

**GUJARAT
FLUOROCHEMICALS
AMERICAS LLC, U.S.A.**

AUDITED ANNUAL ACCOUNTS

2015-2016

Independent Auditor's Report to the members of Gujarat Fluorochemicals Americas LLC, U.S.A

Report on the Financial Statements

We have audited the accompanying financial statements of **Gujarat Fluorochemicals Americas LLC, U.S.A** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**Independent Auditor's Report to the members of Gujarat Fluorochemicals Americas LLC, U.S.A
on the Financial Statements for the year ended 31st March 2016 (continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and cash flows for the year ended on that date.

Other Matter

These financial statements have been prepared by the Company for the purpose of preparation of consolidated financial statements of the holding company, Gujarat Fluorochemicals Limited, India, in accordance with the Accounting Standard (AS) 21-Consolidated Financial Statements, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and for providing information as required by section 129(3) of the Act by the holding company.

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

M Y Kulkarni
Partner
Membership No. 035524

Place: Pune
Date: 14th May, 2016

Gujarat Fluorochemicals Americas LLC
Balance Sheet as at 31st March, 2016

(Amounts in Rs.)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	10,12,27,652	10,12,27,652
(b) Reserves and surplus	5	(57,97,625)	1,20,37,774
		9,54,30,027	11,32,65,426
(2) Non-current liabilities			
(a) Other long-term liabilities	6	1,16,713	1,96,802
		1,16,713	1,96,802
(3) Current liabilities			
(a) Trade payables	7	42,22,89,617	48,29,69,628
(b) Other current liabilities	8	19,96,866	21,66,873
		42,42,86,483	48,51,36,501
TOTAL		51,98,33,223	59,85,98,729
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	11,12,92,251	11,76,79,203
(ii) Intangible assets	9	6,11,994	4,79,435
		11,19,04,245	11,81,58,638
(2) Current assets			
(a) Inventories	10	23,99,87,348	31,73,39,681
(b) Trade receivables	11	14,68,42,712	15,00,41,433
(c) Cash and bank balances	12	1,94,74,438	1,20,87,668
(d) Short-term loans and advances	13	16,24,480	9,71,309
		40,79,28,978	48,04,40,091
TOTAL		51,98,33,223	59,85,98,729
<i>The accompanying notes are an integral part of the financial statements</i>			

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

For GUJARAT FLUOROchemicals
AMERICAS LLC

M.Y.Kulkarni
Partner

Puneet Bhatnagar
Manager

Place : Pune
Dated: 14th May, 2016

Place: Texas, USA
Dated: 14th May, 2016

Gujarat Fluorochemicals Americas LLC**Statement of Profit and Loss for the year ended 31st March, 2016**

(Amounts in Rs.)

	Note No.	2015-2016	2014-2015
I. Revenue from operations	14	82,09,25,216	67,56,82,265
II. Other income	15	2,28,277	5,35,971
III. Total Revenue		82,11,53,493	67,62,18,236
IV. Expenses:			
Cost of materials consumed	16	5,74,01,222	9,88,71,176
Purchases of stock-in-trade	17	57,48,11,942	71,27,37,096
Changes in inventories of finished goods and stock-in-trade	18	10,35,84,641	(21,11,30,309)
Employee benefits expense	19	3,58,24,276	2,66,37,218
Depreciation & amortization expense	9	1,45,50,093	1,33,61,788
Other expenses	20	6,68,93,783	5,20,80,138
Total expenses		85,30,65,957	69,25,57,107
V. Loss before tax		(3,19,12,464)	(1,63,38,871)
VI. Tax expense:			
Deferred tax credit		-	(21,39,813)
		-	(21,39,813)
VII. Loss for the year		(3,19,12,464)	(1,41,99,058)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

For GUJARAT FLUOROchemicals**AMERICAS LLC****M.Y.Kulkarni**

Partner

Puneet Bhatnagar

Manager

Place : Pune

Dated: 14th May, 2016

Place: Texas, USA

Dated: 14th May, 2016

Gujarat Fluorochemicals Americas LLC

Cash Flow Statement for the year ended 31st March, 2016

(Amounts in Rs.)

	2015-16	2014-15
A Cash flow from operating activities		
Loss before tax	(3,19,12,464)	(1,63,38,871)
Adjustments for :		
Depreciation & amortization expense	1,45,50,093	1,33,61,788
Provision for doubtful debts	13,439	3,11,981
Provision for doubtful debts written back	(78,701)	-
Liabilities no longer required, written back	(43,381)	(6,203)
Loss on fixed assets sold/scrapped (net)	-	35,884
<i>Operating profit/(loss) before working capital changes</i>	(1,74,71,014)	(26,35,421)
Adjustments for :		
Trade receivables	32,92,001	(5,86,58,944)
Inventories	7,73,52,333	(17,83,40,072)
Short-term loans and advances	(6,53,171)	(55,695)
Other long term liabilities	(80,089)	(40,191)
Trade payables	(6,06,80,011)	25,04,77,122
Other current liabilities	(1,26,626)	19,58,739
Cash generated from operations	16,33,423	1,27,05,538
Income tax paid/refund (net)	-	89,359
Net cash generated from operating activities	16,33,423	1,27,94,897
B Cash flow from investing activities		
Purchase of fixed assets	(12,06,183)	(30,37,071)
Movement in other bank balances	(25,154)	3,04,882
Sale of assets	-	44,687
Net cash used in investing activities	(12,31,337)	(26,87,502)
C Adjustment on account of foreign currency translation reserve	69,59,530	(86,65,424)
Net increase in cash and cash equivalents	73,61,616	14,41,971
Cash and cash equivalents as at the beginning of the year	1,16,68,436	1,02,26,465
Cash and cash equivalents as at the end of the year	1,90,30,052	1,16,68,436

Notes:

- 1) Components of cash and cash equivalents are as per note no.12
- 2) Cash Flow Statement is prepared and presented under 'Indirect Method'.
- 3) The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

For GUJARAT FLUOROchemicals AMERICAS LLC

M.Y.Kulkarni
Partner

Puneet Bhatnagar
Manager

Place: Pune
Dated: 14th May, 2016

Place: Texas, USA
Dated: 14th May, 2016

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to the financial statements for the year ended 31st March, 2016

1. CORPORATE INFORMATION

Gujarat Fluorochemicals Americas LLC (the 'Company') is incorporated in United States of America and is a wholly owned subsidiary of Gujarat Fluorochemicals Limited, India. The Company is engaged in the business of manufacture, trading and sale of Post Treated Polytetrafluorethylene (PT-PTFE) Compounds and the activities of the Company are in American Continent.

These financial statements have been prepared by the Company for the purposes of publication of summarized financial information in the consolidated financial statements of its holding company, Gujarat Fluorochemicals Limited, India, as required by section 129(3) of the Companies Act, 2013 and for the purpose of preparation of consolidated financial statement of the holding company, in accordance with the Accounting Standard (AS) 21 – Consolidated Financial Statements.

The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of the Act, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard (AS) 11 – Effects of Changes in Foreign Exchange Rates.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Figures of the previous year have been regrouped or rearranged, wherever necessary, to confirm with the classification of the current year.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) FIXED ASSETS

Freehold land is carried at cost. Other fixed assets are carried at cost less accumulated depreciation. Cost comprises of purchase price, including any expenses attributable to bring the asset to its working condition for its intended use.

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to the financial statements for the year ended 31st March, 2016

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) DEPRECIATION

Depreciation on all fixed assets (except land) is provided under Straight Line Method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

Pursuant to this policy, depreciation on the assets provided over the useful lives which are lower than the corresponding useful lives prescribed in Schedule II are as under:

Asset Category	Useful life
Plant & equipments	7 Years
Furniture and fixtures	7 Years
Vehicle	5 Years
Servers	5 Years

Intangible assets: Cost of software is amortized over a period of 3 years on straight line basis.

c) INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined using weighted average method and is inclusive of appropriate overheads.

d) REVENUE RECOGNITION

The Company recognises sales when the significant risks and rewards of ownership of the goods have passed to the customers, which is generally at the point of dispatch of goods. Interest on deposits is recognized on time proportion basis.

e) EMPLOYEE BENEFITS

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which the related service is rendered.

f) FOREIGN CURRENCY TRANSACTIONS:

The accounts are translated in Indian Rupees as follows:-

- 1) Share capital is retained at the initial contribution amount.
- 2) Assets & liabilities are translated at the rates prevailing on the date of Balance Sheet.
- 3) Revenue transactions are translated at the average exchange rates prevailing during the year.
- 4) The resultant differences are accounted as translation reserve in the Balance Sheet.

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to the financial statements for the year ended 31st March, 2016

3. SIGNIFICANT ACCOUNTING POLICIES - continued

g) TAXES ON INCOME:

Tax on income for the current year is determined on the basis of taxable income computed in accordance with the provisions of the US income tax laws (State and Federal taxes).

Income tax expense comprises of current tax and deferred tax. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

h) IMPAIRMENT OF ASSETS:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets and impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

i) PROVISIONS AND CONTINGENT LIABILITIES :

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

j) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

	(Amounts in Rs.)	
	As at 31st March, 2016	As at 31st March, 2015
4 <u>Share capital</u>		
Capital contribution at par value	10,12,27,652	10,12,27,652
Total	<u>10,12,27,652</u>	<u>10,12,27,652</u>
a) Equity capital held by holding/ultimate holding company and /or their subsidiaries	As at 31st March, 2016	As at 31st March, 2015
Holding Company - Gujarat Fluorochemicals Limited, India	10,12,27,652	10,12,27,652
b) Details of shareholders holding more than 5% equity capital in the company	As at 31st March, 2016 % of the holding	As at 31st March, 2015 % of the holding
Gujarat Fluorochemicals Limited, India	100.00%	100.00%

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

	(Amounts in Rs.)	
	As at 31st March, 2016	As at 31st March, 2015
5 Reserves and surplus		
Foreign Currency Translation Reserve		
As per last Balance Sheet	2,26,99,209	2,59,96,569
Movement during the year	1,40,77,065	(32,97,360)
Balance as at the end of the year	<u>3,67,76,274</u>	<u>2,26,99,209</u>
Surplus/(Deficit) in the Statement of Profit and Loss		
As per last Balance Sheet	(1,06,61,435)	35,37,623
Loss for the year	(3,19,12,464)	(1,41,99,058)
Balance as at the end of the year	<u>(4,25,73,899)</u>	<u>(1,06,61,435)</u>
Total	<u>(57,97,625)</u>	<u>1,20,37,774</u>
6 Other long term liabilities		
Statutory dues and taxes payable	1,16,713	1,96,802
Total	<u>1,16,713</u>	<u>1,96,802</u>
7 Trade payables		
Trade payables	42,22,89,617	48,29,69,628
Total	<u>42,22,89,617</u>	<u>48,29,69,628</u>
8 Other current liabilities		
Expenses payable	18,32,174	19,25,893
Statutory dues and taxes payable	1,64,692	2,40,980
Total	<u>19,96,866</u>	<u>21,66,873</u>

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

9 - Fixed assets - Tangible assets

(Amounts in Rs.)

Particulars	Gross Block				Depreciation					Net Block		
	As at 01-Apr-15	Exchange Difference *	Additions	Deductions	As at 31-Mar-16	As at 01-Apr-15	Exchange Difference *	For the year	Deductions	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Land												
- Freehold Land	94,78,016	5,68,681	-	-	1,00,46,697	-	-	-	-	-	1,00,46,697	94,78,016
Buildings	7,78,50,911	46,71,054	-	-	8,25,21,965	72,76,537	4,36,592	27,63,998	-	1,04,77,127	7,20,44,838	7,05,74,374
Leasehold Improvement	56,22,733	3,37,363	-	-	59,60,096	11,87,032	71,221	3,97,343	-	16,55,596	43,04,500	44,35,701
Plant and equipments	6,36,50,509	38,19,030	3,27,653	-	6,77,97,192	3,35,48,290	20,12,897	96,76,986	-	4,52,38,173	2,25,59,019	3,01,02,219
Furniture and fixtures	26,76,458	1,60,587	2,04,468	-	30,41,513	16,40,416	98,424	3,75,731	-	21,14,571	9,26,942	10,36,042
Vehicles	33,08,437	1,98,506	-	-	35,06,943	17,21,047	1,03,263	7,01,389	-	25,25,699	9,81,244	15,87,390
Office equipment	14,71,891	88,313	2,57,542	-	18,17,746	10,06,430	60,386	3,21,919	-	13,88,735	4,29,011	4,65,461
Total	16,40,58,955	98,43,534	7,89,663	-	17,46,92,152	4,63,79,752	27,82,783	1,42,37,366	-	6,33,99,901	11,12,92,251	11,76,79,203
Previous year	15,47,39,596	67,43,536	27,73,279	1,97,456	16,40,58,955	3,19,28,193	13,91,427	1,31,76,218	1,16,086	4,63,79,752		

9 - Fixed assets - Intangible assets

(Amounts in Rs.)

Particulars	Gross Block				Amortization					Net Block		
	As at 01-Apr-15	Exchange Difference *	Additions	Deductions	As at 31-Mar-16	As at 01-Apr-15	Exchange Difference	For the year	Deductions	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Computer software	6,88,606	41,316	4,16,520	-	11,46,442	2,09,171	12,550	3,12,727	-	5,34,448	6,11,994	4,79,435
Total	6,88,606	41,316	4,16,520	-	11,46,442	2,09,171	12,550	3,12,727	-	5,34,448	6,11,994	4,79,435
Previous year	4,07,074	17,740	2,63,792	-	6,88,606	22,615	986	1,85,570	-	2,09,171		
Grand Total	16,47,47,561	98,84,850	12,06,183	-	17,58,38,594	4,65,88,923	27,95,333	1,45,50,093	-	6,39,34,349	11,19,04,245	11,81,58,638
Previous year	15,51,46,670	67,61,276	30,37,071	1,97,456	16,47,47,561	3,19,50,808	13,92,413	1,33,61,788	1,16,086	4,65,88,923		

* On translation of opening block

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

(Amounts in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
10 Inventories		
(At cost or net realisable value, whichever is lower)		
Raw materials	1,07,09,014	89,67,867
Finished goods	2,20,02,192	1,88,81,318
Traded goods	20,72,76,142	28,94,90,496
Total	<u>23,99,87,348</u>	<u>31,73,39,681</u>
11 Trade receivables		
(Unsecured, considered good, unless otherwise stated)		
Considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	2,90,506	-
Others	14,65,52,206	15,00,41,433
	<u>14,68,42,712</u>	<u>15,00,41,433</u>
Considered Doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	2,37,420	3,11,981
	<u>2,37,420</u>	<u>3,11,981</u>
	<u>14,70,80,132</u>	<u>15,03,53,414</u>
Less: Provision for trade receivables	(2,37,420)	(3,11,981)
Total	<u>14,68,42,712</u>	<u>15,00,41,433</u>
12 Cash and bank balances		
Cash and cash equivalents -		
Balances with banks - in current accounts	1,89,80,924	1,15,98,383
Cash on hand	49,128	70,053
Total cash and cash equivalents	<u>1,90,30,052</u>	<u>1,16,68,436</u>
Other bank balances -		
Deposits with original maturity for more than 3 months but less than 12 months (Held in the name of ex-manager)	4,44,386	4,19,232
Total	<u>1,94,74,438</u>	<u>1,20,87,668</u>
13 Short-term loans and advances		
(Unsecured, considered good)		
Prepaid expenses	8,88,180	2,61,623
Advances to employee	7,36,300	7,09,686
Total	<u>16,24,480</u>	<u>9,71,309</u>

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

(Amounts in Rs.)

	2015-2016	2014-2015
14 Revenue from operations		
Sale of products	82,09,25,216	67,56,82,265
Total	82,09,25,216	67,56,82,265
<u>Details of Product Sold</u>		
Manufactured goods		
- PT-PTFE Compounds	8,90,75,706	13,57,54,537
Traded goods		
- PT-PTFE	73,18,49,510	53,99,27,728
Total	82,09,25,216	67,56,82,265
15 Other income		
Interest income	5,192	1,28,368
Warehouse rent	82,187	93,902
Miscellaneous income	5,377	3,07,498
Provision for doubtful debts written back	92,140	-
Liabilities no longer required, written back	43,381	6,203
Total	2,28,277	5,35,971

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

(Amounts in Rs.)

	2015-2016	2014-2015
16 <u>Cost of materials consumed</u>		
Opening Stock	89,67,867	4,17,58,104
Add: Purchases	5,91,42,369	6,60,80,939
Less: Closing Stock	(1,07,09,014)	(89,67,867)
Total	5,74,01,222	9,88,71,176

Details of Raw Material Consumed

PT-PTFE	3,87,63,923	6,92,66,953
Other Materials	1,86,37,299	2,96,04,223
Total	5,74,01,222	9,88,71,176

17 Purchases of stock-in-trade

Purchases of stock-in-trade	57,48,11,942	71,27,37,096
Total	57,48,11,942	71,27,37,096

Details of Purchases of stock-in-trade

PT-PTFE	57,48,11,942	71,27,37,096
Total	57,48,11,942	71,27,37,096

18 Changes in inventories of finished goods and stock-in-trade

Opening Stock		
Finished goods	1,88,81,318	1,83,68,005
Stock-in-trade	28,94,90,496	7,88,73,500
Less : Closing Stock		
Finished goods	2,20,02,192	1,88,81,318
Stock-in-trade	20,72,76,142	28,94,90,496
	7,90,93,480	(21,11,30,309)

Effect of changes in exchange currency rates

2,44,91,161 -

Net (Increase) / Decrease In Stock

10,35,84,641 (21,11,30,309)

Details of Inventory

<u>PT-PTFE Compounds</u>		
Opening Inventory	1,88,81,318	1,83,68,005
Closing Inventory	2,20,02,192	1,88,81,318
<u>PT-PTFE</u>		
Opening Inventory	28,94,90,496	7,88,73,500
Closing Inventory	20,72,76,142	28,94,90,496

Gujarat Fluorochemicals Americas LLC

Notes to the financial statements for the year ended 31st March, 2016

(Amounts in Rs.)

	2015-2016	2014-2015
19 <u>Employee benefits expense</u>		
Salaries and wages	3,02,66,131	2,28,13,663
Staff welfare expenses	25,57,895	19,87,923
Payroll tax expense	30,00,250	18,35,632
	3,58,24,276	2,66,37,218
20 <u>Other expenses</u>		
Stores and spares consumed	23,92,313	32,28,658
Power and fuel	28,01,594	30,84,984
Freight and octroi	3,62,15,621	2,48,73,503
Insurance	19,92,803	71,30,150
Repairs to		
- Plant & equipments	38,69,720	37,04,461
- Others	2,88,098	1,80,298
Vehicle lease charges	6,51,203	-
Rates & taxes	81,81,177	45,72,334
Travelling and conveyance	47,69,618	5,66,893
Communication expenses	10,68,723	7,25,171
Legal and professional fees and expenses	7,43,616	7,85,214
Loss on assets sold/scrapped (net)	-	35,884
Provision for doubtful debts	13,439	3,11,981
Miscellaneous expenses	39,05,858	28,80,607
	6,68,93,783	5,20,80,138

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to the financial statements for the year ended 31st March, 2016

21. Segment Information

The Company operates in a single business segment viz. manufacturing, trading and sale of Post Treated Polytetrafluorethylene (PT-PTFE) Compounds. Hence, there is only one reportable business segment as envisaged in Accounting Standard 17: 'Segment Reporting'. Further, all the activities of the Company are in American Continent and hence there is a single geographical segment.

22. Related Party Disclosures:

A. Names of Related Parties where control exists:

- i) Gujarat Fluorochemicals Limited, India (Holding Company)
- ii) Inox Leasing and Finance Limited, India (Ultimate Holding Company)

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

- i) Gujarat Fluorochemicals GmbH, Germany (Fellow Subsidiary)

a) Transactions during the year with Gujarat Fluorochemicals Limited, India:

(Amounts in Rs.)

Sr.no.	Particulars	2015-2016	2014-2015
a)	Purchase of goods	60,92,25,213	75,70,33,854
b)	Reimbursement of expenses received	40,31,259	41,65,944
c)	Purchase return	-	1,99,37,968

b) Transactions during the year with Gujarat Fluorochemicals GmbH, Germany:

(Amounts in Rs.)

Sr.no.	Particulars	2015-2016	2014-2015
a)	Purchase of goods	-	81,85,118
b)	Reimbursement of expenses paid	-	10,87,916

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

(Amounts in Rs.)

Sr.no.	Particulars	2015-2016	2014-2015
a)	Amount Payable		
a)	Gujarat Fluorochemicals Limited	41,31,82,620	48,11,56,585

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to the financial statements for the year ended 31st March, 2016

23. The Company has brought forward business losses and unabsorbed depreciation which is eligible to be carried forward and set-off in subsequent years and consequently has a net deferred tax asset as on 31st March 2016. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized.

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

For Gujarat Fluorochemicals Americas LLC

M.Y.Kulkarni

Partner

Puneet Bhatnagar

Manager

Date: 14th May, 2016

Place: Pune

Date: 14th May, 2016

Place: Texas, U.S.A.