

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

**5<sup>th</sup>**

**ANNUAL FINANCIAL STATEMENTS**

**2013-2014**

## **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. ('Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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 Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014.
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Auditor's report to the Members of Gujarat Fluorochemicals Americas LLC, U.S.A. (Continued)**

**Other Matter:**

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 212 of the Act and for the purpose of preparation of consolidated financial statement of the holding company, in accordance with the Accounting Standard 21 – Consolidated Financial Statements, notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

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

Place : Pune  
Dated: 29<sup>th</sup> May, 2014

M. Y. Kulkarni)  
Partner  
Membership No: 035524

# Gujarat Fluorochemicals Americas LLC

Balance Sheet as at 31st March 2014

(Amounts In Rs.)

	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	4	10,12,27,652	9,29,29,400
(b) Reserves and surplus	5	2,95,34,192	2,62,87,502
		<b>13,07,61,844</b>	<b>11,92,16,902</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liabilities	6	20,50,454	56,80,999
(b) Other long-term liabilities	7	2,36,993	1,99,240
		22,87,447	58,80,239
<b>(3) Current liabilities</b>			
(a) Trade payables	8	23,24,92,506	10,58,77,101
(b) Other current liabilities	9	2,14,337	5,07,967
		<b>23,27,06,843</b>	<b>10,63,85,068</b>
<b>TOTAL</b>		<b>36,57,56,134</b>	<b>23,14,82,209</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	12,28,11,403	8,70,62,277
(ii) Intangible assets	10	3,84,459	-
(iii) Capital work-in-progress		-	1,85,75,487
(b) Long-term loans and advances	11	-	1,06,23,033
		<b>12,31,95,862</b>	<b>11,62,60,797</b>
<b>(2) Current assets</b>			
(a) Inventories	12	13,89,99,609	3,65,77,377
(b) Trade receivables	13	9,16,94,470	6,16,68,213
(c) Cash and bank balances	14	1,09,50,579	1,56,44,025
(d) Short-term loans and advances	15	9,15,614	13,31,797
		<b>24,25,60,272</b>	<b>11,52,21,412</b>
<b>TOTAL</b>		<b>36,57,56,134</b>	<b>23,14,82,209</b>
<b>The accompanying notes are integral part of the Financial Statements</b>			

As per our report of even date attached

For **PATANKAR & ASSOCIATES**

Chartered Accountants

For **GUJARAT FLUOROchemicals AMERICAS LLC**

**M.Y.Kulkarni**

Partner

Manager

Place: Pune

Dated: 29th May, 2014

Place: Texas, USA

Dated: 29th May, 2014

# Gujarat Fluorochemicals Americas LLC

## Statement of Profit and Loss for the year ended 31st March 2014

(Amounts In Rs.)

	Note No.	2013-2014	2012-2013
I. Revenue from operations	16	47,64,47,220	27,26,42,130
II. Other income	17	27,10,876	42,79,456
<b>III. Total Revenue (I + II)</b>		<b>47,91,58,096</b>	<b>27,69,21,586</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	18	13,74,29,409	20,17,34,296
Purchases of Stock-in-trade	19	35,54,66,371	2,25,40,179
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	20	(8,36,54,235)	58,60,283
Employee benefits expense	21	3,35,13,862	2,66,29,714
Depreciation & amortization expense	10	1,19,60,867	80,66,193
Other expenses	22	3,76,01,876	2,82,03,237
<b>Total expenses</b>		<b>49,23,18,150</b>	<b>29,30,33,902</b>
V. (Loss) before tax (III-IV)		<b>(1,31,60,054)</b>	<b>(1,61,12,316)</b>
VI. Less: Tax expense:			
(1) Current tax	24	-	(37,69,095)
(2) Deferred tax release		(42,17,693)	(26,63,140)
		(42,17,693)	(64,32,235)
<b>VII. (Loss) for the year</b>		<b>(89,42,361)</b>	<b>(96,80,081)</b>
<b>The accompanying notes are integral part of the Financial Statements</b>			

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**For GUJARAT FLUOROCHEMICALS AMERICAS LLC**

**M.Y.Kulkarni**

Partner

Manager

Place : Pune

Dated: 29th May, 2014

Place: Texas, USA

Dated: 29th May, 2014

## Gujarat Fluorochemicals Americas LLC

Cash Flow Statement for the year ended 31st March, 2014

(Amounts In Rs.)

Particulars	2013-2014	2012-2013
<b>A Cash flow from operating activities</b>		
(Loss) before tax	(1,31,60,054)	(1,61,12,316)
<u>Adjustments for :</u>		
Depreciation & amortization expense	1,19,60,867	80,66,193
Loss on sale of fixed assets	8,93,403	-
<i>Operating (Loss) before working capital changes</i>	<b>(3,05,784)</b>	<b>(80,46,123)</b>
<u>Adjustments for :</u>		
Trade receivables	(3,00,26,257)	(1,46,74,497)
Inventories	(10,24,22,232)	9,26,52,056
Short-term loans and advances	4,16,183	10,91,374
Other long term liabilities	37,753	(2,76,910)
Trade payables	12,66,15,405	(6,43,95,141)
Other current liabilities	(2,93,630)	3,97,715
Cash generated from operations	(59,78,562)	67,48,474
Income tax paid (net)	81,25,446	(68,45,946)
<b>Net cash generated from/(used in) operating activities</b>	<b>21,46,884</b>	<b>(97,472)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including changes in capital work in progress and capital advances)	(1,83,96,658)	(3,04,78,510)
Movement in Other bank balances	(72,754)	(6,51,360)
Sale of assets	74,862	-
<b>Net cash (used in) investment activities</b>	<b>(1,83,94,550)</b>	<b>(3,11,29,870)</b>
<b>C Cash flow from financing activities</b>		
Capital Contribution received	82,98,252	1,30,06,390
<b>Net cash from financing activities</b>	<b>82,98,252</b>	<b>1,30,06,390</b>
<b>D Adjustment on accounts of Foreign Currency Translation Reserve</b>	<b>31,83,214</b>	<b>19,94,109</b>
<b>Net increase in cash and cash equivalent</b>	<b>(47,66,200)</b>	<b>(1,62,26,843)</b>
Cash and cash equivalents as at the beginning of the period	1,49,92,665	3,12,19,508
Cash and cash equivalents as at the end of the period	1,02,26,465	1,49,92,665

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

**For GUJARAT FLUOROCHEMICALS AMERICAS LLC**

**M.Y.Kulkarni**  
Partner

Manager

Place: Pune  
Dated: 29th May, 2014

Place: Texas, USA  
Dated: 29th May, 2014

# **Gujarat Fluorochemicals Americas LLC, U.S.A.**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

### **1. CORPORATE INFORMATION**

Gujarat Fluorochemicals Americas LLC ('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 212 of the Act and for the purpose of preparation of consolidated financial statement of the holding company, in accordance with the Accounting Standard 21 – Consolidated Financial Statements, notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

The Balance Sheet, Statement of Profit & 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 section 212 of the Indian Companies Act 1956, 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 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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956.

### **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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

#### 3. SIGNIFICANT ACCOUNTING POLICIES - continued

##### b) DEPRECIATION

Depreciation on all fixed assets (except land) is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. 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 is provided at rates which are higher than the corresponding rates prescribed in Schedule XIV as under:

Asset Category	Recovery Period
Buildings	30 Years
Plant & Equipment	7 Years
Furniture and Fixtures	7 Years
Vehicle	5 Years
Computers	5 Years
Leasehold Improvements	15 Years

##### 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.

##### 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

#### **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 best 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 financial statements for the year ended 31st March, 2014

		(Amounts In Rs.)
	As at 31st March, 2014	As at 31st March, 2013
<b>4 <u>Share Capital</u></b>		
Capital contribution at par value	10,12,27,652	9,29,29,400
<b>Total</b>	<b>10,12,27,652</b>	<b>9,29,29,400</b>
<b>a) Reconciliation of the equity capital at the beginning and the end of the reporting period</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
At the Beginning of the year	9,29,29,400	7,99,23,010
Add: Additions during the year	82,98,252	1,30,06,390
Outstanding at the end of the year	10,12,27,652	9,29,29,400
<b>b) Equity capital held by holding/ultimate holding company and /or their subsidiaries</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
Holding Company - Gujarat Fluorochemicals Limited, India	10,12,27,652	9,29,29,400
<b>c) Details of shareholders holding more than 5% equity capital in the company</b>	<b>As at 31st March, 2014 % of the holding</b>	<b>As at 31st March, 2013 % of the holding</b>
Gujarat Fluorochemicals Limited, India	100.00%	100.00%

# Gujarat Fluorochemicals Americas LLC

## Notes to financial statements for the year ended 31st March, 2014

		(Amounts In Rs.)	
		As at 31st March, 2014	As at 31st March, 2013
<b>5</b>	<b><u>Reserves and surplus</u></b>		
	Foreign Currency Transalation Reserve		
	As per last Balance Sheet	1,38,07,518	73,36,941
	Movement during the year	1,21,89,051	64,70,577
	Foreign Currency Translation Reserve	2,59,96,569	1,38,07,518
	Surplus in the Statement of Profit & Loss		
	As per last Balance Sheet	1,24,79,984	2,21,60,065
	(Loss) for the year	(89,42,361)	(96,80,081)
	<b>Balance as at the end of the year</b>	<b>35,37,623</b>	<b>1,24,79,984</b>
	<b>Total</b>	<b>2,95,34,192</b>	<b>2,62,87,502</b>
<b>6</b>	<b><u>Deferred tax liabilities</u></b>		
	On account of difference between tax depreciation and depreciation charged in the books	20,50,454	56,80,999
	<b>Total</b>	<b>20,50,454</b>	<b>56,80,999</b>
<b>7</b>	<b><u>Other long term liabilities</u></b>		
	Statutory dues and taxes payable	2,36,993	1,99,240
	<b>Total</b>	<b>2,36,993</b>	<b>1,99,240</b>
<b>8</b>	<b><u>Trade Payables</u></b>		
	Trade Payables	23,24,92,506	10,58,77,101
	<b>Total</b>	<b>23,24,92,506</b>	<b>10,58,77,101</b>
<b>9</b>	<b><u>Other current liabilities</u></b>		
	Statutory dues and taxes payable	2,14,337	5,07,967
	<b>Total</b>	<b>2,14,337</b>	<b>5,07,967</b>

## Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March, 2014

### 10 - FIXED ASSETS - Tangible Assets

(Amounts In Rs.)

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-Apr-13	Exchange Difference *	Additions	Deductions	As at 31-Mar-14	As at 01-Apr-13	Exchange Difference *	For the year	Deductions	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Land - Freehold Land	82,31,467	8,50,747	-	-	90,82,214	-	-	-	-	-	90,82,214	82,31,467
Buildings	4,05,59,541	41,91,950	2,97,38,866	-	7,44,90,357	19,58,986	2,02,467	23,17,796	-	44,79,249	7,00,11,108	3,86,00,555
Leasehold Improvement	58,97,873	6,09,563	-	11,19,509	53,87,927	5,99,640	61,975	3,65,417	2,48,769	7,78,263	46,09,664	52,98,233
Plant and Equipment	4,47,31,458	46,23,130	94,30,751	1,19,780	5,86,65,559	1,42,65,746	14,74,407	79,86,349	29,945	2,36,96,557	3,49,69,002	3,04,65,712
Furniture and Fixtures	21,03,179	2,17,370	1,76,913	-	24,97,462	7,36,458	76,115	3,85,727	-	11,98,300	12,99,162	13,66,721
Vehicles	28,73,312	2,96,965	-	-	31,70,277	3,45,370	35,695	6,34,055	-	10,15,120	21,55,157	25,27,942
Office equipment	10,35,502	1,07,022	3,03,276	-	14,45,800	4,63,855	47,941	2,48,908	-	7,60,704	6,85,096	5,71,647
<b>Total</b>	<b>10,54,32,332</b>	<b>1,08,96,747</b>	<b>3,96,49,806</b>	<b>12,39,289</b>	<b>15,47,39,596</b>	<b>1,83,70,055</b>	<b>18,98,600</b>	<b>1,19,38,252</b>	<b>2,78,714</b>	<b>3,19,28,193</b>	<b>12,28,11,403</b>	<b>8,70,62,277</b>
Previous year	7,66,47,479	51,21,884	2,36,62,969	-	10,54,32,332	96,58,446	6,45,416	80,66,193	-	1,83,70,055		

### 10 - FIXED ASSETS - Intangible Assets

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-Apr-13	Exchange Difference *	Additions	Deductions	As at 31-Mar-14	As at 01-Apr-13	Exchange Difference	For the year	Deductions	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Computer Software	-	-	4,07,074	-	4,07,074	-	-	22,615	-	22,615	3,84,459	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,07,074</b>	<b>-</b>	<b>4,07,074</b>	<b>-</b>	<b>-</b>	<b>22,615</b>	<b>-</b>	<b>22,615</b>	<b>3,84,459</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-	-	-		

<b>Grand Total</b>	<b>10,54,32,332</b>	<b>1,08,96,747</b>	<b>4,00,56,880</b>	<b>12,39,289</b>	<b>15,51,46,670</b>	<b>1,83,70,055</b>	<b>18,98,600</b>	<b>1,19,60,867</b>	<b>2,78,714</b>	<b>3,19,50,808</b>	<b>12,31,95,862</b>	<b>8,70,62,277</b>
Previous year	7,66,47,479	51,21,884	2,36,62,969	-	10,54,32,332	96,58,446	6,45,416	80,66,193	-	1,83,70,055		

\* On translation of opening block

## Gujarat Fluorochemicals Americas LLC

### Notes to financial statements for the year ended 31st March, 2014

	(Amounts In Rs.)	
	As at 31st March, 2014	As at 31st March, 2013
<b>11 <u>Long-term loans and advances</u></b> (Unsecured, considered good)		
Capital advances	-	30,84,735
Income Tax Paid (Net of Provision)	-	75,38,298
<b>Total</b>	<b>-</b>	<b>1,06,23,033</b>
<b>12 <u>Inventories</u></b> (At cost or net realisable value, whichever is lower)		
Raw materials	4,17,58,104	2,29,90,107
Finished goods	1,83,68,005	1,35,87,270
Traded goods	7,88,73,500	
<b>Total</b>	<b>13,89,99,609</b>	<b>3,65,77,377</b>
<b>13 <u>Trade receivables</u></b> (Unsecured, considered good)		
Outstanding for a period exceeding six months	1,46,78,752	-
Others	7,70,15,718	6,16,68,213
<b>Total</b>	<b>9,16,94,470</b>	<b>6,16,68,213</b>
<b>14 <u>Cash and Bank Balances</u></b>		
Cash and Cash Equivalents -		
Balances with banks - in Current Accounts	99,81,819	1,48,18,133
Cash on hand	2,44,646	1,74,532
	1,02,26,465	1,49,92,665
Other Bank balances -		
Deposits with original maturity for more than 3 months but less than 12 months	7,24,114	6,51,360
	7,24,114	6,51,360
<b>Total</b>	<b>1,09,50,579</b>	<b>1,56,44,025</b>
<b>15 <u>Short-term loans and advances</u></b> (Unsecured, considered good)		
Advances to Suppliers	-	3,365
Prepaid Expenses	9,15,614	13,28,432
<b>Total</b>	<b>9,15,614</b>	<b>13,31,797</b>

## Gujarat Fluorochemicals Americas LLC

### Notes to financial statements for the year ended 31st March, 2014

		(Amounts In Rs.)	
		2013-2014	2012-2013
<b>16</b>	<b><u>Revenue from operations</u></b>		
	Sale of products	47,61,01,919	27,10,38,601
	Sale of services	3,45,301	16,03,529
	<b>Total</b>	<b><u>47,64,47,220</u></b>	<b><u>27,26,42,130</u></b>
	<u>Details of Product Sold</u>		
	Manufactured goods		
	- PT-PTFE Compounds	17,90,29,736	24,75,20,982
	Traded goods		
	- PT-PTFE	<u>29,70,72,183</u>	<u>2,35,17,619</u>
	<b>Total</b>	<b><u>47,61,01,919</u></b>	<b><u>27,10,38,601</u></b>
	<u>Details of Sales of services</u>		
	Processing Charges	3,45,301	16,03,529
<b>17</b>	<b><u>Other income</u></b>		
	Interest Income	14,610	10,844
	Warehouse Rent	24,91,038	38,91,089
	Miscellaneous Income	1,99,684	3,77,523
	Liabilities on longer required, written back	5,544	-
	<b>Total</b>	<b><u>27,10,876</u></b>	<b><u>42,79,456</u></b>

# Gujarat Fluorochemicals Americas LLC

## Notes to financial statements for the year ended 31st March, 2014

(Amounts In Rs.)

	<b>2013-2014</b>		<b>2012-2013</b>	
<b>18 <u>Cost of materials consumed</u></b>				
Opening Stock		2,29,90,107		10,97,81,880
Add: Purchases		15,61,97,406		11,49,42,523
Less: Closing Stock		(4,17,58,104)		(2,29,90,107)
<b>Total</b>		<b>13,74,29,409</b>		<b>20,17,34,296</b>
<u>Details of Raw Material Consumed</u>				
PT-PTFE		9,16,30,934		15,03,35,107
Other Materials		4,57,98,475		5,13,99,189
<b>Total</b>		<b>13,74,29,409</b>		<b>20,17,34,296</b>
<u>Details of Imported and Indigenous Raw Materials consumed</u>				
Imported	66.67%	9,16,30,934	74.52%	15,03,35,107
Indigenous	33.33%	4,57,98,475	25.48%	5,13,99,189
<b>Total</b>	<b>100.00%</b>	<b>13,74,29,409</b>	<b>100.00%</b>	<b>20,17,34,296</b>
<b>19 <u>Purchase of Stock-in-Trade</u></b>				
Purchase of Stock-in-trade		35,54,66,371		2,25,40,179
<b>Total</b>		<b>35,54,66,371</b>		<b>2,25,40,179</b>
<u>Details of Purchase of Traded goods</u>				
PT-PTFE		35,54,66,371		2,25,40,179
<b>Total</b>		<b>35,54,66,371</b>		<b>2,25,40,179</b>
<b>20 <u>Changes in inventories</u></b>				
Opening Stock				
Finished Goods		1,35,87,270		1,94,47,553
Less : Closing Stock				
Finished Goods		1,83,68,005		1,35,87,270
Stock-in-trade		7,88,73,500		-
<b>( Increase) / Decrease In Stock</b>		<b>(8,36,54,235)</b>		<b>58,60,283</b>
<u>Details of Inventory</u>				
PT-PTFE Compounds				
Opening Inventory		1,35,87,270		1,94,47,553
Closing Inventory		1,83,68,005		1,35,87,270
PT-PTFE				
Closing Inventory		7,88,73,500		-

# Gujarat Fluorochemicals Americas LLC

## Notes to financial statements for the year ended 31st March, 2014

(Amounts In Rs.)

	2013-2014	2012-2013
<b>21 Employee benefits expense</b>		
Salaries and Wages	2,76,82,974	2,23,69,105
Staff Welfare Expenses	36,33,385	25,69,944
Payroll Tax Expense	21,97,503	16,90,665
	<b>3,35,13,862</b>	<b>2,66,29,714</b>
<b>22 Other expenses</b>		
Stores and Spare Consumed	27,78,513	29,11,891
Power and Fuel	32,98,574	24,43,980
Freight and Octroi	1,37,74,444	81,37,843
Insurance	49,53,004	42,33,315
Production Labour Charges	4,90,590	-
Repairs to		
- Plant & Equipments	24,63,573	12,91,988
- Others	1,12,978	81,153
	25,76,551	13,73,141
Rent	2,33,183	16,69,939
Rates & Taxes	13,86,468	12,42,748
Travelling and Conveyance	25,41,513	14,86,029
Communication expenses	5,05,424	6,94,359
Legal and Professional Fees and Expenses	10,47,931	6,76,366
Loss on assets sold/scrapped (net)	8,93,403	-
Printing & Stationery	5,69,493	5,09,340
Bank Charges	2,69,606	2,64,520
Miscellaneous Expenses	22,83,179	25,59,766
	<b>3,76,01,876</b>	<b>2,82,03,237</b>

Payments to Auditors (Included in Legal and Professional Fees and Expenses)

Audit Fees 2,00,000 \*

(Excluding Service Tax)

\* Audit fees for the current year is borne by the holding company, Gujarat Fluorochemicals Limited, India.



## Gujarat Fluorochemicals Americas LLC, U.S.A.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

#### 23. Segment Information

The Company operates in a single business segment viz. manufacturing, trading and sale of Post Treated Polytetrafluorethylene (PT-PTFE) Compounds. Further, all the activities of the Company are in American Continent and hence there is a single geographical segment.

24. In the previous year, the amount of current-tax represents refund of income-tax paid in earlier years consequent to carry backward and set-off of losses against taxable income of the earlier years.

#### 25. 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. Key Management Personnel

Mr. David Kaufmann (Manager)

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

(Amounts in Rs.)

Sr.	Particulars	2013-2014	2012-2013
a)	Capital Contribution received	82,98,252	1,30,06,390
b)	Purchase of Goods	48,81,01,866	12,40,26,682
c)	Reimbursement of Expenses Received	1,69,00,826	2,85,15,076
d)	Warehouse Rent Received	23,79,585	38,25,857
e)	Reimbursement of Expenses Paid	2,00,000	2,00,000
f)	Purchase return of earlier years	-	1,09,47,588

##### b) Transaction during the year with Mr. David Kaufmann, Manager:

(Amounts in Rs.)

Sr.	Particulars	2013-2014	2012-2013
a)	Commission Paid	2,79,484	4,64,796

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

(Amounts in Rs.)

Sr.	Particulars	2013-2014	2012-2013
	Amount Payable		
a)	Gujarat Fluorochemicals Limited	22,82,41,807	10,30,66,584
b)	David Kaufmann	54,614	81,809
	Amount Receivable		
a)	Gujarat Fluorochemicals Limited	13,31,200	1,24,22,478

## **Gujarat Fluorochemicals Americas LLC, U.S.A.**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

#### **26. Disclosure as required by Accounting Standard –19 on “Leases” –**

a) In respect of factory premises taken on lease:-

This lease arrangement is cancellable and valid for three years and is renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as expenses in the Statement of Profit and Loss.

b) In respect of warehouse given on lease:-

This lease arrangement is cancellable and valid for two years and is renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are included in Other income in the Statement of Profit and Loss.

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As per our report of even date attached  
For Patankar & Associates  
Chartered Accountants

For Gujarat Fluorochemicals Americas LLC

M.Y.Kulkarni  
Partner

Manager

Date: 29<sup>th</sup> May, 2014  
Place: Pune

Date: 29<sup>th</sup> May, 2014  
Place: Texas, U.S.A.