Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

1. Company information

Gujarat Fluorochemicals Limited ("the Company"), earlier known as Inox Fluorochemicals Limited, is a public limited company incorporated and domiciled in India. The Company was incorporated on 6th December 2018 as a wholly-owned subsidiary of GFL Limited (earlier known as Gujarat Fluorochemicals Limited) for the purpose of vesting of the demerged Chemical Business undertaking of GFL Limited into the Company, as a going concern.

As per the Scheme of Arrangement ("the Scheme") between Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") and Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the demerged company was demerged into the Company. The Scheme was approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 making the Scheme operative from that date. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. All the shareholders of demerged company are allotted one fully paid-up equity share of ₹ 1 each in the Company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company. Simultaneously, the shares held by the demerged company in the resulting company were cancelled and the Company has ceased to be a subsidiary of the demerged company. The demerger is accounted in accordance with Ind AS 103: Business Combinations. See Note 50 for further details and Note 2.3 below for presentation in the financial statements on account of demerger.

The Company is engaged in manufacturing and trading of refrigerant gases, caustic soda, chloromethane, polytetrafluoroethylene (PTFE), fluoropolymers, fluoromonomers, specialty fluorointermediates, specialty chemicals and allied activities. The Company caters to both domestic and international markets. The Company's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) and 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. As the demerger of the Chemical Business Undertaking was on a going concern basis, under common control and accounted by applying Appendix C of Ind AS 103: Business Combinations, the accounting policies followed for the said Chemical Business Undertaking by the demerged company have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (see Note 2.5) 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 30th July 2020.

2.2 Assessment of COVID-19 pandemic impact

In view of the COVID-19 pandemic and consequential declaration of lockdown by the Government of India, the manufacturing facilities of the Company at Ranjitnagar and Dahej, Gujarat were closed from 25th March 2020. However, the Company was permitted to restart its manufacturing facilities from 8th April 2020 being 'essential commodity chemical supplier' to the pharma and agrochemical industries. The manufacturing activities of the Company were closed down only for a few days and with the subsequent easing of the lockdown guidelines, now the operations of the Company are significantly stabilized. On the basis of assessment of the current situation carried out by the Company, the COVID-19 pandemic has no material impact on its operations and is likely to be short term in nature. Given the continuing uncertainties of the COVID- 19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Company's operations to be continuously monitored.

2.3 Basis of preparation, presentation and measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

As stated in Note 1 above, the Company was incorporated for the purpose of vesting of the demerged Chemical Business Undertaking of GFL Limited. Since the demerger is a common control business combination under Ind AS 103: Business Combinations, the financial information in the financial statements in respect of prior periods is required to be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

In this case, as the Company was incorporated on 6th December 2018 for the purpose of vesting of the demerged Chemical Business Undertaking and as per the Scheme the business combination has occurred on 1st April 2019 viz. the appointed date, for the purpose of meaningful comparison and fair presentation of the financial statements:

a) The balance sheet as at 1st April 2019, after giving effect to the assets and liabilities of the demerged Chemical Business Undertaking transferred to and vested in the Company as at 1st April 2019, and the resulting changes in the share capital and other equity of the Company, are disclosed separately; and

b) The comparative figures of the statement of profit and loss and the statement of cash flows of the demerged Chemical Business Undertaking vested in the Company are also disclosed separately for the entire financial year 2018-19 viz. from 1st April 2018 to 31st March 2019

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

2.4 Particulars of investments in subsidiaries and joint venture as at 31st March, 2020 are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiaries		
Gujarat Fluorochemicals Americas, LLC	USA	100%
Gujarat Fluorochemicals GmbH	Germany	100%
Gujarat Fluorochemicals Singapore Pte. Ltd.	Singapore	100%
b) Joint Venture		
Swarnim Gujarat Fluorspar Private Limited	India	25%

All the above investments are measured at cost. These investments are pertaining to, and received on, demerger of the Chemical Business Undertaking (see Note 1).

2.5 New accounting standards and recent accounting pronouncements

a. Standard issued and effective during the year

New accounting standard Ind AS 116: Leases

The Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases", which is effective for accounting periods beginning on or after 1 April, 2019. Ind AS 116 supersedes the earlier Ind AS 17: Leases. As a lessor, the transition to Ind AS 116 does not have any impact on the financial statements of the Company. As a lessee, the Company has transitioned to Ind AS 116 using 'modified retrospective approach'. Under this approach, 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 has measured right of use asset an amount equal to lease liability. Further, the comparatives for the previous periods are not required to be restated. See Note 3.4 below for the new accounting policy on adoption to Ind AS 116 and Note 43 for further details.

b. Amendments to existing accounting standards applicable to the Company

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

- **Amendments to Ind AS 12: Income tax**

  On 30th March 2019, Ministry of Corporate Affairs had notified Appendix C: Uncertainty over Income-Tax Treatments. The interpretation addressed the accounting of income taxes when tax treatment involves uncertainty that affects the application of Ind AS 12. The effective date for adoption of Ind AS 12 Appendix C was annual periods beginning on or after 1 April 2019. The disclosure in respect of uncertainties relating to direct taxes is as per Note 36.

  Further, the amendments to Ind AS 12 clarified that the income tax consequences of dividend were linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity recognises the income tax consequences of dividend in the statement of profit and loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments are applicable from annual periods beginning on or after April 1, 2019. These amendments have no impact on the Company's financial statements.

- **Amendment to Ind AS 19: Employee benefits**

  The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. These amendments apply to plan amendments, curtailments, or settlements occurring from annual periods beginning on or after 1 April 2019 and apply only to any future plan amendments, curtailments, or settlements. This amendment has no impact on the Company's financial statements in the current year and will apply to the future plan amendments, curtailments, or settlements.

- **Amendment to Ind AS 23: Borrowing costs**

  The amendment clarified that any borrowing originally made to develop a qualifying asset should be treated as a part of general borrowings when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. This amendment is applicable to the borrowing costs incurred from April 1, 2019. This amendment has no impact on the Company's financial statements.

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- **Amendment to Ind AS 28: Investment in Associates and Joint Ventures**

  The amendment clarified the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109 before applying the loss allocation and impairment requirements in Ind AS 28. This amendment has no impact on the Company's financial statements.

c. New accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. As per Notification dated 24th July 2020 amendments to the existing standards have been notified. All these amendments are effective for annual periods beginning 1st April 2020. The summary of these amendments is as under:

- 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.

- Amendments to Ind AS 109 Financial Instruments: The amendments provide certain temporary exceptions from applying specific hedge accounting requirements. The Company is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- 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. The Company is currently evaluating the effect of these amendments and the impact is not likely to be significant.

- 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.

3. Significant Accounting Policies

3.1 Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103: Business Combinations. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their respective carrying values. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. Issue of fresh securities towards the consideration for the business combination is recorded at nominal value. The identity of the reserves transferred by the acquired entity is preserved and they are carried in the same form and manner. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.2 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 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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 customers'.

Other income

Dividend income from investments is recognized when the right to receive payment is established. 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. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.3 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.4 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 lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term or another systematic basis, as appropriate. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract. The leasing transactions of the Company comprise of only operating leases.

b) 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 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.

3.5 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.

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for the year ended 31st March, 2020

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

- In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), 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;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.17 below for hedging accounting policies); and

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

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.6 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.

3.7 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 salary and wages, bonus, commission, performance incentives, short-term compensated absences etc.

Long-term employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans.

Defined contribution plans

Retirement benefit in the form of provident and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the fund. Payments to defined contribution plan are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans

The Company's gratuity scheme is a defined benefit plan and is unfunded. For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net

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defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'.

Other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry-forward a portion of the unutilised accumulating compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.8 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 amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 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 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Deferred tax assets include Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognised as an deferred tax assets in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

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 the statement of profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

3.9 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 capitalised. In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking (see Note 1 and 2.1), in respect of accounting period commencing on or after 1st 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 (refer Note 3.5).

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 PPE 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 PPE 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:

- Freehold land is not depreciated.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

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 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.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.10 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties 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 investment properties 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.

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Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its investment properties recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.11 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.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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 intangible assets

Estimated useful lives of the intangible assets are as follows:

- Technical know-how 10 years
- Product development cost 5 years
- Operating software 3 years
- Other software 6 years

In accordance with the accounting policy followed by the demerged company in respect of the Chemical Business Undertaking vested with the Company (see Note 1 and 2.1), the Company has continued with the carrying value of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP by the demerged company and used that carrying value as its deemed cost.

3.12 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

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for the year ended 31st March, 2020

they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

3.13 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.

3.14 Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture are carried at cost less accumulated impairment, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries/joint venture the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.15 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.

3.16 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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.

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, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

ii. Financial assets measured at FVTOCI

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

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

This category does not apply to any of the financial assets of the Company other than derivative instruments for cash flow hedges.

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 and joint ventures. 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.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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 and iii 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.

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'.

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for the year ended 31st March, 2020

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 Statement of Profit and 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.

3.17 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

a) Fair value hedge

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date.

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for the year ended 31st March, 2020

Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'Other income' line item.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.18 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, assumptions 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

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.9 and 3.11 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 at the end of each reporting period.

b) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly in respect of the transfer of substantially all risks and rewards incidental to ownership of an asset, it is concluded that they are in the nature of leases.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

c) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

d) Defined employee benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

e) 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 for 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.

f) 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.

g) Income taxes

Provision for current tax is made based on reasonable estimate of taxable income computed as per the prevailing 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. The judgements, assumptions and estimates in respect of uncertainties over income-tax treatments are disclosed in Note 22.2.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

5. Property, plant & equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Freehold land	46.86	46.86
Buildings	23,581.79	20,784.81
Plant and equipment	198,429.53	193,735.22
Furniture and fixtures	357.33	463.53
Vehicles	184.30	196.26
Office equipment	465.16	456.31
	223,064.97	**215,682.99**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
I. Cost or Deemed Cost							
As at 1st April 2019 - transferred pursuant to demerger*	46.86	24,638.17	245,403.63	995.84	347.20	1,244.62	**272,676.32**
Additions	-	3,817.27	19,742.99	3.57	21.10	223.43	**23,808.36**
Effect of foreign currency exchange differences	-	-	268.59	-	-	-	**268.59**
Disposals	-	-	(370.92)	-	(27.77)	(0.24)	**(398.93)**
Balance as at 31st March, 2020	**46.86**	**28,455.44**	**265,044.29**	**999.41**	**340.53**	**1,467.81**	**296,354.34**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
II. Accumulated depreciation							
As at 1st April 2019 - transferred pursuant to demerger*	-	3,853.36	51,668.41	532.31	150.94	788.31	**56,993.33**
Eliminated on disposal of assets	-	-	(370.92)	-	(27.42)	(0.24)	**(398.58)**
Depreciation expense for the year	-	1,020.29	15,317.27	109.77	32.71	214.58	**16,694.62**
Balance as at 31st March, 2020	**-**	**4,873.65**	**66,614.76**	**642.08**	**156.23**	**1,002.65**	**73,289.37**

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
III. Net carrying amount							
As at 1st April 2019 - transferred pursuant to demerger*	**46.86**	**20,784.81**	**193,735.22**	**463.53**	**196.26**	**456.31**	**215,682.99**
As at 31st March, 2020	**46.86**	**23,581.79**	**198,429.53**	**357.33**	**184.30**	**465.16**	**223,064.97**

Note: Assets mortgaged/pledged as security for borrowings are as under:
(see Note 37)

(₹ in Lakhs)

Assets at Carrying Value	As at 31st March, 2020	As at 1st April, 2019*
Building	2,372.32	2,482.44
Plant and equipment	108,604.46	63,944.72
Vehicles	111.77	129.30
Total	**111,088.55**	**66,556.46**

(*) On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

6. Investment property

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Building	1,010.73	1,032.00
	1,010.73	**1,032.00**

(₹ in Lakhs)

Particulars	Building
I. Cost or Deemed Cost	
As at 1st April 2019 - transferred pursuant to demerger*	**1,117.08**
Balance as at 31st March, 2020	**1,117.08**

(₹ in Lakhs)

Particulars	Building
II. Accumulated depreciation	
As at 1st April 2019 - transferred pursuant to demerger*	**85.08**
Depreciation expense for the year	21.27
Balance as at 31st March, 2020	**106.35**

(₹ in Lakhs)

Particulars	Building
III. Net carrying amount	
As at 1st April 2019 - transferred pursuant to demerger*	**1,032.00**
As at 31st March, 2020	**1,010.73**

(*) On demerger - see Note 1 and 2.3

6.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2020 has been arrived at on the basis of valuation carried out by an independent valuer not related to the Company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income method where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and

2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

The fair value hierarchy for all investment properties is Level 3 and the fair values are as under:

(₹ in Lakhs)

Particulars	Amount
Fair value as at 31st March, 2020	10,172.50
Fair value as at 1st April, 2019*	10,071.33

6.2 Amounts recognized in profit or loss in respect of investment properties

(₹ in Lakhs)

Particulars	2019-2020
Rental income	560.30
Direct operating expenses in respect of properties that generated rental income	174.75
Depreciation	21.27

7. Intangible assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Carrying amount of:		
Product Development	-	81.32
Technical Know How	1,846.66	2,464.62
Software	44.64	83.01
	1,891.30	**2,628.95**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
I. Cost or Deemed Cost				
As at 1st April 2019 - transferred pursuant to demerger*	695.80	5,205.80	220.23	6,121.83
Balance as at 31st March, 2020	**695.80**	**5,205.80**	**220.23**	**6,121.83**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
II. Accumulated depreciation				
As at 1st April 2019 - transferred pursuant to demerger*	614.48	2,741.18	137.22	3,492.88
Amortisation expense for the year	81.32	617.96	38.37	737.65
Balance as at 31st March, 2020	**695.80**	**3,359.14**	**175.59**	**4,230.53**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
III. Net Carrying amount				
As at 1st April 2019 - transferred pursuant to demerger*	81.32	2,464.62	83.01	2,628.95
As at 31st March, 2020	**-**	**1,846.66**	**44.64**	**1,891.30**

(*) On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

8. Investments

8 (a) Investment in subsidiaries (measured at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investments					
Investments in Equity Instruments					
Gujarat Fluorochemcials Singapore Pte. Limited(#)	USD 1	12091000	7,671.48	12091000	7,671.48
Gujarat Fluorochemicals GmbH	Par value		21.82		21.82
Gujarat Fluorochemicals Americas LLC	Par value		1,012.28		1,012.28
Total investment in subsidiaries (a)			**8,705.58**		**8,705.58**

(#)The Company has provided undertaking to the lenders of a subsidiary of Gujarat Fluorochemicals Singapore Pte. Limited, that the Company will not dilute its stake below 100% in the subsidiary.

8 (b) Investment in Joint Venture (measured at cost)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up					
Unquoted Investment					
Investments in Equity Instruments					
Swarnim Gujarat Fluorspar Private Limited	10	1182500	118.25	1182500	118.25
Total investment in joint ventures (b)			**118.25**		**118.25**

(*) These investments are pertaining to, and received on, demerger of the Chemical Business Undertaking (see Note 1, 2.3 and 50). Prior to the demerger, these companies were subsidiaries/joint venture of the demerged company.

8 (c) Other Investments (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020		As at 1st April, 2019*	
		Nos.	Amounts	Nos.	Amounts
Non-current investments					
I. Quoted Investments (fully paid up)					
Investments in Mutual Funds					
Franklin India Fixed Maturity Plans - Series 1-Plan B 1104D - Direct Growth	10	5000000	613.11	5000000	570.34
Kotak FMP Series 204-Direct-Growth	10	10000000	1,227.83	10000000	1,138.51
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.2-Direct-Growth	10	10000000	1,232.64	10000000	1,140.06
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.3-Direct-Growth	10	5000000	616.08	5000000	569.65
Nippon (Reliance) Fixed Horizon Fund-XXXIV-Sr.7-Direct-Growth	10	15000000	1,823.28	15000000	1,690.08
PGIM India (DHFL Pramerica) Fixed Duration Fund-Series AH-Direct Plan-Growth	1000	100000	1,207.34	100000	1,115.87

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

8 (c) Other Investments (measured at FVTPL) (Contd..)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020 Nos.	As at 31st March, 2020 Amounts	As at 1st April, 2019* Nos.	As at 1st April, 2019* Amounts
Aditya Birla Sun Life Fixed Term Plan - Series QU (1100 Days) Regular Growth	10	10000000	1,158.27	10000000	1,062.37
HDFC FMP 1105D - August 2018 (1) Regular - Growth - Series 42	10	10000000	1,156.47	10000000	1,058.93
Kotak FMP - Series 240 - Growth (Regular Plan)	10	10000000	1,165.59	10000000	1,064.73
Nippon (Reliance) Fixed Horizon Fund XXXVIII Series 12 - Regular Plan - Growth	10	10000000	1,166.11	10000000	1,066.27
L&T FMP Series XVII - Plan C (1114 Days) - Regular - Growth	10	10000000	1,156.79	10000000	1,063.15
UTI Fixed Term Income Fund Series XXX-V (1135 Days) - Regular Growth Plan	10	5000000	581.21	5000000	533.16
HDFC FMP 1120D - March 2019 (1) Series 44- Direct - Growth	10	15000000	1,653.21	15000000	1,503.80
Total quoted Investments			**14,757.93**		**13,576.92**
Less: Current portion of non current investments disclosed under current inve stments			**(6,720.28)**		**-**
Total quoted Investments			**8,037.65**		**13,576.92**
II. Unquoted Investments (fully paid up)					
Investments in Equity Instruments					
Kaleidoscope Entertainment Private Limited (Net of impairment loss of ₹ 60.75 Lakhs)	1	562500	-	562500	-
Investments in Mutual Funds					
SBI Blue Chip Fund - Regular Plan - Growth	10	3692780	1,098.66	3692780	1,447.91
Kotak Std. Multicap Fund Growth (formerly Kotak Select Focus) Fund - Growth (Regular Plan)	10	4634850	1,251.87	4634850	1,644.34
Principal Emerging Blue Chip Fund - Regular Plan Growth	10	1327857	1,082.87	1327857	1,382.96
L&T India Value Fund - Growth	10	1246296	308.56	1246296	450.40
Franklin Build India Fund - Growth	10	3891078	1,075.11	3891078	1,666.32
Franklin India Smaller Companies Fund - Growth	10	411175	138.80	411175	226.29
Nippon India Large Cap Fund - Growth option	10	2896402	699.94	2896402	1,026.81
Tata Equity P/E Fund Regular Plan-Growth	10	697682	685.64	697682	944.19
Kotak Infrastructure & Economic Reform Fund Standard Growth (Regular Plan)	10	3054096	419.33	4289636	855.57
			6,760.78		**9,644.79**
Investments in Venture Capital Fund					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Less: Current portion disclosed under current investments			(18.95)		(18.85)
			-		**-**
Investments in Alternate Investment Fund					
Varanium Dynamic Fund	100	15503388	4,239.42	15503388	10,863.53
Total Unquoted Investments			**11,000.20**		**20,508.32**
Total non-current other investments (I + II)			**19,037.85**		**34,085.24**
Total non-current investments (8a + 8b + 8c)			**27,861.68**		**42,909.07**
Aggregate amount of quoted investments			8,037.65		13,576.92
Aggregate market value of quoted investments			8,037.65		13,576.92
Aggregate amount of unquoted investments			19,824.03		29,332.15
Aggregate amount of impairment in value of investments			60.75		60.75

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

8 (d) Other Investments - current (measured at FVTPL)

(₹ in Lakhs)

Particulars	Face Value ₹	As at 31st March, 2020 Nos.	As at 31st March, 2020 Amounts	As at 1st April, 2019* Nos.	As at 1st April, 2019* Amounts
Current investments					
I. Quoted Investments (fully paid up)					
Current portion of non-current investments					
Investments in mutual funds			6,720.28		-
II. Unquoted Investments (fully paid up)					
Investments in Venture Capital Funds					
Kshitij Venture Capital Fund	121	250000	18.95	250000	18.85
Total current investments (I + II)			**6,739.23**		**18.85**
Aggregate amount of quoted investments			6,720.28		-
Aggregate market value of quoted investments			6,720.28		-
Aggregate amount of unquoted investments			18.95		18.85
Aggregate amount of impairment in value of investments			-		-
Summary of other investments					
Non-current investments			19,037.85		34,085.24
Current investments			6,739.23		18.85
Total			**25,777.08**		**34,104.09**
Category-wise other investments - as per Ind AS 109 classification:					
Investments carried at fair value through profit or loss			25,777.08		34,104.09
Total			**25,777.08**		**34,104.09**

Notes:

1) The Company has pledged certain mutual fund investments having carrying amount of ₹ 14,639.33 lakhs against the borrowings of a fellow subsidiary (see Note 38).

2) The Company has pledged certain mutual fund investments having carrying amount of ₹ 5,226.17 lakhs against a term loan (see Note 37).

9. Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Security deposits	733.65	683.88
Total	**733.65**	**683.88**
Current		
Inter-corporate deposits/loans to others (see Note 49)		
- Considered good	3,596.00	3,664.90
Security deposits	477.44	340.00
Total	**4,073.44**	**4,004.90**

*On demerger - see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Non-current bank balances (from Note 16)	29.02	3.53
Derivative financial assets	859.27	742.66
Total	**888.29**	**746.19**
Current		
Other receivables		
- from related parties (including interest on capital advance of ₹ 4,325.34 (previous year Nil) - (see Note 46)	5,271.54	152.84
- from others	25.49	91.45
Total	**5,297.03**	**244.29**

11. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Income tax paid (net of provisions)	1,629.86	20,505.88
Total	**1,629.86**	**20,505.88**

Current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current tax assets (net)	30,690.72	-
Total	**30,690.72**	**-**

12. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Capital advances		
to related parties (see Note 46)	87,188.58	-
to others	5,578.25	3,143.29
	92,766.83	3,143.29
Security deposits with Government authorities	261.70	311.48
Prepayments - leasehold land (see Note 43)	-	4,409.98
Prepayments - others	11.96	29.39
Total	**93,040.49**	**7,894.14**
Current		
Advance to suppliers		
Considered good		
to related parties (see Note 46)	2,016.33	863.98
to others	3,205.72	6,152.88
	5,222.05	**7,016.86**
Considered doubtful	59.04	59.04
	5,281.09	**7,075.90**
Allowance for doubtful advances	(59.04)	(59.04)
	5,222.05	**7,016.86**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

12. Other assets (Contd..)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Electricity duty and custom duty refund claimed	270.28	1,597.73
Balance with government authorities:		
Balance in excise, service tax, VAT and GST accounts	1,718.21	1,329.40
Other advances	156.04	122.35
Prepayments - leasehold land (see Note 43)	-	50.57
Prepayments - others	885.26	334.20
Total	**8,251.84**	**10,451.11**

13. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Raw materials	19,695.56	17,528.80
Work-in-progress	6,216.65	7,855.11
Finished goods	25,995.96	16,846.64
Stock in trade	4.18	17.90
Stores and spares	10,196.97	9,323.41
Others		
- Fuel	2,990.36	443.46
- Packing materials	622.54	850.07
- By products	140.31	165.97
Total	**65,862.53**	**53,031.36**

Notes:

(i) The cost of inventories recognised as an expense includes ₹ 2130.84 Lakhs in respect of write downs of inventory to net realisable value.

(ii) The mode of valuation of inventories has been stated in Note 3.13

14. Trade receivables

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current		
Considered good	63,964.99	65,729.56
Trade receivables which have significant increase in credit risk	46.55	19.01
Trade receivables - credit impaired	539.43	377.31
	64,550.97	66,125.88
Provision for expected credit loss and Impairment	(585.98)	(396.32)
Total	**63,964.99**	**65,729.56**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

15. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Balances with banks in current accounts (**)	971.04	3,118.39
Cash on hand	11.46	5.35
Total	**982.50**	**3,123.74**

(**) as at 31st March, 2019 - ₹ 1 Lakh

16. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Bank deposits with original maturity of more than 12 months	29.27	3.53
	29.27	**3.53**
Amount disclosed under Note 10 - Other non-current financial assets	(29.02)	(3.53)
Total	**0.25**	**-**

Other bank balances includes ₹ 21.11 lakhs (previous year Nil) margin money deposits kept as security against bank guarantee.

17. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorized		
20,00,00,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	2,000.00	1.00
Issued, subscribed and fully paid up		
10,98,50,000 (31st March, 2019: 1,00,000) equity shares of ₹ 1 each	1,098.50	1.00
Total	**1,098.50**	**1.00**

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

As at 31st March, 2020	Nos.	(₹ in Lakhs)
At the beginning of the year	1,00,000	1.00
Movement during the year ended 31st March, 2020 pursuant to demerger (see Note 1 and 50)		
Shares issued during the year	10,98,50,000	1,098.50
Shares cancelled during the year	(1,00,000)	(1.00)
At the end of the year	10,98,50,000	1,098.50

As at 31st March, 2019	Nos.	(₹ in Lakhs)
Shares issued during the year	1,00,000	1.00
At the end of the year	1,00,000	1.00

17.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

* see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

17.3 Shares held by holding company

Particulars	Nos.	(₹ in Lakhs)
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	577.64
As at 31st March, 2019		
GFL Limited (earlier known as Gujarat Fluorochemicals Limited)	1,00,000	1.00

17.4 Details of shareholders holding more than 5% shares in the Company

Particulars	Nos.	holding %
As at 31st March, 2020		
Inox Leasing and Finance Limited	5,77,64,316	52.58%
Devansh Trademart LLP	66,62,360	6.06%
Siddhapavan Trading LLP	55,76,440	5.08%
Meenu Bhanshali	54,95,182	5.00%
As at 31st March, 2019		
GFL Limited (earlier known as Gujarat Fluorochemicals Limited) (including shares held through nominee shareholders)	1,00,000	100.00%

17.5 Details of shares allotted without payment being received in cash in last five years

During the financial year 2019-20, the Company has issued 10,98,50,000 fully paid-up equity share of ₹ 1 each, pursuant to the Scheme of demerger to the shareholders of the demerged company (see Note 50)

18. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019	As at 31st March, 2019
Capital reserves	12,547.50	12,547.50	-
General reserve	320,000.00	320,000.00	-
Cash flow hedge reserve	(53.88)	84.98	-
Retained Earnings	35,649.96	16,725.06	(1.25)
Total	**368,143.58**	**349,357.54**	**(1.25)**

18.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
On account of demerger (see Note 1 and 50)		
Transferred pursuant to demerger	12,827.46	-
Cancellation of existing share capital	1.00	-
Adjusted as per the scheme of demerger	(280.96)	-
Balance at the end of the year	**12,547.50**	**-**

The amount of Capital reserve transferred pursuant to demerger represents compensation received for phased reduction and cessation of CFC production and dismanteling of plant, unless otherwise used, as stipulated.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

18.2 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Transferred pursuant to demerger (see Note 1 and 50)	320,000.00	-
Balance at the end of the year	**320,000.00**	**-**

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

18.3 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Transferred pursuant to demerger (see Note 1 and 50)	84.98	-
Other comprehensive income for the year, net of income tax	(138.86)	-
Balance at the end of the year	**(53.88)**	**-**

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedge. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non -financial hedged item, or when it becomes ineffective.

18.4 Retained Earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	(1.25)	-
Transferred pursuant to demerger (see Note 1 and 50)	16,726.31	-
As at 1st April 2019	16,725.06	-
Profit/(loss) for the period/year	18,994.75	(1.25)
Other comprehensive income for the year, net of income tax	(69.85)	-
Balance at the end of the year	**35,649.96**	**(1.25)**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013. Thus, the amounts reported above may not be distributable in entirety.

19. Non-current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Secured		
Term loans		
(a) From banks		
- Foreign currency loans	8,204.66	12,737.93
- Rupee loans	52,318.56	9,530.28
(b) From others - rupee loans	4,558.43	116.05
	65,081.65	**22,384.26**
Less: Disclosed under Note 20 : Other current financial liabilities		
(i) Current maturities	18,276.52	6,414.39
(ii) Interest accrued	366.15	73.33
Total	**46,438.98**	**15,896.54**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 37.

*See Note 1 & 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

20. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Premium payable on option contracts	70.97	149.70
Creditors for capital expenditure	958.74	-
Lease liabilities (See Note 43)	45.72	-
Total	**1,075.43**	**149.70**
Current		
Current maturities of long term borrowings (see Note 19)	18,276.52	6,414.39
Interest accrued	705.38	341.65
Creditors for capital expenditure (**)	6,750.36	4,893.17
Derivative financial liabilities	82.82	107.51
Security deposits	547.44	531.91
Employees dues payable	3,076.78	2,904.12
Expenses payables (***)	6,021.33	5,628.34
Premium payable on option contracts	78.73	107.02
Lease liabilities (See Note 43)	84.27	-
Total	**35,623.63**	**20,928.11**

** Includes dues to micro enterprises and small enterprises (See Note 42).

*** As at 31st March, 2019 - ₹ 1.25 lakhs.

21. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Non-current		
Provision for employee benefits (see Note 44)		
- for Gratuity	1,729.56	1,346.67
- for Compensated absences	793.33	613.35
Total	**2,522.89**	**1,960.02**
Current		
Provision for employee benefits (see Note 44)		
- for Gratuity	555.01	493.19
- for Compensated absences	810.79	761.00
Total	**1,365.80**	**1,254.19**

22. Deferred tax assets/(liabilities)

22.1 The major components of deferred tax assets/(liabilities) in relation to :

(₹ in Lakhs)

Particulars	As at 1st April, 2019 on demerger (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31st March, 2020
Property, plant and equipment	(36,410.73)	(4,426.70)	-	-	(40,837.43)
Expenses allowable on payment basis	174.45	263.76	-	-	438.21
Allowance for doubtful trade receivables and expected credit losses	138.49	66.28	-	-	204.77
Effect of measuring financial instruments at fair value	(125.44)	125.44	-	-	-

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

22.1 The major components of deferred tax assets/(liabilities) in relation to : (Contd..)

(₹ in Lakhs)

Particulars	As at 1st April, 2019 on demerger (*)	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Balance as on 31st March, 2020
Effect of measuring derivative instruments at fair value	(94.05)	(33.56)	74.58	-	(53.03)
Expenses allowable in subsequent years	-	727.97	-	-	727.97
Gratuity and leave benefits	1,123.17	198.18	37.52	-	1,358.87
Others	-	2.16	-	-	2.16
	(35,194.11)	**(3,076.47)**	**112.10**	**-**	**(38,158.48)**
MAT credit entitlement	66,720.12	2,985.40	-	(8,239.48)	61,466.04
Net Deferred tax assets/(liabilities)	**31,526.01**	**(91.07)**	**112.10**	**(8,239.48)**	**23,307.56**

* See Note 1

22.2 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April 2019. The assets of the demerged Chemical Business Undertaking include MAT credit entitlement of ₹ 69705.52 lakhs (comprising of ₹ 66720.12 as at 1st April 2019 and ₹ 2985.40 lakhs recognised during the year, see Note 36.2). The said MAT credit is transferred to the Company as per the aforesaid Scheme which is approved by Hon'ble NCLT. On the basis of legal position available, it is concluded by the management that the Company is entitled to utilise this MAT credit.

23. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Unsecured		
(a) From banks		
(i) Foreign currency loans		
- Packing credit /Buyers credit/Import finance	33,887.44	32,302.58
(ii) Rupee loan		
- Short term / working capital demand loans	58,918.38	16,071.91
- Cash credit / overdraft	8,430.46	-
- Packing credit	1,800.00	-
- Commercial papers	-	12,388.11
	103,036.28	**60,762.60**
(b) From others		
- Commercial papers	-	8,850.93
	103,036.28	**69,613.53**
Less: Interest accrued disclosed under Note 20 : Other current financial liabilities	339.23	268.32
Total	**102,697.05**	**69,345.21**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. see Note 37.

(iii) Maximum balance of Commercial papers during the year was ₹ 39,000 Lakhs.

*See Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

24. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (see Note 42)	82.63	0.85
- total outstanding dues of creditors other than micro enterprises and small enterprises	33,891.74	21,908.02
Total	**33,974.37**	**21,908.87**

25. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Advances from customers	847.15	318.22
Statutory dues and taxes payable	707.05	601.21
Total	**1,554.20**	**919.43**

26. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019*
Current tax liabilities (net of payments)	1,167.75	262.37
Total	**1,167.75**	**262.37**

27. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Revenue from contracts with customers		
Sale of products	247,177.04	272,384.34
(b) Other operating revenue	2,461.84	670.51
Total	**249,638.88**	**273,054.85**

27.1 Disaggregated revenue information

For FY 2019-20

(₹ in Lakhs)

Particulars.	India	Europe	USA	Rest of the world	Total
Revenue from contracts with customers					
Refrigerant Gases	14,610.99	28.53	1,201.04	28,030.83	43,871.39
Caustic Soda	35,200.68	-	-	-	35,200.68
Chloromethane	30,462.73	-	-	-	30,462.73
Poly Tetrafluoroethylene (PTFE)	23,178.88	32,010.41	21,456.57	16,019.29	92,665.15
Other products	17,198.10	13,675.24	4,800.45	9,303.30	44,977.09
Total	**120,651.38**	**45,714.18**	**27,458.06**	**53,353.42**	**247,177.04**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

27.2 Contract balances

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Trade receivables	63,964.99
Contract liabilities - advance from customers	847.15

During the year ended 31st March 2020, the Company has recognized revenue of ₹ 290.06 lakhs arising from opening contract liabilities transferred pursuant to demerger (see Note 1 and 50).

27.3 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.

27.4 Reconciliation of gross revenue with revenue from contracts with customers

(₹ in Lakhs)

Particulars	2019-2020
Gross revenue	248,479.28
Less: Discounts, rebates etc.	1,302.24
Net revenue recognised from contracts with customers	**247,177.04**

28. Other income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
(a) Interest income		
(I) On financial assets using effective interest method:		
- on fixed deposits with banks	4.45	21.81
- on Inter-corporate deposits and loans	301.71	309.25
(II) Other interest income		
- on income tax refunds	11,969.46	3,609.97
- on capital advances	4,805.93	-
- other interest	20.43	9.14
	17,101.98	3,950.17
(b) Other non-operating income		
Allowance for doubtful trade receivables reversed	-	18.64
Liabilities and provisions no longer required, written back	232.07	351.43
Rental income from operating leases	564.32	634.10
Miscellaneous income	458.17	185.99
	1,254.56	1,190.16
(c) Other gains and losses		
Net gain on foreign currency transactions and translation	3,412.49	2,570.64
Net gain on fair value changes in derivatives classified at FVTPL	354.74	674.84
Net gain on retirement/disposal of property, plant and equipment	3.43	0.30
	3,770.66	3,245.78
Total	**22,127.20**	**8,386.11**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

29. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested *
Raw materials consumed	85,686.81	83,980.42
Packing materials consumed	9,005.21	9,414.22
Total	**94,692.02**	**93,394.64**

30. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Opening inventories		
Finished goods	16,846.64	9,767.90
Stock-in-trade	17.90	10.22
Work-in-progress	7,855.11	3,207.97
By-products	165.97	151.95
	24,885.62	**13,138.04**
Less : Closing inventories		
Finished goods	25,995.96	16,846.64
Stock-in-trade	4.18	17.90
Work-in-progress	6,216.65	7,855.11
By-products	140.31	165.97
	32,357.10	**24,885.62**
(Increase) / Decrease in stock	**(7,471.48)**	**(11,747.58)**

31. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Salaries and wages	16,804.91	14,873.57
Contribution to provident and other funds	847.10	664.44
Gratuity	425.66	351.12
Staff welfare expenses	582.91	623.27
Total	**18,660.58**	**16,512.40**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

32. Net loss on fair value changes in investments classified at FVTPL

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Net loss on fair value changes in Investment classified at FVTPL	8,158.23	3,664.33
Total	**8,158.23**	**3,664.33**
Note: Realised (gain) / loss on sale of investments	119.23	(2,643.24)

33. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
(A) Interest expense		
a) Interest on financial liabilities measured at amortised cost		
Interest on borrowings	8,483.34	4,501.09
b) Interest on lease liabilities - (see Note 43)	16.97	-
c) Interest on income tax	12.00	38.00
d) Other interest expenses	91.58	125.04
	8,603.89	**4,664.13**
(B) Net foreign exchange loss on borrowings (considered as finance costs)	1,480.62	855.19
(C) Other borrowing costs	53.34	51.35
Total	**10,137.85**	**5,570.67**

34. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Depreciation on property, plant and equipment	16,694.62	15,340.64
Depreciation on right-of-use assets - (see Note 43)	153.07	-
Depreciation on Investment property	21.27	21.27
Amortisation of intangible assets	737.65	799.82
Total	**17,606.61**	**16,161.73**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

35. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019 in respect of the demerged Chemical Business Undertaking vested*
Stores and spares consumed	9,902.37	9,183.81
Freight	6,105.40	7,898.71
Insurance	1,195.76	600.22
Indirect tax expenses	563.51	289.77
Production labour charges	2,976.15	2,651.92
Processing charges	514.83	492.93
Factory expenses	1,745.96	837.66
Repairs to		
- Buildings	659.68	489.14
- Plant and equipments	5,926.27	5,083.65
- Others	678.08	562.18
	7,264.03	**6,134.97**
Directors' sitting fees	17.00	8.80
Commission to non-executive director	417.46	692.34
Rates and taxes	610.28	548.61
Travelling and conveyance	1,792.33	1,876.84
Communication expenses	151.05	172.62
Legal and professional fees and expenses	4,122.31	4,041.43
Rent, lease rentals and hire charges	1,790.83	1,527.15
Allowance for doubtful trade receivables and expected credit loss	189.66	-
Bad debts and remission	-	0.14
Commission	252.30	230.06
Royalty	1,687.27	1,110.73
Miscellaneous expenses	6,089.66	4,388.13
Total	**47,388.16**	**42,686.84**

Other expenses for the year ended 31st March, 2019 - ₹ 1.25 lakhs

Donation to Electoral Trust and political party

During the year the Company has given a donation of ₹ 1,200 Lakhs to a Electoral Trust and ₹ 15 Lakhs to Bhartiya Janata Party. The same is included in miscellaneous expenses above.

36. Tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
(i) Income tax recognized in Statement of Profit and Loss		
Current Tax:		
In respect of current year	13,922.00	-
In respect of earlier years	(705.33)	-
	13,216.67	**-**
Deferred Tax		
In respect of current year	507.32	-
In respect of earlier years	(416.25)	-
	91.07	**-**
	13,307.74	**-**

*see Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

36. Tax expense (Contd..)

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
(ii) Income tax recognized in Other Comprehensive Income		
Deferred tax on remeasurement of defined benefit plans	(37.52)	-
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	(74.58)	-
	(112.10)	**-**
Total Tax expense	**13,195.64**	**-**

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2020	Period ended 31st March, 2019
Profit/(loss) before tax	32,302.49	(1.25)
Income tax using the Company's domestic tax rate @ 34.944% (2018-19: 34.944%)	11,287.78	(0.44)
Effect of expenses that are not deductible in determining taxable profits	456.81	0.44
Effect of income that is taxed at special rates	(4.82)	-
Effect of loss on fair value of investments on which deferred tax asset is not recognised	2,683.71	-
Others (net)	5.84	-
	14,429.32	-
Taxation pertaining to earlier years	(1,121.58)	-
Tax expense as per the Statement of Profit and Loss	**13,307.74**	**-**

The tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

36.2 Refer Note 1 and 50 for the demerger of the Chemical Business Undertaking transferred and vested with the Company w.e.f. 1st April, 2019. After recording the assets and liabilities, acquired on demerger, at book values, the Company has reassessed and recomputed the deferred tax assets/liabilities which has resulted in increase in deferred tax liability by ₹ 2,591.39 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which is charged to the statement of profit and loss and included in 'tax pertaining to earlier periods'. Further, on receipt of ITAT orders during the year, the Company is entitled to net incremental tax benefit of ₹ 3,712.97 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which is also included in 'tax pertaining to earlier periods'.

37. Nature of securities and terms of repayment

37.1 The terms of repayment of secured term loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	2,518.17	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,221.31	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(b)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.1 The terms of repayment of secured term loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
4	Mizuho Bank Limited	Foreign currency loan	2,221.02	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	8,312.50	Quarterly repayment, final maturity on 19th May, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	95.23	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)
7	Kotak Mahindra Bank Limited	Rupee Loan	7,500.00	Quarterly repayment, final maturity on 30th August, 2021	3M MCLR + 0.05% p.a.	(f)
8	Kotak Mahindra Bank Limited	Rupee Loan	6,250.00	Quarterly repayment, final maturity on 31st August, 2021	3M MCLR + 0.05% p.a.	(f)
9	HDFC Bank Ltd	Rupee Loan	29,913.75	Quarterly repayment, final maturity on 27th December, 2025	Repo Rate + 2.75 % p.a.	(g)
10	Axis Finance Ltd	Rupee Loan	4,462.50	Bullet repayment at the end of 24 months from the date of first disbursement, maturity on 16th November, 2021	12M MCLR + 0.90% p.a.	(h)

As on 1st April, 2019 (see Note 1 and 50)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1	ICICI Bank Limited (Hedged Part)	Foreign currency loan	3,073.28	Half yearly repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2	ICICI Bank Limited (Un-Hedged Part)	Foreign currency loan	1,490.54	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3	The Hong Kong and Shanghai Banking Corporation Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(b)
4	Mizuho Bank Limited	Foreign currency loan	4,065.95	Quarterly repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(c)
5	Kotak Mahindra Bank Limited	Rupee Loan	9,500.00	Quarterly repayment, final maturity on 19th March, 2027	6M MCLR + 0.15% p.a.	(d)
6	Daimler Financial Services India Pvt. Ltd	Rupee Loan	115.21	Monthly repayment, final maturity on 7th August, 2021	11.25% p.a.	(e)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Notes:

a) **ICICI Bank Limited:** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/mortgage/hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.

b) **The Hongkong and Shanghai Banking Corporation Limited:** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation, is secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

c) **Mizuho Bank Limited:** The foreign currency term loan from Mizuho Bank Limited, is secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

d) **Kotak Mahindra Bank Limited:** The term loan from Kotak Mahindra Bank Limited, is secured by way of first and exclusive charge by way of hypothecation of movable fixed assets pertaining to Chloralkali Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

e) **Daimler Financial Services India Pvt. Limited:** The vehicle loan from Daimler Financial Services India Pvt. Ltd, is secured by way of hypothecation of vehicle.

f) **Kotak Mahindra Bank Limited:** The working capital term loan from Kotak Mahindra Bank Limited, is secured by way of first charge of hypothecation of movable fixed assets pertaining to A & H Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

g) **HDFC Bank Limited:** The term loan from HDFC Bank Ltd, is secured by way of exclusive first charge of hypothecation of specific tangible movable assets pertaining to CMS, CACL2 & TFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat.

h) **Axis Finance Limited:** The term loan from Axis Finance Ltd, is secured by way of first charge of lien on FMP/other select debt mutual funds of the Company.

In respect of the secured loans transferred to the Company pursuant to demerger, the process of transfer of charges is in progress.

37.2 The terms of repayment of unsecured loans are as under:

As at 31st March, 2020

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	Yes Bank Limited	Foreign Currency Loan - Import Finance	1,352.84	Repayment range from 13th April, 2020 to 9th July, 2020	Interest range from 6M LIBOR + 0.20% to 6 M LIBOR + 0.83%
2.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	9,511.99	Repayment range from 7th April, 2020 to 26th June, 2020	Interest range from 6M LIBOR + 0.30% to 6 M LIBOR + 0.85%
3.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	2,243.60	Repayment range from 4th June, 2020 to 28th August, 2020	Interest range from 6M LIBOR + 0.25% to 6M LIBOR + 1.50%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
4.	RBL Bank Limited	Foreign Currency Loan - Import Finance	3,540.24	Repayment range from 6th July, 2020 to 25th August, 2020	Interest range from 6M LIBOR + 0.46% to 6M LIBOR + 0.84%
5.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	11,315.24	Repayment range from 17th April, 2020 to 25th September, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 1.15%
6.	DBS Bank India Ltd	Foreign Currency Loan - Packing Credit	2,486.87	Repayment on 10th June, 2020	Interest 6M EURIBOR + 0.70%
7.	BNP Paribas	Foreign Currency Loan - Packing Credit	3,315.82	Repayment range from 8th April, 2020 to 22nd April, 2020	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.88%
8.	BNP Paribas	Rupee Loan - Packing Credit	1,800.00	Bullet repayment on 2nd September, 2020	7.80% p.a.
9.	BNP Paribas	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 2nd May, 2020	7.92% p.a.
10.	BNP Paribas	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 12th May, 2020	7.89% p.a.
11.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 6th July, 2020	1M MCLR + 0.05% p.a.
12.	HDFC Bank Limited	Rupee loan - Short term working capital	2,500.00	Bullet repayment on 11th September, 2020	1M MCLR + 0.20% p.a.
13.	HDFC Bank Limited	Rupee loan - Short term working capital	2,000.00	Bullet repayment on 12th June, 2020	1M MCLR + 0.15% p.a.
14.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Bullet repayment on 15th May, 2020	1M MCLR + 0.10% p.a.
15.	HDFC Bank Limited	Rupee loan - Short term working capital	3,000.00	Bullet repayment on 23rd June, 2020	1M MCLR
16.	HDFC Bank Limited	Rupee loan - Short term working capital	4,000.00	Repayment of ₹ 2,875.75 Lakhs on 30th April, 2020 Repayment of ₹ 1,124.25 Lakhs on 16th May, 2020	1M MCLR
17.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 13th July, 2020	8.10% p.a.
18.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 17th July, 2020	8.10% p.a.
19.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 4th September, 2020	8.10% p.a.
20.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
21.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,000.00	Bullet repayment on 1st September, 2020	8.25% p.a.
22.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	500.00	Bullet repayment on 28th May, 2020	8.35% p.a.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

37.2 The terms of repayment of unsecured loans are as under: (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
23.	DBS Bank India Ltd	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 5th May, 2020	8.70% p.a.
24.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	925.17	Bullet repayment on 8th August, 2020	3M MCLR + 0.80% p.a.
25.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	3,276.15	Bullet repayment on 15th August, 2020	3M MCLR + 0.80% p.a.
26.	ICICI Bank Ltd	Rupee loan - Working Capital Demand Loan	1,798.68	Bullet repayment on 22nd August, 2020	3M MCLR + 0.80% p.a.
27.	RBL Bank Ltd	Rupee loan - Short Term Loan	500.00	Bullet repayment on 3rd September, 2020	10.30% p.a.
28.	RBL Bank Ltd	Rupee loan - Short Term Loan	700.00	Bullet repayment on 6th May, 2020	10.30% p.a.
29.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	5,000.00	Bullet repayment on 6th June, 2020	9.50% p.a.
30.	IndusInd Bank Ltd	Rupee loan - Short Term Loan	1,500.00	Bullet repayment on 12th June, 2020	9.50% p.a.
31.	BNP Paribas	Rupee loan - Cash Credit	2,507.57	Daily working capital Limit / cash Credit	Overnight MCLR
32.	HDFC Bank Ltd	Rupee loan - Cash Credit	1,239.36	Daily working capital Limit / cash Credit	1Y MCLR + 0.40% p.a.
33.	Kotak Mahindra Bank	Rupee loan - Cash Credit	2327.42	Daily working capital Limit / cash Credit	6M MCLR
34.	ICICI Bank Ltd	Rupee loan - Cash Credit	2356.10	Daily working capital Limit / cash Credit	6M MLCR + 0.90% p.a.

As on 1st April, 2019 (See Note 1 and 50)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	ICICI Bank Limited	Rupee loan - Commercial Paper	4,957.09	Bullet repayment on 13th May, 2019	7.60% p.a.
2.	ICICI Bank Limited	Rupee loan - Commercial Paper	7,431.02	Bullet repayment on 16th May, 2019	7.60% p.a.
3.	Invesco Mutual Fund	Rupee loan - Commercial Paper	8,850.93	Bullet repayment on 20th June, 2019	7.70% p.a.
4.	Yes Bank Limited	Foreign Currency Loan - Import Finance	13,529.83	Repayment range from 2nd April, 2019 to 20th September, 2019	Interest range from 6M LIBOR + 0.32% to 6 M LIBOR + 0.87%
5.	ICICI Bank Limited	Foreign Currency Loan - Import Finance	6,374.43	Repayment range from 2nd April, 2019 to 23rd September, 2019.	Interest range from 6M LIBOR + 0.40% to 6 M LIBOR + 0.90%
6.	HSBC Limited	Foreign Currency Loan - Import Finance	1,962.42	Repayment range from 5th April, 2019 to 24th June, 2019	Interest range from 6M LIBOR + 1.00%

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for the year ended 31st March, 2020

As on 1st April, 2019 (See Note 1 and 50) (Contd..)

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
7.	IndusInd Bank Limited	Foreign Currency Loan - Import Finance	970.17	Repayment range from 11th July, 2019 to 27th August, 2019	Interest range from 6M LIBOR + 0.48%
8.	Emirates NBD Bank (P.J.S.C)	Foreign Currency Loan - Packing Credit	7,717.97	Repayment range from 9th April, 2019 to 13th August, 2019	Interest range from 6M EURIBOR + 0.50% to 6M EURIBOR + 0.80%
9.	HSBC Limited	Foreign Currency Loan - Packing Credit	1,551.35	Bullet repayment on 10th April, 2019	Interest range from 6M EURIBOR + 0.65%
10.	HDFC Bank Limited	Rupee loan - Short Term Loan	3,000.00	Bullet repayment on 24th April, 2019	8.55% p.a.
11.	HDFC Bank Limited	Rupee loan - Short Term Loan	2,500.00	Bullet repayment on 10th June, 2019	8.65% p.a.
12.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	3,000.00	Bullet repayment on 26th April, 2019	8.28% p.a.
13.	Kotak Mahindra Bank Limited	Rupee loan - Working Capital Demand Loan	4,000.00	Bullet repayment on 19th July, 2019	8.75% p.a.
14.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	2,500.00	Bullet repayment on 6th April, 2019	8.60% p.a.
15.	IDBI Bank Limited	Rupee loan - Working Capital Demand Loan	1,000.00	Bullet repayment on 26th April, 2019	8.30% p.a.

38. Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at 31st March, 2020	As at 1st April, 2019 (*)
a In respect of Excise duty matters –	3,612.94	3,794,.67
This includes:		
i. Demands for which the Company has received various show cause notices regarding input credit on certain items and freight charges recovered from buyers for supply of goods at buyers' premises. The Company has filed the replies or is in the process of filing replies.	930.88	992.07
ii. Demands on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and credit transfer to Dahej Unit on inter unit transactions. The Company has filed appeals before CESTAT.	2,682.06	2,802.60
b In respect of Custom duty matter –	1,383.94	1,312.79
This includes:		
i. Demands for which the Company had received show cause notices regarding inadmissible EPCG benefit on consumables imported. The Company has filed replies in this regard.	11.82	11.82
ii. Demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeals before CESTAT and the matters are pending.	1,372.12	1,300.97

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

38. Contingent Liabilities: (Contd..)

(₹ in Lakhs)

Particulars		As at 31st March, 2020	As at 1st April, 2019 (*)
	In respect of above Excise duty and Customs duty matters, the Company has paid an amount of ₹ 146.81 Lakhs (as at 1st April 2019 assumed on demerger: ₹ 187.00 Lakhs) and not charged to Statement of Profit and Loss.		
c	In respect of Sales tax matters –	95.82	171.18
	This includes:		
	i. Demands under VAT on account of disallowance of proportionate Input tax credit	18.00	101.64
	ii. Demands under CST on account of non-submission of C forms.	77.82	69.54
	The Company has filed appeals before appropriate appellate authorities against the said orders.		
d	Claims in respect of labour matters – amount is not ascertainable.		
e	Details of corporate guarantees given to banks and financial institutions for loans taken by a step-down subsidiary and fellow subsidiaries, lien on investments of the Company and working capital facilities of the Company used by fellow subsidiaries (see Note 46).	47,630.69	-
f	In respect of the Supreme Court judgement dated 28th February 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability, if any, in respect of earlier period cannot be ascertained. The Company has made a provision on a prospective basis from the date of the said order.		

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

(*) Contingent liabilities transferred and vested pursuant to demerger (see note 1 and 50)

39. Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 9,263.41 Lakhs (₹ 46,503.74 Lakhs as at 1st April, 2019).

40. 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 'Chemicals' -comprising of Refrigeration gases, Caustic soda, Chloromethane, polytetrafluoroethylene (PTFE), Fluoropolymers, Fluoromonomers, Specialty Fluorointermediates, Specialty Chemicals and allied activities. Electricity generated by captive power plant is consumed in chemical business and not sold outside. Hence the Company is having only one reportable business segment under Ind AS 108 on "Operating segment". The information is further analysed based on the different classes of products.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

40.1 Breakup of revenue from operations

a) Product-wise breakup

(₹ in Lakhs)

Particulars	2019-20
a) Sale of products	
Refrigerant Gases	43,871.39
Caustic Soda (Caustic Soda Lye & Flakes)	35,200.68
Chloromethanes (Methylene Chloride, Chloroform, and Carbon Tetrachloride)	30,462.73
Poly Tetrafluoroethylene (PTFE)	92,665.15
Other products	44,977.09
	247,177.04
b) Other operating revenue	
Government grants	1,021.51
Sale of scrap	504.68
Others	935.65
	2,461.84
Total revenue from operations	**249,638.88**

b) Geographical breakup

(₹ in Lakhs)

Particulars	2019-20
India	123,113.22
Europe	45,714.18
USA	27,458.06
Rest of the world	53,353.42
Total	**249,638.88**

40.2 Information about major customers

There is no single external customers who contributed more than 10% to the Company's revenue during the financial year 2019-2020.

41. Earning/(loss) per share

Particulars	2019-2020	2018-2019
Profit/(loss) for the year (₹ in Lakhs)	18,994.75	(1.25)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	10,98,50,000	1,00,000
Nominal value of each share (in ₹)	1	1
Basic and Diluted Earnings per share (in ₹)	17.29	(1.25)

42. The particulars of dues to micro, small and medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006):

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Principal amount due to suppliers under MSMED Act, 2006 at the year end	
Trade payable	82.63
Payable towards capital expenditure	20.49
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.14
Payment made to suppliers (other than interest) beyond the appointed date during the year	391.29
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	2.36
Interest due and payable to suppliers under MSMED Act for payments already made	3.41
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end	3.55

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

43. Leases

A. Company as a lessee

(a) The Company's significant leasing arrangements are in respect of leasehold lands. The Company has also taken certain plants and commercial premises on 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 (transferred and vested with the Company on demerger - see Note 1 and 50) 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 has measured right of use asset an amount equal to lease liability. The Company is not required restate the comparative information.

(b) On transition to Ind AS 116, the opening balances in ‘Prepayment - leasehold lands’ (transferred and vested with the Company on demerger - see Note 1 and 50) are reclassifed as right-of-use assets.

The lease arrangements of the Company comprises of lease arrangments transferred and vested with the Company pursuant to demerger (see Note 1 and 50). The following is the summary of practical expedients elected on initial application of Ind AS 116:

1) Applied a single discount rate to a portfolio of leases with reasonably similar charactertistics.

2) 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.

3) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4) Applied the practical expedient to apply Ind AS 116 to the contracts that were previously identified by the demerged company, as leases applying Ind AS 17: Leases and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10% p.a.

The difference between the operating lease commitments disclosed applying Ind AS 17 as at 31st March, 2019, discounted to the present value at the date of initial application of Ind AS 116, and the value of the lease liability as at 1st April, 2019 (transferred and vested with the Company, pursuant to demerger), is on account of exclusion of short term leases.

The effect of adoption of Ind AS 116 on the line items in the financial statements, profit before tax, profit for the year 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.

(c) Particulars of right-of-use assets and lease liabilities

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

(₹ in Lakhs)

Particulars	Land-leasehold	Plant & Equipment	Buildings	Total
On recognition and reclassification as at 1st April, 2019	4,460.55	177.45	48.85	4,686.85
Depreciation for the year	50.57	72.16	30.34	153.07
Balance as at 31st March 2020	**4,409.98**	**105.29**	**18.51**	**4,533.78**

ii. Movement in lease liability during year ended

(₹ in Lakhs)

Particulars	2019-2020
On recognition as at 1st April, 2019	226.30
Interest on lease liabilities	16.97
Payment of lease liabilities	(113.28)
Balance as of 31st March, 2020	**129.99**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

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

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Maturity analysis - contractual undiscounted cash flows	
Less than one year	94.83
One to five years	47.07
More than five years	-
Total undiscounted lease liabilities	**141.90**

iv. Amount recognized in statement of profit and loss

(₹ in Lakhs)

Particulars	2019-2020
Interest on lease liabilities	16.97
Included in rent, lease rentals and hire charges expenses: expense relating to short-term leases	107.67

v. Amounts recognised in the statement of cash flows

(₹ in Lakhs)

Particulars	2019-2020
Total cash outflow for leases	113.28

B. Company as a lessor

Operating leases relate to Investment Properties transferred and vested with the Company pursuant to demerger, with lease terms between 11 to 60 months and are usually renewable by mutual consent. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

As a lessor, the transition to Ind AS 116 'Leases' from Ind AS 17 'Leases' effective from 1st April, 2019 does not have any impact on the financial statements of the Company. The Company has used the practical expedient to apply Ind AS 116 to the contracts that were previously identified as leases applying Ind AS 17: Leases, by the demerged company, and hence not reassessed whether a contract is, or contains, a lease at the date of the intial application.

Future minimum rentals receivable under non-cancellable operating leases as at 31st March, 2020 are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Less than one year	403.96
One to five years	251.33
More than five years	-

44. Employee Benefits:

(a) Defined Contribution Plans:

The Company contributes to the Government managed provident & pension fund for all qualifying employees. Contribution to Provident fund of ₹ 846.39 Lakhs is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Company's defined benefit plan is unfunded. There are no other post retirement benefits provided by the Company.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31st March, 2020 by Mr. G N Agarwal, fellow member of the institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

(i) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger (see Note 1 and 50)	1,839.85
Current Service Cost	304.57
Interest cost	121.09
Actuarial gains / (losses) on obligation:	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Benefits Paid/transferred	(88.31)
Present value of defined benefit obligation as at year end	**2,284.57**

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Current Service Cost	304.57
Interest expense	121.09
Amount recognized in profit & loss	**425.66**
Actuarial gains / (losses):	
a) arising from changes in financial assumptions	143.09
b) arising from experience adjustments	(35.72)
Amout recognized in other comprehensive income	**107.37**
Total	**533.03**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee Attrition Rate	5.00%
Mortality: IALM (2012-14) Ultimate Mortality Table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically expose the company to actuarial risks such as interest rate risk and salary risk

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

44. Employee Benefits: (Contd..)

(₹ in Lakhs)

Particulars - Impact on Present Value of defined benefit obligation	As at 31st March, 2020
if discount rate increased by 1%	(157.83)
if discount rate decreased by 1%	184.06
if salary escalation rate increased by 1%	175.47
if salary escalation rate decreased by 1%	(153.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Expected outflow in 1st Year	555.01
Expected outflow in 2nd Year	118.08
Expected outflow in 3rd Year	111.83
Expected outflow in 4th Year	112.38
Expected outflow in 5th Year	174.86
Expected outflow in 6th to 10th Year	822.57

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.55 years

(c) Other short term and long term employment benefits:

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 292.58 lakhs, which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at 31st March, 2020
Discount rate	6.70%
Expected rate of salary increase	8.00%
Employee attrition rate	5.00%
Mortality: IALM (2012-14) Ultimate Mortality Table	

45. Financial instruments:

45.1 Capital management

The Company manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirement. The Company has complied with the financial convenants in respect of its borrowings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

The Company's risk management committee reviews the capital structure of the Company. As part of this review, the committee considers the cost of capital and risk associated with each class of capital. The Company has a target gearing ratio of less than 100 % determined as the proportion of net debt to equity.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Total debt	1,68,117.93
Cash & bank balance	(990.66)
Net debt	1,67,127.27
Total equity	3,69,242.05
Net debt to equity Ratio	45.26%

Notes:

Debt is defined as Non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued thereon.

Cash and bank balances include cash & cash equivalents and other bank balances (excluding margin money deposits).

45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2020
a) Financial assets	
Measured at fair value through profit or loss (FVTPL)	
(a) mandatorily measured as at FVTPL	
(i) Investments in mutual funds	21,518.71
(ii) Investments in venture capital funds	18.95
(iii) Investments in alternate investment fund	4,239.42
(b) Derivative instruments designated as Fair value hedge in hedge accounting	859.27
Sub total	**26,636.35**
Measured at amortised cost	
(a) Cash and bank balances	1,011.77
(b) Other financial assets at amortised cost	
(i) Trade receivables	63,964.99
(ii) Loans	4,807.09
(iii) Others	5,297.03
Sub total	**75,080.88**
Total financial assets	**101,717.23**
b) Financial liabilities	
Measured at amortised cost	
Borrowings	168,117.93
Trade payables	33,974.37
Other financial liabilities	17,625.22
Sub total	**219,717.52**
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	
Derivative instruments designated as cash flow hedge accounting relationship	82.82
Sub total	**82.82**
Total Financial liabilities	**219,800.34**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.3 Financial risk management

The Company's corporate finance function provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors of the Company, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Company doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

45.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates
2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Company is subject to the risk that changes in foreign currency values impact the Company's export revenues, imports of material/capital goods, services/royalty and borrowings etc. Exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps.

Foreign exchange transactions are covered within limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Company's approach to management of currency risk is to leave the Company with minimised residual risk.

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Liabilities	
USD	26,676.31
Euro	17,785.39
Others	38.86
Assets	
USD	20,681.54
Euro	15,260.08

45.5.1 Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in INR against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Company.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

45.5.1 Foreign Currency Sensitivity Analysis (Contd..)

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

(₹ in Lakhs)

USD impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	390.00
Impact on total equity as at the end of the reporting period	390.00

(₹ in Lakhs)

Euro impact (net of taxes)	As at 31st March, 2020
Impact on profit or loss for the year	164.29
Impact on total equity as at the end of the reporting period	164.29

45.5.2 Forward Foreign Exchange Contracts

Company enters into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period included in Note 10 and Note 20 to the financial statements are as under:

Outstanding Contracts	Foreign currency	Exchange Rate	Foreign currency (USD in Lakhs)	Nominal amounts (₹ in Lakhs)	Fair Value derivative assets / (liabilities) (₹ in Lakhs)
Fair value hedges Principal only swaps (POS) contracts (Financial Assets)	USD	75.55	92.13	6,960.21	859.27

The line-items in the standalone balance sheet that include the above hedging instruments are 'other financial assets'.

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Company's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. The short term foreign currency borrowings are at fixed rate of interest. Certain rupee term loans and short term loans carry variable rate of interest.

45.6.1 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 in foreign currency, 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.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended 31st March, 2020 would decrease/increase by ₹ 89.73 Lakhs (net of tax). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

(₹ in Lakhs)

Interest Rate Swap Contracts outstanding	Average Contracted Fixed Interest Rate %	Notional Principal Value	Fair value derivative assets / (liabilities)
HSBC Bank	8.24%	2,221.02	(1.76)
MIZUHO Bank	8.24%	2,221.02	(1.76)
ICICI BANK	10.55%	2,518.17	(79.30)
1 to 5 years	-	**6,960.21**	**(82.82)**
Total		**6,960.21**	**(82.82)**
Balance in the cash flow hedge reserve (net of tax)			**(53.88)**

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the Standalone balance sheet that include the above hedging instruments are "Other financial assets"and "Other financial liabilities".

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The company is exposed to equity price risks arising from equity and equity based investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes and the Company does not actively trade these investments. In respect of debt mutual funds, the exposure to risk of changes in market rates is low since the underlying investments are debt instruments. The Company is exposed to price risk arising from investments in other equity based investments.

45.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for equity oriented investments at the end of the reporting period.

If equity prices had been 5% higher/lower, profit for the year ended 31st March, 2020 would increase/decrease by ₹ 485.94 Lakhs as a result of the change in fair value of equity investments which are designated as FVTPL.

45.8 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, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

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 90 days. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There is no external customer representing more than 10% of the total balance of trade receivables. All trade receivables are reviewed and assessed for default on a quarterly basis.

a) Trade receivables (Contd..)

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 6 Months	0.05%
6 Months to 1 Year	1.00%
1-2 Years	2.00%
2-3 Years	3.00%
> 3 Years	5.00%

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2020
Transferred pursuant to demerger - see Note 1	19.01
Movement in expected credit loss allowance	27.54
Balance at the end of the year	**46.55**

b) Loans and other receivables

The Company applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. 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 company expects to receive (i.e., all cash shortfalls), discounted at the effective interest rate.

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.

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

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

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

c) Other financial assets

Credit risk arising from balances with banks, investment in mutual funds and derivative financial instruments is limited because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies. There are no collaterals held against such Investments.

45.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the committee of Board of Directors for operations, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.9.1 Liquidity and interest risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31st March, 2020				
Borrowings	121,628.06	39,542.99	6,946.88	168,117.93
Trade payables	33,974.37	-	-	33,974.37
Security deposits	547.44	-	-	547.44
Other payables	16,002.35	1,075.43	-	17,077.78
Derivative financial liablities	82.82	-	-	82.82
Total	**172,235.04**	**40,618.42**	**6,946.88**	**219,800.34**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities

45.10.1 Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Financial Assets / financial liabilities	Fair Value as at	Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1. Principal only swaps designated in hedge accounting relationships (Note 10)	Assets - ₹ 859.27 Lakhs and Liabilities Nil	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 20)	Assets - Nil and Liabilities ₹ 82.82 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3.Forward foreign currency contracts	NIL	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
4. Investments in Mutual Funds (Note 8(c) & 8(d))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 21,518.71 Lakhs	Level 1	Quoted prices in an active market	NA	NA
5.Investment in Venture Capital Funds (Note 8(c) & 8(d))	Investments in units of Venture capital fund: aggregate fair value of ₹ 18.95 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of investment in venture capital fund
6.Alternate Investment Funds (Note 8(c))	Alternate Investment Funds: aggregate fair value of ₹ 4,239.42 Lakhs	Level 1	Quoted prices in an active market	NA	NA

During the year, there were no transfers between Level 1, Level 2 and Level 3.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised 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 from the values that would eventually be received or settled.

46. Related Party disclosures

(A) Where control exists:

Holding company

Inox Leasing and Finance Limited - On demerger (see Note 1 and 50)

GFL Limited (earlier known as Gujarat Fluorochemicals Limited) - Upto demerger, and subsequently classified as a fellow subsidiary (see Note 1 and 50)

Subsidiary companies (On demerger - see Note 1 and 50)

Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)

Gujarat Fluorochemicals GmbH, Germany

Gujarat Fluorochemicals Singapore Pte. Limited

GFL GM Fluorspar SA - subsidiary of GFL Singapore Pte. Limited

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

Key Management Personnel

a) Whole-time directors

Mr. V K Jain (also appointed as Managing Director w.e.f. 01.08.2019)

Mr. Sanath Kumar Muppirala (w.e.f. 28.04.2019)

Mr. Sanjay Borwankar (w.e.f 15.02.2020)

Mr. D K Sachdeva (upto 14.02.2020)

Mr. Anand Bhusari (upto 27.04.2019)

b) Non-executive directors

Mr. D K Jain

Mr. P K Jain

Mr. Deepak Asher

Mr. Shailendra Swarup

Mr. Om Prakash Lohia

Mr. Shanti Prasad Jain

Ms. Vanita Bhargava

Mr. Chandra Prakash Jain

Mr. Rajagopalan Doraiswami (upto 24.09.2019)

Enterprises over which a Key Management Personnel, or his relatives, have significant influence

Devansh Gases Private Limited

Devansh Trademart LLP

Inox India Private Limited

Inox Air Products Private Limited

Inox Chemicals LLP

Refron Valves Private Limited

Rajni Farms Private Limited

Siddhapavan Trading LLP

Siddho Mal Trading LLP

Swarup & Company

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Fellow subsidiaries and their associates

GFL Limited (holding company upto demerger and subsequently a fellow subsidiary) - see Note 1 and 50

Subsidiaries of GFL Limited:

Inox Leisure Limited

Inox Wind Limited

Inox Renewables Limited

Subsidiaries of Inox Wind Limited:

Inox Wind Infrastructure Services Limited

Waft Renergy Private Limited

Subsidiaries of Inox Wind Infrastructure Services Limited:

Haroda Wind Energy Private Limited

Khatiyu Wind Energy Private Limited

Vigodi Wind Energy Private Limited

Ripudaman Urja Private Limited

Vasuprada Renewables Private Limited

Suswind Power Private Limited

Vibhav Energy Private Limited

Sri Pawan Energy Private Limited

Vuelta Wind Energy Private Limited

Tempest Wind Energy Private Limited

Ravapar Wind Energy Private Limited

Nani Virani Wind Energy Private Limited

Aliento Wind Energy Private Limited

Flurry Wind Energy Private Limited

Flutter Wind Energy Private Limited

Associates of Inox Wind Infrastructure Services Limited

Wind One Renergy Private Limited

Wind Two Renergy Private Limited

Wind Three Renergy Private Limited

Wind Four Renergy Private Limited

Wind Five Renergy Private Limited

Particulars of transactions during the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
A) Transactions during the year					
Sale of Goods					
Inox Air Products Private Limited				1.39	1.39
GFL Americas LLC	27,527.39				27,527.39
GFL GmbH, Germany	20,935.89				20,935.89
Refron Valves Limited				0.08	0.08
Total	**48,463.28**			**1.47**	**48,464.75**
Sales return					
GFL Americas LLC	633.30				633.30
GFL GmbH, Germany	918.76				918.76
Total	**1,552.06**				**1,552.06**
Purchase of Power					
Inox Wind Limited		284.68			284.68
Total		**284.68**			**284.68**
Purchase of Assets					
Inox Wind Limited		2,062.02			2,062.02
Total		**2,062.02**			**2,062.02**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Purchase of Goods					
Inox Air Products Private Limited				1,319.51	1,319.51
Inox India Private Limited				3,755.60	3,755.60
Refron Valves Private Limited				0.24	0.24
GFL GM Fluorspar SA	3,132.10				3,132.10
GFL Americas LLC	171.74				171.74
Total	**3,303.84**			**5,075.35**	**8,379.19**
Purchase of Services					
Inox India Private Limited				13.78	13.78
Total				**13.78**	**13.78**
Purchase of Movie Tickets					
Inox Leisure Limited		8.87			8.87
Total		**8.87**			**8.87**
Interest income (on capital advances)					
Inox Wind Infrastructure Services Limited		962.65			962.65
Inox Wind Limited		3,843.28			3,843.28
Total		**4,805.93**			**4,805.93**
Advances given towards purchases of goods					
GFL GM Fluorspar SA	2,016.33				2,016.33
Total	**2,016.33**				**2,016.33**
Advances given towards purchases of assets					
Inox Wind Limited		70,439.60			70,439.60
Inox Wind Infrastructure Services Limited		16,748.98			16,748.98
Total		**87,188.58**			**87,188.58**
Guarantee given					
GFLGM Fluorspar SA	4,337.53				4,337.53
Inox Wind Infrastructure Services Limited		41,793.16			41,793.16
Inox Wind Limited		1,500.00			1,500.00
Total	**4,337.53**	**43,293.16**			**47,630.69**
Reimbursement of expenses (paid)/Payments made on behalf of the Company					
GFL Americas LLC	63.94				63.94
GFL GmbH, Germany	11.49				11.49
Devansh Gases Private Limited				7.32	7.32
Total	**75.43**			**7.32**	**82.75**
Reimbursement of expenses (received)/Payments made on behalf by the Company					
Inox Leisure Limited		8.08			8.08
Inox Renewables Limited		8.23			8.23
Inox Wind Limited		159.53			159.53

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
GFL GM Fluorspar SA	22.35				22.35
Inox Air Products Private Limited				5.38	5.38
GFL GmbH, Germany	0.69				0.69
GFL Americas LLC	0.11				0.11
Inox Wind Infrastructure Services Limited		359.99			359.99
GFL Limited		114.83			114.83
Total	**23.15**	**650.66**		**5.38**	**679.19**
Guarantee Commission Income					
Inox Wind Infrastructure Services Limited		328.38			328.38
GFL GM Fluorspar SA	50.88				50.88
Total	**50.88**	**328.38**			**379.26**
Rent Received					
Inox Air Products Private Limited				75.19	75.19
Inox Wind Limited		72.39			72.39
Inox Leisure Limited		29.69			29.69
Others		3.30		0.72	4.02
Total		**105.38**		**75.91**	**181.29**
Rent paid					
Inox Air Products Private Limited				1.00	1.00
Devansh Gases Private Limited				24.00	24.00
Mr. D K Sachdeva			1.05		1.05
Total			**1.05**	**25.00**	**26.05**
O&M Charges & Lease Rents paid					
Inox Air Products Private Limited				200.85	200.85
Inox Wind Infrastructure Services Limited		487.25			487.25
Total		**487.25**		**200.85**	**688.10**

Particulars of transactions during the period ended 31st March, 2019

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Key Management Personnel	Enterprises over which KMP or their relatives have significant influence	Total
Shares issued					
GFL Limited		1.00			1.00
Total		**1.00**			**1.00**
Reimbursement of expenses paid					
GFL Limited		0.41			0.41
Total		**0.41**			**0.41**
Rent paid					
GFL Limited		0.09			0.09
Total		**0.09**			**0.09**

Note: The above amounts are exclusive of duties and taxes, wherever applicable.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Particulars of transactions during the year ended 31st March, 2020 (Contd..)

(₹ in Lakhs)

Particulars	Subsidiary Companies	Fellow subsidiaries and their associates	Enterprises over which KMP or their relatives have significant influence	Total
Amounts payable				
GFL Americas LLC	252.07			252.07
GFL GmbH, Germany	5.23			5.23
Inox India Private Limited			203.49	203.49
Refron Valves Private Limited			0.17	0.17
Inox Air Products Private Limited			224.05	224.05
Inox Wind Infrastructure Services Limited		150.21		150.21
Inox Wind Limited		2,663.88		2,663.88
Total	**257.30**	**2,814.09**	**427.71**	**3,499.10**
Amounts Receivable				
a) Trade / Other receivables				
GFL Americas LLC	8,615.46			8,615.46
GFL GmbH, Germany	10,657.05			10,657.05
Inox Leisure Limited		3.70		3.70
Inox Renewables Limited		19.61		19.61
Inox Wind Infrastructure Services Limited		1,260.64		1,260.64
GFL GM Fluorspar SA	210.76			210.76
GFL Limited		114.83		114.83
Inox Wind Limited		3,652.61		3,652.61
Others		14.44		14.44
Total	**19,483.27**	**5,065.83**		**24,549.10**
b) Advances for purchase of goods				
GFL GM Fluorspar SA	2,016.33			2,016.33
Total	**2,016.33**			**2,016.33**
c) Advances for purchase of assets				
Inox Wind Limited		70,439.60		70,439.60
Inox Wind Infrastructure Services Limited		16,748.98		16,748.98
Total		**87,188.58**		**87,188.58**
d) Guarantees				
GFL GM Fluorspar SA	4,337.53			4,337.53
Inox Wind Infrastructure Services Limited		41,793.16		41,793.16
Inox Wind Limited		1,500.00		1,500.00
Total	**4,337.53**	**43,293.16**		**47,630.69**
Particulars of amounts outstanding as at 31st March, 2019				
Amounts payable				
GFL Limited		0.50		0.50
Total		**0.50**		**0.50**

Compensation of Key Management Personnel during the year ended 31st March, 2020

Particulars	₹ in Lakhs
(i) Remuneration and commission	
Mr. V K Jain	717.90
Mr. D K Jain	417.46
Mr. D K Sachdeva	20.06
Mr. Anand Bhusari	10.96
Mr. Sanath Kumar Muppirala	72.33
Mr. Sanjay Borwankar	8.55
Total	**1247.26**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2020

Compensation of Key Management Personnel during the year ended 31st March, 2020 (Contd..)

Particulars	₹ in Lakhs
(ii) Director sitting fees	17.00
(iii) Professional fees	
Mr. Deepak Asher	180.00
Swarup & Co.	3.85
Total	**183.85**

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 23.23 lakhs included in the amount of remuneration reported above.

Notes

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31st March, 2020 for bad or doubtful trade receivables in respect of amounts owed by related parties.

47. Exceptional Items

(₹ in Lakhs)

Particulars	2019-2020
Expenses on demerger of Chemical Business Undertaking from GFL Limited (see Note 1 and 50)	2,604.05
Total	**2,604.05**

48. Payments to Auditor

(₹ in Lakhs)

Particulars	2019-2020	2018-2019
As Statutory auditor	33.00	0.75
Audit of Subsidiary Companies	9.50	-
Tax Audit	14.50	-
For taxation matters	2.50	-
Certification	3.00	-
	62.50	**0.75**

Note:

(a) The above amounts do not include ₹ 22 lakhs for demerger and taxation related services rendered to GFL Limited (the demerged company) and borne by the Company.

(b) All amounts are exclusive of goods and service tax.

49. Disclosure required under section 186(4) of the Companies Act, 2013

Inter-corporate deposits/loans to others:

(₹ in Lakhs)

Particulars	Rate of Interest	Amount outstanding	
		As at 31st March, 2020	As at 1st April, 2019 (*)
Wearit Global Limited	10%	292.14	292.14
Castle Suppliers Private Limited	10%	2,725.00	2,725.00
Vista Mining Private Limited	10%	-	100.00
Uttam Fabricators	10%	-	125.00
Orion Technocraft Pvt Ltd	10%	-	100.00

The above inter-corporate deposits/loans are given for general business purpose and are repayable at call.

*See Note 1 and 2.3

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

50. Demerger of Chemical Business

The Scheme of Arrangement ("the Scheme") for the demerger of Chemical Business Undertaking from Gujarat Fluorochemicals Limited, now known as GFL Limited ("the demerged company") to Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited ("the resulting company" or "the Company") and the respective shareholders of the two companies, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 was approved by Honourable National Company Law Tribunal, (NCLT) Ahmedabad Bench on 4th July 2019. The said NCLT Order was filed by both the companies with the Registrar of Companies on 16th July, 2019 i.e. making the Scheme operative. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, including employees and investment in subsidiaries and joint venture pertaining to the said Chemical Business, stand transferred and vested into the Company from its Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company. Further, in respect of the secured loans transferred to the Company, the process of transfer of charges is in progress.

The demerger is accounted as per 'pooling of interest' method in accordance with Appendix C of Ind AS 103 - Business Combinations, being common control business combination.

Accordingly, following effects are given in the books of account of the Company:

(i) All the assets and liablities pertaining to the Chemcial Business Undertaking, transferred to and vested in the Company, are recorded at their respective carrying values as appearing the books of the demerged company.

(ii) The Company has issued 10,98,50,000 fully paid-up equity shares of ₹ 1 each to the shareholders of the demerged company, for every one fully paid-up equity share of ₹ 1 each held by them in the demerged company.

(iii) The pre-demerger shareholding of the demerged company in the Company comprising of 1,00,000 fully paid-up equity share of ₹ 1 each, are cancelled and the amount is credited to the capital reserve.

(iv) The identity of the reserves transferred by the demerged company is preserved and are carried in the same form and manner by the Company.

(v) The difference between the net assets transferred from the demerged company, and the aggregate of the fresh share capital issued by the Company and the reserves transferred by the demerged company, is adjusted against the Capital Reserve as under:

(₹ in Lakhs)

Particulars	Amount
Assets of the dermerged undertaking	483,079.48
Less: Liabilities of the demerged undertaking	(132,623.19)
Net assets of the dermerged undertaking (a)	350,456.29
Transferred reserves:	
Capital reserve	12,827.46
General reserve	320,000.00
Cash flow hedge reserve	84.98
Retained earnings	16,726.31
Total transferred reserves	349,638.75
Face value of fully paid-up equity shares issued to the shareholders of demerged company	1,098.50
Aggregate of transferred reserve and fresh issue of equity shares (b)	350,737.25
Net amount adjusted against the capital reserve (a) - (b)	(280.96)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2020

Summary of the assets and liabilities of the Chemcial Business Undertaking, transferred and vested with the Company is as under:

(₹ in Lakhs)

Particulars	Amount
a) Assets transferred	
Property, plant & equipment	215,682.99
Capital work-in-progress	22,867.56
Investment property	1,032.00
Intangible assets	2,628.95
Financial assets	
Investments	
Investments in subsidiaries and joint venture	8,823.83
Other investments	34,104.09
Trade receivables	65,729.56
Cash & cash equivalents	3,122.74
Loans	4,688.78
Other financial assets	990.48
Inventories	53,031.36
Deferred tax assets (net)	31,526.01
Income tax assets (net)	20,505.88
Other assets	18,345.25
Total assets transferred	483,079.48
b) Liabilities transferred	
Financial liabilities	
Borrowings	85,241.75
Trade payables	21,908.87
Other financial liabilities	21,076.56
Provisions	3,214.21
Current tax liabilities	262.37
Other liabilities	919.43
Total liabilities transferred	132,623.19

See Note 2.3 for presentation of in the financial statements on account of demerger

As per our report of even date attached

For Patankar & Associates
Chartered Accountants
Firm's Reg. No: 107628W

S S Agrawal
Partner
Mem No: 049051

Place: Pune
Dated: 30th July 2020

For GUJARAT FLUOROCHEMICALS LIMITED

D. K. JAIN
Chairman
DIN: 00029782

V. K. JAIN
Managing Director
DIN: 00029968

Place : New Delhi

B. V. DESAI
Company Secretary

MANOJ AGRAWAL
Chief Financial Officer

Place: Vadodara
Dated: 30th July 2020