

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

AUDITED ANNUAL ACCOUNTS

2014-2015

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, 2015, 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 2015 (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, 2015 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: 28th May, 2015

Gujarat Fluorochemicals Americas LLC

Balance Sheet as at 31st March 2015

(Amount in Rs.)

	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	10,12,27,652	10,12,27,652
(b) Reserves and surplus	5	1,20,37,774	2,95,34,192
		11,32,65,426	13,07,61,844
(2) Non-current liabilities			
(a) Deferred tax liabilities	6	-	20,50,454
(b) Other long-term liabilities	7	1,96,802	2,36,993
		1,96,802	22,87,447
(3) Current liabilities			
(a) Trade payables	8	48,48,95,521	23,24,92,506
(b) Other current liabilities	9	2,40,980	2,14,337
		48,51,36,501	23,27,06,843
TOTAL		59,85,98,729	36,57,56,134
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	11,76,79,203	12,28,11,403
(ii) Intangible assets	10	4,79,435	3,84,459
		11,81,58,638	12,31,95,862
(2) Current assets			
(a) Inventories	11	31,73,39,681	13,89,99,609
(b) Trade receivables	12	15,00,41,433	9,16,94,470
(c) Cash and bank balances	13	1,20,87,668	1,09,50,579
(d) Short-term loans and advances	14	9,71,309	9,15,614
		48,04,40,091	24,25,60,272
TOTAL		59,85,98,729	36,57,56,134
<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: 28th May, 2015

Place: Texas, USA

Dated: 28th May, 2015

Gujarat Fluorochemicals Americas LLC

Statement of Profit and Loss for the year ended 31st March 2015

(Amount in Rs.)

	Note No.	2014-2015	2013-2014
I. Revenue from operations	15	67,56,82,265	47,64,47,220
II. Other income	16	5,35,971	27,10,876
III. Total Revenue (I + II)		67,62,18,236	47,91,58,096
IV. Expenses:			
Cost of materials consumed	17	9,88,71,176	13,74,29,409
Purchases of stock-in-trade	18	71,27,37,096	35,54,66,371
Changes in inventories of finished goods and stock-in-trade	19	(21,11,30,309)	(8,36,54,235)
Employee benefits expense	20	2,66,37,218	3,35,13,862
Depreciation & amortization expense	10	1,33,61,788	1,19,60,867
Other expenses	21	5,20,80,138	3,76,01,876
Total expenses		69,25,57,107	49,23,18,150
V. Loss before tax (III-IV)		(1,63,38,871)	(1,31,60,054)
VI. Tax expense:			
Deferred tax credit		(21,39,813)	(42,17,693)
		(21,39,813)	(42,17,693)
VII. Loss for the year		(1,41,99,058)	(89,42,361)

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 FLUORO-CHEMICALS AMERICAS LLC

M.Y.Kulkarni

Partner

Puneet Bhatnagar

Manager

Place : Pune

Dated: 28th May, 2015

Place: Texas, USA

Dated: 28th May, 2015

Gujarat Fluorochemicals Americas LLC

Cash Flow Statement for the year ended 31st March 2015

(Amount in Rs.)

	2014-15	2013-2014
A Cash flow from operating activities		
Loss before tax	(1,63,38,871)	(1,31,60,054)
Adjustments for :		
Depreciation & amortization expense	1,33,61,788	1,19,60,867
Provision for doubtful debts	3,05,192	-
Liabilities on longer required, written back	(6,203)	(5,544)
Loss on fixed assets sold/scrapped (net)	35,884	8,93,403
<i>Operating Loss before working capital changes</i>	(26,42,210)	(3,11,328)
Adjustments for :		
Trade receivables	(5,86,58,944)	(3,00,26,257)
Inventories	(17,83,40,072)	(10,24,22,232)
Short-term loans and advances	(55,695)	4,16,183
Other long term liabilities	(40,191)	37,753
Trade payables	25,24,03,015	12,66,20,949
Other current liabilities	32,846	(2,93,630)
Cash generated from/(used in) operations	1,26,98,749	(59,78,562)
Income tax paid/refund (net)	89,359	81,25,446
Net cash generated from operating activities	1,27,88,108	21,46,884
B Cash flow from investing activities		
Purchase of fixed assets (including changes in capital work in progress and capital advances)	(30,37,071)	(1,83,96,658)
Movement in other bank balances	3,04,882	(72,754)
Sale of assets	44,687	74,862
Net cash used in investing activities	(26,87,502)	(1,83,94,550)
C Cash flow from financing activities		
Capital contribution received	-	82,98,252
Net cash generated from financing activities	-	82,98,252
D Adjustment on account of foreign currency translation reserve	(86,58,635)	31,83,214
Net increase in cash and cash equivalents	14,41,971	(47,66,200)
Cash and cash equivalents as at the beginning of the year	1,02,26,465	1,49,92,665
Cash and cash equivalents as at the end of the year	1,16,68,436	1,02,26,465
Note: Components of cash and cash equivalents are as per note no.13		
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: 28th May, 2015

Place: Texas, USA

Dated: 28th May, 2015

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to financial statements for the year ended 31st March 2015

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 Polytetrafluoroethylene (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 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 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 reclassified, wherever necessary, to make them comparable with those 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 financial statements for the year ended 31st March 2015

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

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 2015

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 financial statements for the year ended 31st March 2015

		(Amount in Rs.)	
		As at 31st March 2015	As at 31st March 2014
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)	Reconciliation of the equity capital at the beginning and the end of the reporting period	As at 31st March 2015	As at 31st March 2014
	At the beginning of the year	10,12,27,652	9,29,29,400
	Additions during the year	-	82,98,252
	Outstanding at the end of the year	<u>10,12,27,652</u>	<u>10,12,27,652</u>
b)	Equity capital held by holding/ultimate holding company and /or their subsidiaries	As at 31st March 2015	As at 31st March 2014
	Holding Company - Gujarat Fluorochemicals Limited, India	10,12,27,652	10,12,27,652
c)	Details of shareholders holding more than 5% equity capital in the company	As at 31st March 2015 % of the holding	As at 31st March 2014 % of the holding
	Gujarat Fluorochemicals Limited, India	100.00%	100.00%

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

		(Amount in Rs.)	
		As at 31st March 2015	As at 31st March 2014
5	<u>Reserves and surplus</u>		
	Foreign Currency Translation Reserve		
	As per last Balance Sheet	2,59,96,569	1,38,07,518
	Movement during the year	<u>(32,97,360)</u>	<u>1,21,89,051</u>
	Balance as at the end of the year	2,26,99,209	2,59,96,569
	(Deficit)/Surplus in the Statement of Profit and Loss		
	As per last Balance Sheet	35,37,623	1,24,79,984
	Loss for the year	<u>(1,41,99,058)</u>	<u>(89,42,361)</u>
	Balance as at the end of the year	(1,06,61,435)	35,37,623
	Total	<u>1,20,37,774</u>	<u>2,95,34,192</u>
6	<u>Deferred tax liabilities</u>		
	On account of difference between tax depreciation and depreciation charged in the books	-	20,50,454
	Total	<u>-</u>	<u>20,50,454</u>
7	<u>Other long term liabilities</u>		
	Statutory dues and taxes payable	1,96,802	2,36,993
	Total	<u>1,96,802</u>	<u>2,36,993</u>
8	<u>Trade payables</u>		
	Trade payables	48,48,95,521	23,24,92,506
	Total	<u>48,48,95,521</u>	<u>23,24,92,506</u>
9	<u>Other current liabilities</u>		
	Statutory dues and taxes payable	2,40,980	2,14,337
	Total	<u>2,40,980</u>	<u>2,14,337</u>

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

10 - Fixed assets - Tangible assets

(Amount in Rs.)

Particulars	Gross Block					Depreciation					Net Block	
	As at 01-Apr-14	Exchange Difference *	Additions	Deductions	As at 31-Mar-15	As at 01-Apr-14	Exchange Difference *	For the year	Deductions	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Land - Freehold Land	90,82,214	3,95,802	-	-	94,78,016	-	-	-	-	-	94,78,016	90,82,214
Buildings	7,44,90,357	32,46,282	1,14,272	-	7,78,50,911	44,79,249	1,95,205	26,02,083	-	72,76,537	7,05,74,374	7,00,11,108
Leasehold Improvement	53,87,927	2,34,806	-	-	56,22,733	7,78,263	33,917	3,74,852	-	11,87,032	44,35,701	46,09,664
Plant and equipments	5,86,65,559	25,56,639	25,03,311	75,000	6,36,50,509	2,36,96,557	10,32,693	88,57,433	38,393	3,35,48,290	3,01,02,219	3,49,69,002
Furniture and fixtures	24,97,462	1,08,839	95,190	25,033	26,76,458	11,98,300	52,222	4,10,756	20,862	16,40,416	10,36,042	12,99,162
Vehicles	31,70,277	1,38,160	-	-	33,08,437	10,15,120	44,239	6,61,688	-	17,21,047	15,87,390	21,55,157
Office equipment	14,45,800	63,008	60,506	97,423	14,71,891	7,60,704	33,151	2,69,406	56,831	10,06,430	4,65,461	6,85,096
Total	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	11,76,79,203	12,28,11,403
Previous year	10,54,32,332	1,08,96,747	3,96,49,806	12,39,289	15,47,39,596	1,83,70,055	18,98,600	1,19,38,252	2,78,714	3,19,28,193		

10 - Fixed assets - Intangible assets

(Amount in Rs.)

Particulars	Gross Block					Amortization					Net Block	
	As at 01-Apr-14	Exchange Difference *	Additions	Deductions	As at 31-Mar-15	As at 01-Apr-14	Exchange Difference	For the year	Deductions	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Computer software	4,07,074	17,740	2,63,792	-	6,88,606	22,615	986	1,85,570	-	2,09,171	4,79,435	3,84,459
Total	4,07,074	17,740	2,63,792	-	6,88,606	22,615	986	1,85,570	-	2,09,171	4,79,435	3,84,459
Previous year	-	-	4,07,074	-	4,07,074	-	-	22,615	-	22,615		

Grand Total	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	11,81,58,638	12,31,95,862
Previous year	10,54,32,332	1,08,96,747	4,00,56,880	12,39,289	15,51,46,670	1,83,70,055	18,98,600	1,19,60,867	2,78,714	3,19,50,808		

* On translation of opening block

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

(Amount in Rs.)

	As at 31st March 2015	As at 31st March 2014
11 Inventories		
(At cost or net realisable value, whichever is lower)		
Raw materials	89,67,867	4,17,58,104
Finished goods	1,88,81,318	1,83,68,005
Traded goods	28,94,90,496	7,88,73,500
Total	<u>31,73,39,681</u>	<u>13,89,99,609</u>
12 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	-	1,46,78,752
Others	15,00,41,433	7,70,15,718
	<u>15,00,41,433</u>	<u>9,16,94,470</u>
Considered Doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	3,11,981	-
	<u>15,03,53,414</u>	<u>9,16,94,470</u>
Less: Provision for trade receivables	(3,11,981)	-
Total	<u>15,00,41,433</u>	<u>9,16,94,470</u>
13 Cash and bank balances		
Cash and cash equivalents -		
Balances with banks - in current accounts	1,15,98,383	99,81,819
Cash on hand	70,053	2,44,646
Total cash and cash equivalents	<u>1,16,68,436</u>	<u>1,02,26,465</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)	4,19,232	7,24,114
Total	<u>1,20,87,668</u>	<u>1,09,50,579</u>
14 Short-term loans and advances		
(Unsecured, considered good)		
Prepaid expenses	2,61,623	9,15,614
Advances to employee	7,09,686	-
Total	<u>9,71,309</u>	<u>9,15,614</u>

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

(Amount in Rs.)

	2014-15	2013-2014
15 <u>Revenue from operations</u>		
Sale of products	67,56,82,265	47,61,01,919
Sale of services	-	3,45,301
Total	<u>67,56,82,265</u>	<u>47,64,47,220</u>
<u>Details of Product Sold</u>		
Manufactured goods		
- PT-PTFE Compounds	13,57,54,537	17,90,29,736
Traded goods		
- PT-PTFE	53,99,27,728	29,70,72,183
Total	<u>67,56,82,265</u>	<u>47,61,01,919</u>
<u>Details of Sales of services</u>		
Processing Charges	-	3,45,301
16 <u>Other income</u>		
Interest income	1,28,368	14,610
Warehouse rent	93,902	24,91,038
Miscellaneous income	3,07,498	1,99,684
Liabilities no longer required, written back	6,203	5,544
Total	<u>5,35,971</u>	<u>27,10,876</u>

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

(Amount in Rs.)

	2014-2015	2013-2014
17 <u>Cost of materials consumed</u>		
Opening Stock	4,17,58,104	2,29,90,107
Add: Purchases	6,60,80,939	15,61,97,406
Less: Closing Stock	(89,67,867)	(4,17,58,104)
Total	9,88,71,176	13,74,29,409

Details of Raw Material Consumed

PT-PTFE	6,92,66,953	9,16,30,934
Other Materials	2,96,04,223	4,57,98,475
Total	9,88,71,176	13,74,29,409

Details of Imported and Indigenous Raw Materials consumed

Imported	6,92,66,953	9,16,30,934
Indigenous	2,96,04,223	4,57,98,475
Total	9,88,71,176	13,74,29,409

18 Purchases of stock-in-trade

Purchases of stock-in-trade	71,27,37,096	35,54,66,371
Total	71,27,37,096	35,54,66,371

Details of Purchases of stock-in-trade

PT-PTFE	71,27,37,096	35,54,66,371
Total	71,27,37,096	35,54,66,371

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

Opening Stock		
Finished goods	1,83,68,005	1,35,87,270
Stock-in-trade	7,88,73,500	-
Less : Closing Stock		
Finished goods	1,88,81,318	1,83,68,005
Stock-in-trade	28,94,90,496	7,88,73,500
(Increase) / Decrease In Stock	(21,11,30,309)	(8,36,54,235)

Details of Inventory

PT-PTFE Compounds		
Opening Inventory	1,83,68,005	1,35,87,270
Closing Inventory	1,88,81,318	1,83,68,005
PT-PTFE		
Opening Inventory	7,88,73,500	-
Closing Inventory	28,94,90,496	7,88,73,500

Gujarat Fluorochemicals Americas LLC

Notes to financial statements for the year ended 31st March 2015

(Amount in Rs.)

	2014-2015	2013-2014
20 <u>Employee benefits expense</u>		
Salaries and wages	2,28,13,663	2,76,82,974
Staff welfare expenses	19,87,923	36,33,385
Payroll tax expense	18,35,632	21,97,503
	2,66,37,218	3,35,13,862
21 <u>Other expenses</u>		
Stores and spares consumed	32,28,658	27,78,513
Power and fuel	30,84,984	32,98,574
Freight and octroi	2,48,73,503	1,37,74,444
Insurance	71,30,150	49,53,004
Production labour charges	-	4,90,590
Repairs to		
- Plant & equipments	37,04,461	24,63,573
- Others	1,80,298	1,12,978
Rent	-	2,33,183
Rates & taxes	45,72,334	13,86,468
Travelling and conveyance	5,66,893	25,41,513
Communication expenses	7,25,171	5,05,424
Legal and professional fees and expenses	7,85,214	10,47,931
Loss on assets sold/scrapped (net)	35,884	8,93,403
Printing & stationery	5,07,276	5,69,493
Bank charges	2,09,710	2,69,606
Provision for doubtful debts	3,05,192	-
Miscellaneous expenses	21,70,410	22,83,179
	5,20,80,138	3,76,01,876

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to financial statements for the year ended 31st March 2015

22. 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.

23. 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 Company)

C. Key Management Personnel

- i) Mr. David Kaufmann (Manager) upto 31st March, 2014.

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

(Amounts in Rs.)

Sr.	Particulars	2014-2015	2013-2014
a)	Capital contribution received	-	82,98,252
b)	Purchase of goods	75,70,33,854	48,81,01,866
c)	Reimbursement of expenses received	41,65,944	1,69,00,826
d)	Warehouse rent received	-	23,79,585
e)	Reimbursement of expenses paid	-	2,00,000
f)	Purchase return	1,99,37,968	-

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

(Amounts in Rs.)

Sr.	Particulars	2014-2015	2013-2014
a)	Purchase of goods	81,85,118	-
b)	Reimbursement of expenses paid	10,87,916	-

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

(Amounts in Rs.)

Sr.	Particulars	2014-2015	2013-2014
a)	Commission paid	-	2,79,484

Gujarat Fluorochemicals Americas LLC, U.S.A.

Notes to financial statements for the year ended 31st March 2015

23. Related Party Disclosures continued:

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

(Amounts in Rs.)

Sr.	Particulars	2014-2015	2013-2014
	Amount Payable		
a)	Gujarat Fluorochemicals Limited	48,11,56,585	22,82,41,807
b)	David Kaufmann	-	54,614
	Amount Receivable		
a)	Gujarat Fluorochemicals Limited	-	13,31,200

24. Disclosure as required by Accounting Standard –19 on “Leases” –

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.

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: 28th May, 2015
Place: Pune

Date: 28th May, 2015
Place: Texas, U.S.A.