
Changes in inventory of finished goods	21	(217.97)	(749.63)
Power and fuel		15.24	10.11
Employee benefits expense	22	419.40	272.08
Finance costs	23	310.25	215.47
Depreciation expenses	24	401.04	276.75
Other expenses	25	408.65	504.20
Total expenses		**5,211.05**	**4,708.12**
Loss before tax		**(741.24)**	**(992.34)**
Tax expenses			
Current tax	26	17.60	-
Loss for the year		**(758.84)**	**(992.34)**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange differences on translating the financial statements of foreign operations		167.46	57.01
Total other comprehensive income		**167.46**	**57.01**
Total comprehensive income for the year (comprising loss and other comprehensive income for the year)		**(591.38)**	**(935.33)**
Basic and Diluted loss per equity share	33	**(64.58)**	**(99.43)**

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

SD/-
Sandesh S Malani
Partner
Membership No. 110051
Place: Pune
Date: 26 May 2025

For Gujarat Fluorochemicals FZE

SD/-

Jitendra Gaur
Manager

Place: Dubai Date:
26 May 2025

Gujarat Fluorochemicals FZE
Statement of Cash Flows for the year ended 31 March 2025

(Rs. in Lakhs)

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A	**Cash flow from operating activities**		
	Loss for the year	**(758.84)**	**(992.34)**
	Adjustments for:		
	Tax expense	17.60	-
	Depreciation	401.04	276.75
	Finance costs	310.25	215.47
	Exchange difference on translation of assets and liabilities	5.72	78.40
	Operating loss before working capital changes	**(24.23)**	**(421.72)**
	Adjustments for :		
	(Increase)/decrease in inventories	194.80	(1,292.68)
	(Increase)/decrease in trade receivables	356.88	(1,499.59)
	(Increase)/decrease in other financial assets	(6.91)	(1.44)
	(Increase)/decrease in other assets	(14.87)	(84.48)
	Increase/(decrease) in trade payables	(209.48)	2,767.90
	Increase /(decrease) in other financial liabilities	36.43	1.30
	Increase /(decrease) in other liabilities	76.66	-
	Net cash generated from/(used in) operating activities	**409.28**	**(530.71)**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances)	(23.38)	(5,631.58)
	Net cash used in investing activities	**(23.38)**	**(5,631.58)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	-	6,466.56
	Payment of lease liabilities	(240.52)	(185.36)
	Net cash generated from/(used in) financing activities	**(240.52)**	**6,281.20**
	Net increase in cash and cash equivalents	**145.38**	**118.91**
	Cash and cash equivalents as at the beginning of the year	219.56	100.65
	Cash and cash equivalents as at the end of the year	**364.94**	**219.56**

Gujarat Fluorochemicals FZE
Statement of Cash Flows for the year ended 31 March 2025 - continued

Changes in liabilities arising from financing activities during the year ended:

(Rs. in Lakhs)

Particulars	**Current Borrowings**	
	Year ended 31 March 2025	**Year ended 31 March 2024**
Opening balance	1,136.09	1,048.00
Interest expenses	72.57	71.16
Foreign exchange loss (net)	28.76	16.93
Closing balance	**1,237.42**	**1,136.09**

Notes:
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 11.
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

SD/-

Sandesh S Malani
Partner
Membership No. 110051

Place: Pune
Date: 26 May 2025

For Gujarat Fluorochemicals FZE

SD/-

Jitendra Gaur
Manager

Place: Dubai
Date: 26 May 2025

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

1. Company information

Gujarat Fluorochemicals FZE ("the Company") is incorporated in Dubai and is engaged in the business of manufacturing of HFC blends of R410a and R407c refrigerants and allied activities. The Company is a wholly owned subsidiary of Gujarat Fluorochemicals Limited, India ("the Holding Company"). The activities of the Company are mainly in UAE and other Gulf Cooperation Council (GCC) region.

The Company's registered office is situated at Plot No. S61201, Street 1700, Jebel Ali Free Zone, South 6, 122219, Dubai, UAE.

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, 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 material accounting policies are made accordingly.

These financial statements were authorized for issue by the Company's Board of Directors on 26 May 2025.

2.2 Basis of preparation, presentation and measurement

The functional currency of the Company is United Arab Emirates Dirham. However, for purposes of preparation of consolidated financial statements of the holding company, 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, up to two decimal places, 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 certain financial assets and liabilities are measured at amortised cost (refer accounting policy regarding financial instruments);

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 or value in use in Ind AS 36.

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 or services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards.

a) Following changes are effective for accounting periods beginning on or after 1 April 2024 vide notification dated 9 September 2024 and 28 September 2024 issued by MCA:

   - New accounting standard Ind AS 117: Insurance contracts
   - Amendments to Ind AS 116: Leases – relating to sale and leaseback transactions

The above changes did not have any impact on the financial statements of the Company.

b) Following changes are effective for accounting periods beginning on or after 1 April 2025 vide notification dated 7 May 2025 issued by MCA:

- Amendments to Ind AS 21: The Effects of Changes in Foreign Exchange Rates - These amendments provide guidance regarding estimating the spot exchange rate when the currency is not exchangeable and relevant disclosures.

The above amendments will not have any impact on the financial statements of the Company.

3. Material 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 generally made with a credit term upto 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 (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented as ‘Advances from customer’.

3.2 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, property, plant and equipment 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 capitalized.

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. Expenses those are capitalised are considered as pre-operative expenses and are disclosed under capital work-in-progress until the project is capitalised. 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 as per Part C of Schedule II to the Companies Act, 2013.

Type of Asset	**Estimated useful life of asset**
Factory buildings	30 years
Other buildings	60 years
Plant, machinery & equipments	10 to 20 years
Furniture and fixtures	10 years
Computers	3 years
Office equipments	5 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.

3.3 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible 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.

3.4 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 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. Closing stock of imported materials include customs duty payable thereon, wherever applicable. 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.

3.6 Employee benefits

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.

3.7 Leases

At inception of a contract, the Company assesses 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.

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.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. “Lease liabilities” and “Right of use assets” 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.

Variable lease payments that are not included in the measurement of lease liabilities is charged as expense in the statement of profit and loss under the head ‘Rent’.

3.8 Foreign currency transactions and translation

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

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

3.9 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 Singapore 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.

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.

3.10 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

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.

3.11 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. 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, except for trade receivables which are initially measured at transaction price. In case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

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

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

c) Subsequent measurement:

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

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

i. Financial assets measured at amortized cost:

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

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

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. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

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

d) Foreign exchange gains and losses:

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

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

e) Derecognition:

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

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

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

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

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

f) Impairment of financial assets:

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

i. Trade receivables
ii. Financial assets measured at amortized cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

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

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

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

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated, if required.

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.

ii. Financial Liabilities:

a) Initial recognition and measurement:

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

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

3.12 Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss 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 or loss 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 the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

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 and Equipment (PPE)

The Company has adopted useful lives of PPE as described in Note 3.2 above. Depreciation is based on management estimates of the future useful lives of the property, plant and equipment. 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 charge. The Company reviews the estimated useful lives of PPE 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.

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 UAE Corporate 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.

6: Capital work-in-progress

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Capital work-in-progress	-	-
Pre-operative expenditure pending allocation	-	-
Total	**-**	**-**

Particulars of pre-operative expenditure incurred during the year are as under:

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	-	467.58
Add: Expenses incurred during the year:		
Employee benefits expenses	-	74.40
Finance cost	-	87.62
Depreciation	-	31.06
Legal and professional fees and expenses	-	0.61
Other expenses	-	6.23
Sub-total	**-**	**667.50**
Less: Capitalised during the year	-	(667.50)
Closing Balance	**-**	**-**

7: Other financial assets (at amortised cost)

(Unsecured, considered good, unless otherwise stated)

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Non-Current		
Security deposits	6.60	2.19
	6.60	**2.19**
Current		
Security deposits	0.53	-
Other receivables from related party (see Note 27)	1.97	-
	2.50	**-**

8: Other assets

(Unsecured, considered good, unless otherwise stated) **(Rs. in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Balances with Government authorities - in VAT account	107.65	-
Prepayments	0.55	-
	108.20	**-**
Current		
Advances to suppliers	3.45	-
Advances to employees	4.31	-
VAT refund claimed	41.99	138.39
Prepayments	50.88	55.57
	100.63	**193.96**

9: Inventories

(at lower of cost and net realizable value) **(Rs. in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials (see note (i) below)	45.25	434.88
Finished goods	994.25	755.31
Stores and spares	4.22	0.84
Packing materials	54.16	101.65
Total	**1,097.88**	**1,292.68**

Notes:

(i) Raw materials include materials in transit of Nil (as at 31 March 2024 Rs. 305.61 Lakhs).

(ii) The cost of inventories recognised as an expense includes Nil (as at 31 March 2024 Rs. 55.43 Lakhs) in respect of write downs of inventory to net realisable value.

(iii) The mode of valuation of inventories has been stated in Note 3.5

10: Trade receivables

(Unsecured, considered good, unless otherwise stated) **(Rs. in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
<u>**Current**</u>		
Considered good - unsecured	1,142.71	1,499.59
	1,142.71	**1,499.59**

For trade receivables ageing - see Note 28

11: Cash & cash equivalents

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks in current accounts	364.94	219.56
	364.94	**219.56**

12: Equity share capital

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Authorized		
16,60,000 (31 March 2024: 16,60,000) equity shares of AED 30 each	11,204.40	11,204.40
Issued, subscribed and fully paid up	7,931.16	7,931.16
11,75,000 (31 March 2024: 11,75,000) equity shares of AED 30 each		
	7,931.16	**7,931.16**

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

Particulars	No. of shares	Rs. in Lakhs
Shares outstanding as at 1 April 2023	**10,000**	**61.59**
Shares issued during the year	11,65,000	7,869.57
Shares outstanding as at 31 March 2024	**11,75,000**	**7,931.16**
Shares issued during the year	-	-
Shares outstanding as at 31 March 2025	**11,75,000**	**7,931.16**

(b) Terms/rights attached to shares

Gujarat Fluorochemicals Limited is the sole legal and beneficial holder of all shares of Gujarat Fluorochemicals FZE with a face value of AED 30 and is entitled to dividends and to exercise its voting rights attached to the shares.

(c) Shares held by Holding Company

Name of the shareholder	As at 31 March 2025	
	No. of shares	% of holding
Gujarat Fluorochemicals Limited, India	11,75,000	100%

Name of the shareholder	As at 31 March 2024	
	No. of shares	% of holding
Gujarat Fluorochemicals Limited, India	11,75,000	100%

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2025	
	Rs. in Lakhs	% of holding
Gujarat Fluorochemicals Limited, India	7,931.16	100%

Name of the shareholder	As at 31 March 2024	
	Rs. in Lakhs	% of holding
Gujarat Fluorochemicals Limited, India	7,931.16	100%

13: Other equity

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Retained earnings	(1,805.36)	(1,046.52)
Foreign currency translation reserve	233.89	66.43
Total	**(1,571.47)**	**(980.09)**

a) Retained earnings

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year	(1,046.52)	(54.18)
Loss for the year	(758.84)	(992.34)
Balance as at end of the year	**(1,805.36)**	**(1,046.52)**

b) Foreign currency translation reserve

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year	66.43	9.42
Other comprehensive income for the year	167.46	57.01
Balance as at end of the year	**233.89**	**66.43**

Foreign currency translation reserve is on account of exchange differences on translating the financial statements of foreign operations - see Note 2.2

14: Current borrowings

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Unsecured		
Shareholders' loan from holding company	1,237.42	1,136.09
Total	**1,237.42**	**1,136.09**

Terms of unsecured borrowings:

a) The shareholder's loan received from the holding company is unsecured and repayable in future subject to stabilisation of cash flows of the Company or upon demand by holding company, whichever is earlier and carry interest @ 7.00 % p.a.

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

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

15: Trade payables

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade payables	2,592.39	2,801.87
Total	**2,592.39**	**2,801.87**

Ageing for trade payables as at 31 March 2025

(Rs. in Lakhs)

Particulars	Undisputed dues - others	Disputed dues - others	Total
Less than 1 year (*)	2,455.87	-	2,455.87
1-2 years	122.93	-	122.93
2-3 years	13.59	-	13.59
More than 3 years	-	-	-
Total	**2,592.39**	**-**	**2,592.39**

(*) includes unbilled dues payable of Rs. 51.56 lakhs.

Ageing for trade payables as at 31 March 2024

(Rs. in Lakhs)

Particulars	Undisputed dues - others	Disputed dues - others	Total
Less than 1 year (*)	2,790.86	-	2,790.86
1-2 years	11.01	-	11.01
2-3 years	-	-	-
More than 3 years	-	-	-
Total	**2,801.87**	**-**	**2,801.87**

(*) includes unbilled dues payable of Rs. 226.89 lakhs.

16: Other current financial liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Creditors for capital expenditure	1.17	23.75
Employees dues payable	67.35	30.92
Total	**68.52**	**54.67**

17: Other current liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Advances from customers	76.66	-
	76.66	**-**

18. Current tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for taxation (net of payments)	17.60	-
	17.60	**-**

19: Revenue from operations

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Revenue from contracts with customers		
Sale of products	4,276.38	3,715.78
(b) Other Operating Income	193.43	-
	4,469.81	**3,715.78**

Disaggregated revenue information:

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from contracts with customers		
Fluorochemicals (Refrigerants)	4,276.38	3,715.78
Total	**4,276.38**	**3,715.78**

Contract balances:

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables	1,142.71	1,499.59
Contract liabilities - Advance from customer	76.66	-

Performance obligation:

There are no remaining performance obligations as at the end of the previous 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.

20: Cost of materials consumed

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Raw materials consumed	3,196.50	3,432.71
Packing materials consumed	677.94	746.43
	3,874.44	**4,179.14**

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

21: Changes in inventories of finished goods

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Opening inventories (A)		
Finished goods	755.31	-
	755.31	-
Less: Closing inventories (B)		
Finished goods	994.25	755.31
Sub-total (A-B)	**994.25**	**755.31**
Effect of changes in exchange currency rates	20.97	5.68
Increase in inventories	**(217.97)**	**(749.63)**

22: Employee benefits expense

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and wages	406.73	257.65
Staff welfare expenses	12.67	14.43
	419.40	**272.08**

23: Finance Costs

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Interest on financial liabilities carried at amortised cost		
Interest on shareholder's loan from holding company	72.57	71.16
(b) Interest on lease liability	237.68	231.93
	310.25	**303.09**
Less: Borrowing costs capitalised	-	(87.62)
Total	**310.25**	**215.47**

Note: The weighted average capitalisation rate of funds borrowed: Nil (previous year 7.00% per annum).

24: Depreciation expense

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on property, plant & equipment	291.92	201.31
Depreciation on right-of-use assets (see Note below)	109.12	75.44
Total	**401.04**	**276.75**

Note: Depreciation on right-of-use assets amounting Nil (previous year Rs. 31.06 lakhs) has been capitalized as pre-operative expenditure.

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

25: Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Stores and spares consumed	5.83	29.92
Freight	54.64	60.06
Insurance- Outward	-	-
Insurance	24.54	18.34
Factory expenses	38.31	35.31
Repairs and maintenance		
- Buildings	61.28	27.96
- Plant & equipments	5.98	3.90
Rent	-	-
Royalty expenses	123.83	193.28
Travelling expenses	30.27	47.04
Rates and taxes	14.26	10.15
Legal and professional fees and expenses	25.67	10.45
Miscellaneous expenses	24.04	67.79
Total	**408.65**	**504.20**

26: Tax expense

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Income tax recognized in Statement of Profit and Loss		
Current Tax		
- In respect of current year	17.60	-
	17.60	**-**

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

(Rs. in Lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Loss before tax	(741.24)	(992.34)
Income tax using the Company's corporate tax of Nil rate	-	-
Tax impact of other Income at standard rate	17.60	-
Tax expense as per the Statement of Profit and Loss	17.60	-

The Company operates in Free Zone Establishment (FZE) in UAE. As per the current UAE Corporate Tax Law, there is no corporate tax on the Qualifying Income. The other income, which is not Qualifying Income, is subject to corporate tax at the standard rate of 9%.

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

5: Property, plant & equipment

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Carrying amount of:		
Buildings	6,109.44	6,130.15
Plant and equipment	1,933.86	2,002.57
Furniture and fixtures	11.84	12.96
Office equipments	2.17	2.13
Total	**8,057.31**	**8,147.81**

(Rs. in Lakhs)

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total
I. Cost					
Balance as at 1 April 2023	**-**	**-**	**-**	**-**	**-**
Additions	6,201.23	1,817.75	14.00	2.69	**8,035.67**
Borrowing costs	53.48	259.97	-	-	**313.45**
Balance as at 31 March 2024	**6,254.71**	**2,077.72**	**14.00**	**2.69**	**8,349.12**
Additions	-	-	-	0.80	**0.80**
Effect of foreign currency translation differences	154.01	51.16	0.34	0.07	**205.58**
Balance as at 31 March 2025	**6,408.72**	**2,128.88**	**14.34**	**3.56**	**8,555.50**

(Rs. in Lakhs)

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total
II. Accumulated depreciation					
Balance as at 1 April 2023	**-**	**-**	**-**	**-**	**-**
Depreciation expense for the year	124.56	75.15	1.04	0.56	**201.31**
Balance as at 31 March 2024	**124.56**	**75.15**	**1.04**	**0.56**	**201.31**
Depreciation expense for the year	171.65	118.02	1.43	0.82	**291.92**
Effect of foreign currency translation differences	3.07	1.85	0.03	0.01	**4.96**
Balance as at 31 March 2025	**299.28**	**195.02**	**2.50**	**1.39**	**498.19**

(Rs. in Lakhs)

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total
III. Net Carrying amount					
Balance as at 31 March 2024	6,130.15	2,002.57	12.96	2.13	8,147.81
Balance as at 31 March 2025	**6,109.44**	**1,933.86**	**11.84**	**2.17**	**8,057.31**

Note: The Company has not revalued its property, plant & equipment.

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

27: Related party disclosures

(i) Names of related parties:

Where control exists:

i) Gujarat Fluorochemicals Limited, India - holding company
ii) Inox Leasing and Finance Limited, India - holding company of Gujarat Fluorochemicals Limited, India
iii) Mr. V. K. Jain - ultimate controlling party

Other related parties with whom there are transactions during the year:

Fellow subsidiary:

GFCL EV (SFZ) SPC (earlier known as GFCL EV (FZC) SPC) - incorporated on 11/06/2024)

(ii) Particulars of transactions

(Rs. in Lakhs)

Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
A) Transactions during the year:		
Gujarat Fluorochemicals Limited		
(a) Shares issued	-	6,466.56
(b) Interest on shareholder's loan	72.57	71.16
(c) Purchase of assets	-	4,023.90
(d) Royalty expenses	123.83	193.28
(e) Purchase of goods	1,352.97	2,671.82
(f) Business support service	6.00	6.00
(g) Commission income	193.23	-
(h) Reimbursement of expenses (paid)/payments made on behalf of the Company	-	46.65
(i) Reimbursement of expenses (received)/ payments made on behalf by the Company	-	4.43
GFCL EV (SFZ) SPC		
Reimbursement of expenses (received)/ payments made on behalf by the Company	1.97	-

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

27: Related party disclosures - continued

(Rs. in Lakhs)

	As at 31 March 2025	As at 31 March 2024
B) Balances at the end of the year		
Gujarat Fluorochemicals Limited		
(a) Trade payables/other payables	2,185.19	2,361.09
(b) Shareholder's loan	1,047.96	1,022.78
(c) Interest accrued on Shareholder's loan	189.46	113.31
GFCL EV (SFZ) SPC		
(a) Other receivables	1.97	-

Notes:
(a) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
(b) There have been no guarantees, received or provided, for any related party receivables or payables.
(c) The Company has been provided with shareholder's loan at rate comparable to the commercial rate of interest. This loan is unsecured.

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

28: Trade receivables ageing

Ageing for trade receivables - outstanding as at 31 March 2025 is as follows:

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	143.22	294.92	704.57	-	-	-	**1,142.71**
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Net Trade Receivables	**143.22**	**294.92**	**704.57**	**-**	**-**	**-**	1,142.71

Ageing for trade receivables - outstanding as at 31 March 2024 is as follows:

(Rs. in Lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	883.33	616.26	-	-	-	-	**1,499.59**
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Net Trade Receivables	**883.33**	**616.26**	**-**	**-**	**-**	**-**	1,499.59

29: Financial Instruments

(i) Capital management

The capital structure of the Company consists of equity of the Company and loan from the holding company. The Company is wholly owned by its holding company and is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments **(Rs. in Lakhs)**

Particulars	As at 31 March 2025	As at 31 March 2024
Financial assets		
Measured at amortised cost		
(i) Trade receivables	1,142.71	1,499.59
(ii) Cash and bank balances	364.94	219.56
(iii) Other financial assets	9.10	2.19
Total	**1,516.75**	**1,721.34**
Financial liabilities		
Measured at amortised cost		
(i) Lease liabilities	2,401.72	2,346.80
(ii) Borrowings	1,237.42	1,136.09
(iii) Trade Payables	2,592.39	2,801.87
(iv) Other financial liabilities	68.52	54.67
Total	**6,300.05**	**6,339.43**

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

(iii) Financial risk management

The Company’s principal financial liabilities comprise of borrowings, trade payable, lease liabilities and other payables. The Company’s principal financial assets include trade and other receivables, cash and cash equivalents.

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

a) Market Risk

Market risk comprises of currency risk, interest rate risk and other price risk.

The financial assets and financial liabilities of the Company are not exposed to changes in foreign currency exchange risk as the United Arab Emirates dirham is pegged to the US dollar at the exchange rate of 1 USD = 3.6725 AED. The Company does not have exposure to interest rate risk since the borrowing is only from the holding company which is at fixed rate of interest. Further, the Company does not have investment and hence there is no exposure to other price risk.

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 trade receivables and balances with banks.

Credit risk arising from bank balances are limited since the counterparties are reputed banks.

29: Financial Instruments - continued

i) 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 upto 90 days. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There are 3 external customers representing more than 10% of the total balance of trade receivables as on 31st March, 2025, amounting to Rs. 825.39 Lakhs (2 external customers amounting to Rs. 991.61 Lakhs as on 31st March 2024). All trade receivables are reviewed and assessed for default on time to time basis.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows

Ageing	Expected Credit Loss (%)
Less than 365 days	0.00%
More than 365 days	100.00%

c) Liquidity risk management

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

(Rs. in Lakhs)

Particulars	Upto 1 year	1-5 years	above 5 years	Total contractual cash flows
As at 31 March 2025				
Borrowings	1,237.42	-	-	**1,237.42**
Trade payables	2,592.39	-	-	**2,592.39**
Other financial liabilities	68.52	-	-	**68.52**
Total	**3,898.33**	**-**	**-**	**3,898.33**
As at 31 March 2024				
Borrowings	1,136.09	-	-	**1,136.09**
Trade payables	2,801.87	-	-	**2,801.87**
Other financial liabilities	54.67	-	-	**54.67**
Total	**3,992.63**	**-**	**-**	**3,992.63**

The above liabilities will be met by the Company from its internal accruals and realization of financial assets and support from holding company, if required.

Particulars of contractual maturities in respect of lease liabilities is as per Note 30.

(v) Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements 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 be eventually received or paid.

Gujarat Fluorochemicals FZE
Notes to the financial statements for the year ended 31 March 2025

30: Leases

Company as a lessee:
(a) The Company’s leasing arrangements are in respect of commercial factory premises on lease.
(b) Particulars of right-of-use assets and lease liability

i. Carrying value of right-of-use assets by class of underlying assets

(Rs. in Lakhs)

Particulars	Factory Plot	Total
Gross Block		
Balance as at 1 April 2023	**2,096.94**	**2,096.94**
Net effect of foreign currency translation differences (gain)/loss	33.01	33.01
Balance as at 31 March 2024	**2,129.95**	**2,129.95**
Net effect of foreign currency translation differences (gain)/loss	52.45	52.45
Balance as at 31 March 2025	**2,182.40**	**2,182.40**
Accumulated depreciation		
Balance as at 1 April 2023	**87.37**	**87.37**
Depreciation expense for the year	106.50	106.50
Net effect of foreign currency translation differences (gain)/loss	1.38	1.38
Balance as at 31 March 2024	**195.25**	**195.25**
Depreciation expense for the year	109.12	109.12
Net effect of foreign currency translation differences (gain)/loss	4.80	4.80
Balance as at 31 March 2025	**309.17**	**309.17**

Carrying amounts	Factory Plot	Total
As at 31 March 2024	1,934.70	1,934.70
As at 31 March 2025	**1,873.23**	**1,873.23**

Note: The Company has not revalued its right-of-use assets.

ii. Movement in lease liability during year ended

(Rs. in Lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	2,346.80	2,263.94
Interest on lease liability	237.68	231.93
Payment of lease liability	(240.52)	(185.36)
Net effect of foreign currency translation differences (gain)/loss	57.76	36.29
Closing Balance	**2,401.72**	**2,346.80**

30: Leases - continued

(Rs. in Lakhs)

Break-up of lease liabilities:	**As at 31 March 2025**	**As at 31 March 2024**
Non-current lease liabilities	2,398.55	2,344.00
Current lease liabilities	3.17	2.80

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

(Rs.in Lakhs)

Particulars	**As at 31 March 2025**	**As at 31 March 2024**
Maturity analysis - contractual undiscounted cash flows		
Less than one year	243.13	237.29
One to five years	1,074.86	1,013.78
More than five years	4,051.55	4,226.73
Total undiscounted lease liabilities	**5,369.54**	**5,477.80**

iv. Amount recognized in statement of profit and loss

(Rs.in Lakhs)

Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
Interest on lease liability (*)	237.68	231.93

(*) Interest on lease liability capatalised as pre-operative expenditure	-	66.94

v. Amounts recognised in the statement of cash flows

(Rs.in Lakhs)

Particulars	**As at 31 March 2025**	**As at 31 March 2024**
Total cash outflow for leases	240.52	185.36

31: Segment information

The Company is engaged in the business of manufacturing of fluorochemicals (refrigerants) and allied activities and hence has a single operating segment viz. chemcials. Further, the Company caters mainly to the Gulf Cooperation Council (GCC) Region.

31.1 Breakup of revenue from operations

a) Product-wise breakup **(Rs. in Lakhs)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products		
Fluorochemicals (Refrigerants)	4,276.38	3,715.78
Other operating income		
Commission Income	193.43	-
	4,469.81	**3,715.78**

b) Geographical breakup **(Rs. in Lakhs)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
United Arab Emirates	2,168.68	1,111.96
Saudi Arabia	838.48	2,127.21
Qatar	517.92	283.29
India	193.43	-
Rest of the World	751.30	193.32
Total	**4,469.81**	**3,715.78**

31.2 Information about major customers

There are 2 external customers amounting to Rs. 1,504.19 lakhs (previous year 4 amounting to Rs. 2,847.59 lakhs) who contributed more than 10% to the Company's revenue.

Gujarat Fluorochemicals FZE
Statement of changes in equity for the year ended 31 March 2025

A. Share capital	(Rs. in Lakhs)
Balance as at 1 April 2023	**61.59**
Changes in equity share during the year	7,869.57
Balance as at 31 March 2024	**7,931.16**
Changes in equity share during the year	-
Balance as at 31 March 2025	**7,931.16**

B. Other Equity (Rs. in Lakhs)

Particulars	Share application money pending allotment	Reserves & Surplus	Other comprehensive income	Total
		Retained earnings	Foreign currency translation reserve	
Balance as at 1 April 2023	**1,403.01**	**(54.18)**	**9.42**	**1,358.25**
Loss for the year	-	(992.34)	-	(992.34)
Other comprehensive income for the year	-	-	57.01	57.01
Total comprehensive income for the year	**1,403.01**	**(1,046.52)**	**66.43**	**422.92**
Shares issued during the year	(1,403.01)	-	-	(1,403.01)
Balance as at 31 March 2024	**-**	**(1,046.52)**	**66.43**	**(980.09)**
Loss for the year	-	(758.84)	-	(758.84)
Other comprehensive income for the year	-	-	167.46	167.46
Total comprehensive income for the year	**-**	**(758.84)**	**167.46**	**(591.38)**
Balance as at 31 March 2025	**-**	**(1,805.36)**	**233.89**	**(1,571.47)**

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

SD/-
Sandesh S Malani
Partner
Membership No. 110051
Place: Pune
Date: 26 May 2025

For Gujarat Fluorochemicals FZE

SD/-

Jitendra Gaur
Manager

Place: Dubai Date:
26 May 2025