

GUJARAT FLUOROCHEMICALS LIMITED

17th

ANNUAL REPORT

2003-2004

AUDITORS' REPORT TO THE MEMBERS OF GUJARAT FLUOROCHEMICALS LIMITED

1. We have audited the attached Balance Sheet of Gujarat Fluorochemicals Limited, as at 31st March, 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 31st March, 2004;
 - b) in the case of the Profit and Loss Account, of the profit 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.

For Patankar & Associates
Chartered Accountants

Pune
21st June, 2004

M.Y. Kulkarni
Partner
Mem. No. 35524

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF GUJARAT FLUOROCHEMICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004.

In term of the Companies (Auditors Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The Company has drawn out a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.

Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

2. The inventories were physically verified by the management at reasonable intervals during the year.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion, the Company has maintained proper records of its inventories and the no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has not taken any loan, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has granted a loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 690 lacs and the year-end balance of loan given is Rs. 125 lacs.

In our opinion, the rate of interest and other terms and conditions on which the loan is granted to a party covered in the register maintained under section 301 of the Companies Act, 1956 are not, *prima-facie*, prejudicial to the interest of the Company.

The party is repaying the principal amount as stipulated and is regular in the payment of interest.

There are no overdue amounts of loan granted to the party covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods.

5. In our opinion, the transactions that need to be entered into the register maintained under section 301 have been so entered.

In our opinion, the transactions made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lacs in respect of any party during the year have been made at a price which are, *prima-facie*, reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed thereunder and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
9. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

No undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty, excise duty and cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

Particulars of dues of sales-tax, income-tax, customs duty, wealth-tax, excise duty or cess which have not been deposited on account of disputes, are as under:

| Name of the Statute | Nature of dues and the period to which the amount relates | Amount (Rs.) | Forum where dispute is pending |
|-------------------------|---|------------------|--|
| Income-tax Act | Tax and interest for the year 2000-2001 | Rs. 1189.19 lacs | *Commissioner of Income-tax, Appeals-1, Vadodara |
| Gujarat Sales Tax Act | Purchase tax for the period 1995-96,1996-97,1997-98 and 1998-99 | Rs. 24.89 lacs | Sales-tax Appellate Tribunal, Ahmedabad |
| Uttar Pradesh Trade Tax | Sales Tax for the period 2000-01 and 2001-02 | Rs. 4.30 lacs | Allahabad High Court,Allahabad (Writ Petition filed) |
| West Bengal Sales Tax | Sales Tax for the period 1995-96 | Rs. 2.83 lacs | Sales Tax Appellate Tribunal –Kolkatta |
| | Sales Tax for the period 1997-98 and 1999-00 | Rs. 2.42 lacs | Asst Commissioner (Appeals) –WBST-Kolkatta |

* the matter has since been decided in favour of the Company by the CIT (Appeals) and hence, no demand is outstanding.

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing in shares, securities, debentures and other investments in the course of its investment activities. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities are held by the company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956 and the shares which are transferred in the name of the company after the end of the year.

15. The Company had given a guarantee for the loans taken by its subsidiary company from banks. In our opinion, the terms and conditions thereof were not prejudicial to the interest of the Company.
16. In our opinion, the term loan availed during the year by the Company were applied for the purpose for which they were raised.
17. In our opinion, on an overall examination of the balance sheet and the cash flow statement, funds raised on short term basis have, prima facie, not been used during the year for long term investments and vice versa.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the Company was noticed or reported during the year.

For Patankar & Associates
Chartered Accountants

M.Y. Kulkarni
Partner
Mem. No. 35524

Pune
21st June, 2004

GUJARAT FLUOROCHEMICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2004

| | Schedule Number | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|-----------------|--|--|
| I SOURCES OF FUNDS | | | |
| 1 Shareholders' Funds | | | |
| (a) Capital | 1 | 1157.80 | 1157.80 |
| (b) Reserves and Surplus | 2 | 34343.13 | 28452.07 |
| | | 35500.93 | 29609.87 |
| 2 Loan Funds | | | |
| (a) Secured Loans | 3 | 5534.32 | 0.00 |
| (b) Unsecured Loan | 4 | 952.88 | 0.00 |
| | | 6487.20 | 0.00 |
| 3 Deferred Tax Liability (Net) | | 229.56 | 182.17 |
| Total | | 42217.69 | 29792.04 |
| II APPLICATION OF FUNDS | | | |
| 1 Fixed Assets | 5 | | |
| (a) Gross Block | | 6918.40 | 5734.12 |
| (b) Less : Depreciation | | 3695.55 | 3378.37 |
| (c) Net Block | | 3222.85 | 2355.75 |
| (d) Capital-work-in-progress | | 149.38 | 155.16 |
| (e) Advances on Capital Account | | 369.38 | 32.42 |
| | | 3741.61 | 2543.33 |
| 2 Investments | 6 | 25903.76 | 21246.19 |
| 3 (i) Current Assets, Loans and Advances | 7 | | |
| (a) Inventories | | 3991.42 | 2571.19 |
| (b) Sundry Debtors | | 1853.85 | 2154.77 |
| (c) Cash and Bank Balances | | 3130.96 | 1435.40 |
| (d) Other Current Assets | | 216.83 | 105.54 |
| (e) Loans and Advances | | 5971.67 | 1724.78 |
| Sub-Total (i) | | 15164.73 | 7991.68 |
| (ii) Less : Current Liabilities and Provisions | 8 | | |
| (a) Liabilities | | 2011.08 | 1397.28 |
| (b) Provisions | | 581.33 | 591.88 |
| Sub-Total (ii) | | 2592.41 | 1989.16 |
| Net Current Assets (i) - (ii) | | 12572.32 | 6002.52 |
| Total | | 42217.69 | 29792.04 |
| Notes forming part of Accounts | 14 | | |

As per our report of even date attached

For Patankar and Associates
Chartered Accountants

V. K. JAIN
Managing Director

D. K. JAIN
Chairman

DEEPAK ASHER
Vice President (Corporate Finance)

V. P. MITTAL
Director

M. Y. Kulkarni
Partner

B. V. DESAI
Company Secretary

SHAIENDRA SWAROOF
Director

Pune, 21st, June, 2004

Mumbai, 21st June, 2004

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2004

| | Schedule Number | 2003-2004 Amount (Rs. in lacs) | 2002-2003 Amount (Rs. in lacs) |
|--|-----------------|-----------------------------------|-----------------------------------|
| INCOME | | | |
| 1 Sales - Gross | | 15697.68 | 13804.51 |
| Less: Excise Duty | | 478.35 | 542.20 |
| Sales - Net | | 15219.33 | 13262.31 |
| 2 Other Income | 9 | 4302.81 | 2055.97 |
| | | 19522.14 | 15318.28 |
| EXPENDITURE | | | |
| 1 Materials | 10 | 8257.32 | 6607.62 |
| 2 Manufacturing and other expenses | 11 | 3344.10 | 2827.82 |
| 3 Salaries and benefits | 12 | 699.61 | 590.55 |
| 4 Interest | 13 | 96.18 | 21.96 |
| 5 Depreciation | | 339.67 | 251.33 |
| 6 Amortisation of premium on lease hold land | | 3.61 | 2.29 |
| 7 Provision for diminution in value of investments | | 603.00 | 620.67 |
| | | 13343.49 | 10922.24 |
| 8 Profit before Taxation | | 6178.65 | 4396.04 |
| 9 Provision for Taxation | | | |
| Current tax | | 970.00 | 925.00 |
| Deferred Tax | | 47.41 | 129.52 |
| | | 1017.41 | 1054.52 |
| 10 Profit after taxation for the year | | 5161.24 | 3341.52 |
| 11 Taxation pertaining to earlier years | | (127.80) | 4.32 |
| | | 5289.04 | 3337.20 |
| 12 Profit brought forward from previous year | | 89.88 | 44.52 |
| 13 Profit available for appropriation | | 5378.92 | 3381.72 |
| 14 Less : | | | |
| Transfer to General Reserve | | 4900.00 | 2900.00 |
| Proposed Dividend | | 347.34 | 347.34 |
| Tax on Dividend | | 44.50 | 44.50 |
| | | 5291.84 | 3291.84 |
| 15 Balance carried to Balance Sheet | | 87.08 | 89.88 |
| | | 45.68 | 28.82 |
| Notes forming part of Accounts | 14 | | |

As per our report of even date attached

For Patankar and Associates
Chartered Accountants

V. K. JAIN
Managing Director

D. K. JAIN
Chairman

DEEPAK ASHER
Vice President (Corporate Finance)

V. P. MITTAL
Director

M. Y. Kulkarni
Partner

B. V. DESAI
Company Secretary

SHAIENDRA SWAROOF
Director

Pune, 21st, June, 2004

Mumbai, 21st June, 2004

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

| | Amount (Rs. in lacs) | |
|--|----------------------|-------------------|
| | 2003-2004 | 2002-03 |
| A Cash flow from operating activities | | |
| Net profit before tax and extraordinary items | 6,178.65 | 4,396.04 |
| <u>Adjustments for :</u> | | |
| Depreciation and Amortisation | 343.28 | 253.62 |
| Income/Expenditure in respect of Investing activities | (3,455.39) | (1,271.54) |
| Interest | 96.18 | 21.96 |
| | (3,015.93) | (995.96) |
| Operative profit before working capital changes | 3,162.72 | 3,400.08 |
| <u>Adjustments for :</u> | | |
| Trade and other receivables | (69.48) | 561.33 |
| Inventories | (1,420.23) | 155.80 |
| Trade payables | 651.04 | (265.15) |
| | (838.67) | 451.98 |
| Cash generated from operation | 2,324.05 | 3,852.06 |
| Income-tax paid (net) | (1,866.25) | (1,053.05) |
| Net cash from operating activities | 457.80 | 2,799.01 |
| B Cash flow from investing activities | | |
| Purchase of fixed assets (including change in capital wip and adva | (1,546.64) | (817.21) |
| Sale of fixed assets | 5.00 | 1.58 |
| Purchase of investments | (45,850.70) | (29,182.27) |
| Sale of Investments | 42,504.19 | 27,797.54 |
| Investment in inter-corporate and other loans (Net) | (2,961.64) | (537.35) |
| Interest received | 202.11 | 124.19 |
| Dividend received | 1,942.30 | 143.87 |
| Adjustment for receivables on investment account | (53.71) | (479.55) |
| Net cash used in investment activities | (5,759.09) | (2,949.20) |
| C Cash flow from financing activities | | |
| Proceeds from Short Term Loan | 2,500.00 | (200.00) |
| Proceeds from Foreign Currency Term Loan | 898.70 | - |
| Proceeds from Working Capital Facilities | 3,088.50 | - |
| Interest paid | (88.62) | (21.96) |
| Dividend paid (Including Tax on Dividend) | (395.59) | (351.44) |
| Net cash used in financing activities | 6,002.99 | (573.40) |
| D Capital receipts | 993.86 | 858.46 |
| (Please refer to Note no.3 of Note to Accounts) | | |
| Net increase in cash and cash equivalent | 1,695.56 | 134.87 |
| Cash and cash equivalents as at the beginning of the year | 1,435.40 | 1,300.53 |
| Cash and cash equivalents as at the end of the year | 3,130.96 | 1,435.40 |

As per our report of even date attached

V. K. JAIN
For Patankar and Associates Managing Director
Chartered Accountants

D. K. JAIN
Chairman

DEEPAK ASHER
Vice President (Corporate Financ Director)

V. P. MITTAL

M. Y. Kulkarni
Partner

B. V. DESAI
Company Secretary

SHAIENDRA SWAROOP
Director

Pune, 21st, June 2004

Mumbai, 21st June 2004

GUJARAT FLUOROCHEMICALS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

| | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|--|--|--|
| SCHEDULE 1 : CAPITAL | | |
| Authorised 2,00,00,000 Equity Shares of Rs 10 each | 2000.00 | 2000.00 |
| Issued and Subscribed 1,15,78,000 Equity Shares of Rs 10 each | 1157.80 | 1157.80 |
| Total | 1157.80 | 1157.80 |
| SCHEDULE 2 : RESERVES AND SURPLUS | | |
| Capital Reserves As per last Balance Sheet Additions during the year (Refer note no. 3) | 6057.57 993.86 7051.43 | 5199.11 858.46 6057.57 |
| Share Premium Account As per last Balance Sheet | 4.62 | 4.62 |
| Investment Allowance Reserve As per last Balance Sheet | 300.00 | 300.00 |
| General Reserve As per last Balance Sheet Add: Transfer from Profit and Loss Account | 22000.00 4900.00 26900.00 | 19100.00 2900.00 22000.00 |
| Profit and Loss Account Balance as per Annexed Account | 87.08 | 89.88 |
| Total | 34343.13 | 28452.07 |
| SCHEDULE 3 : SECURED LOANS (for securities please refer note no. 4) | | |
| From Banks | | |
| Rupee Loan - Term Loan (amount payable within one year Rs. 2500 lacs) | 2500.00 | 0.00 |
| Foreign Currency Loans - Term Loan (amount payable within one year Rs. 326.80 lacs) | 898.70 | 0.00 |
| - Packing Credit | 680.66 | 0.00 |
| - Other Loans | 1454.96 | 0.00 |
| Total | 5534.32 | 0.00 |
| SCHEDULE 4 : UNSECURED LOANS | | |
| From Bank | | |
| Foreign Currency Loan - Packing Credit | 952.88 | 0.00 |
| Total | 952.88 | 0.00 |

GUJARAT FLUOROCHEMICALS LIMITED

SCHEDULE 5 : FIXED ASSETS

Amount (Rs. in lacs)

| Particulars | Gross Block | | | | Depreciation/Amortization | | | | Net Block | |
|---------------------------------------|---------------------|-----------|------------|---------------------|---------------------------|-----------------|------------|---------------------|---------------------|---------------------|
| | As at 01-04-2003 | Additions | Deductions | As at 31-03-2004 | As at 01-04-2003 | For the year | Deductions | As at 31-03-2004 | As at 31-03-2004 | As at 31-03-2003 |
| Land | | | | | | | | | | |
| -Freehold Land | 8.84 | 0.00 | 0.00 | 8.84 | 0.00 | 0.00 | 0.00 | 0.00 | 8.84 | 8.84 |
| -Leasehold Land | 314.68 | 0.00 | 0.00 | 314.68 | 15.12 | 3.61 | 0.00 | 18.73 | 295.95 | 299.56 |
| Buildings and Roads | 481.06 | 56.60 | 0.00 | 537.66 | 93.90 | 11.70 | 0.00 | 105.60 | 432.06 | 387.16 |
| Plant and Machinery | 4149.72 | 1034.49 | 18.72 | 5165.49 | 2847.86 | 264.75 | 16.80 | 3095.81 | 2069.68 | 1301.86 |
| Electrical Installations | 258.54 | 32.96 | 0.00 | 291.50 | 178.68 | 14.72 | 0.00 | 193.40 | 98.10 | 79.86 |
| Manufacturing and other Equipments | 299.81 | 17.05 | 7.94 | 308.92 | 149.52 | 25.75 | 5.78 | 169.49 | 139.43 | 150.29 |
| Furniture and Fixtures | 60.76 | 9.50 | 0.00 | 70.26 | 34.09 | 4.20 | 0.00 | 38.29 | 31.97 | 26.67 |
| Vehicles | 160.71 | 64.86 | 4.52 | 221.05 | 59.20 | 18.55 | 3.52 | 74.23 | 146.82 | 101.51 |
| Total | 5734.12 | 1215.46 | 31.18 | 6918.40 | 3378.37 | 343.28 | 26.10 | 3695.55 | 3222.85 | 2355.75 |
| Previous year | 5108.28 | 629.62 | 3.78 | 5734.12 | 3126.83 | 253.62 | 2.08 | 3378.37 | | |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos As at 31-03-2004 | Nos As at 31-03-2003 | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|-------------------|-------------------------|-------------------------|--|--|
| SCHEDULE 6 : INVESTMENTS | | | | | |
| (Long term, non-trade, at cost, unless otherwise stated) | | | | | |
| A] UNQUOTED | | | | | |
| i) In Bonds | | | | | |
| 10.50% - Konkan Railway Corporation Limited | 100 | 0 | 5000 | 0.00 | 51.00 |
| 5.18% - Nabard Capital Gain Bonds | 10000 | 4000 | 0 | 400.00 | 0.00 |
| 5.00% - SIDBI Capital Gain Bonds | 10000 | 6000 | 0 | 600.00 | 0.00 |
| | | | | 1000.00 | 51.00 |
| ii) In Secured Fully paid Redeemable Non-Convertible Debentures | | | | | |
| 9% - Hindustan Lever Limited | 6 | 3000 | | 0.18 | 0.00 |
| | | | | 0.18 | 0.00 |
| iii) In Fully Paid-up Equity Shares | | | | | |
| a) In Subsidiary Company | | | | | |
| Inox Leisure Limited | 10 | 45000000 | 45000000 | 4500.00 | 4500.00 |
| b) In Other Companies | | | | | |
| Inox Global Services Limited | 10 | 2474930 | 2474930 | 247.49 | 247.49 |
| (a company under the same management) | | | | | |
| Kaleidoscope Entertainment Private Limited | 1 | 225000 | 225000 | 60.75 | 60.75 |
| | | | | 4808.24 | 4808.24 |
| iv) In Cumulative, Non-convertible, Redeemable Preference Shares (fully paid-up) | | | | | |
| 9% - Inox Global Services Limited | 100 | 1883000 | 1883000 | 1883.00 | 1883.00 |
| (a company under the same management) | | | | | |
| 8% - Inox Leasing and Finance Limited | 100 | 1400000 | 1400000 | 1400.00 | 1400.00 |
| 8% - Niryat-Sam Apparels (India) Limited | 100 | 725000 | 725000 | 725.00 | 725.00 |
| (a company under the same management) | | | | | |
| | | | | 4008.00 | 4008.00 |
| Less : Provision for diminution in value of Investments | | | | 580.00 | 580.00 |
| | | | | 3428.00 | 3428.00 |
| v) In Units of Mutual Funds | | | | | |
| Alliance Income Fund | 10 | 0 | 3567269 | 0.00 | 700.00 |
| Birla Cash Plus Retail Plan | 10 | 0 | 519231 | 0.00 | 84.21 |
| Birla Fixed Maturity Plan-Long Term Growth Plan B | 10 | 0 | 5000000 | 0.00 | 500.00 |
| Birla Income Plus Plan B | 10 | 2937470 | 3736488 | 800.00 | 900.00 |
| Birla MID - Cap Fund Plan A - Dividend - Reinvestme | 10 | 2428698 | 0 | 398.31 | 0.00 |
| Chola Freedom Income STF Inst - Cum - Bonus | 10 | 435069 | 0 | 44.44 | 0.00 |
| DSP Merrill Lynch Bond Fund Institutional Plan | 10 | 4829285 | 0 | 500.00 | 0.00 |
| DSP Merrill Lynch Opportunities Fund | 10 | 2055822 | 0 | 308.00 | 0.00 |
| Franklin India Bluechip Dividend Reinvestment | 10 | 2472958 | 0 | 425.48 | 0.00 |
| Franklin India Prima Fund Dividend Reinvestment | 10 | 2225115 | 0 | 578.61 | 0.00 |
| GCFG Grindlays Cash Fund | 10 | 0 | 9903971 | 0.00 | 1113.27 |
| GDBG Grindlays Dynamic Bond Fund | 10 | 6091243 | 2000000 | 700.00 | 200.00 |
| GSSB GSSIF-Investment Plan B Institutional Plan | 10 | 4061244 | 0 | 600.00 | 0.00 |
| GSSG GSSIF-Investment Plan | 10 | 0 | 2935522 | 0.00 | 400.00 |
| HDFC Equity Fund | 10 | 310417 | 0 | 51.24 | 0.00 |
| HDFC Gilt Fund Long Term | 10 | 0 | 1545523 | 0.00 | 200.00 |
| HDFC Growth Fund | 10 | 481063 | 0 | 57.19 | 0.00 |
| HDFC High Interest Fund | 10 | 2307582 | 0 | 500.00 | 0.00 |
| HDFC Income Fund | 10 | 0 | 2948777 | 0.00 | 400.00 |
| HDFC Income Fund - Premium Plan | 10 | 4053808 | 0 | 600.00 | 0.00 |
| HDFC Liquid Fund - Premium Plan | 10 | 0 | 7353690 | 0.00 | 881.58 |
| HDFC Top 200 Fund - Dividend Plan | 10 | 3229979 | 0 | 510.92 | 0.00 |
| HSBC Equity Fund - Dividend | 10 | 5132056 | 0 | 748.50 | 0.00 |
| HSBC Income Fund | 10 | 0 | 2000000 | 0.00 | 200.00 |
| IL&FS Bond Fund - Bonus Plan | 10 | 0 | 2413469 | 0.00 | 250.00 |
| IL&FS Bond Fund - Growth Plan | 10 | 0 | 3351498 | 0.00 | 500.00 |
| IL&FS Bond Fund - Institutional Plan | 10 | 1543953 | 0 | 250.00 | 0.00 |
| IL&FS Growth & Value Fund - Bonus Plan | 10 | 1669661 | 0 | 180.00 | 0.00 |
| IL&FS Growth & Value Fund - Semi Annual Dividend | 10 | 604741 | 0 | 83.55 | 0.00 |
| ING Vysya Income Fund - Institutional - Bonus Option | 10 | 1994404 | 0 | 200.60 | 0.00 |
| ING Vysya Income Fund Regular - Bonus Option | 10 | 1938431 | 0 | 195.12 | 0.00 |

GUJARAT FLUOROCEMICALS LIMITED

| | Face Value Rs. | Nos As at 31-03-2004 | Nos As at 31-03-2003 | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|-------------------|-------------------------|-------------------------|--|--|
| JM Balanced Fund - Growth Plan | 10 | 3209243 | 0 | 500.00 | 0.00 |
| JM High Liquidity Fund | 10 | 0 | 668230 | 0.00 | 111.83 |
| JM Income Fund - Growth Plan | 10 | 0 | 847921 | 0.00 | 200.00 |
| Kotak Balance Unit Scheme 99 | 10 | 2365150 | 0 | 353.66 | 0.00 |
| Kotak Bond Unit Scheme 99 (Wholesale Plan) | 10 | 2999256 | 3442200 | 500.00 | 500.00 |
| Kotak Fixed Maturity Plan (7) | 10 | 3000000 | 3000000 | 300.00 | 300.00 |
| Kotak Gilt Investment (Regular) Plan | 10 | 0 | 2223207 | 0.00 | 400.00 |
| Kotak Mahindra Liquid Institutional Plan | 10 | 434125 | 0 | 54.97 | 0.00 |
| Principal Deposit Fund (FMP 6) Plan | 10 | 3000000 | 3000000 | 300.00 | 300.00 |
| Principal Growth Fund - Dividend Reinvestment Annu | 10 | 3095172 | 0 | 485.63 | 0.00 |
| Principal Income Fund-Growth Plan | 10 | 1328957 | 3708744 | 200.00 | 500.00 |
| Prudential ICICI Flexible Income Plan | 10 | 4476316 | 0 | 500.00 | 0.00 |
| Prudential ICICI FMP - Growth Yearly XII | 10 | 2996404 | 2996404 | 300.00 | 300.00 |
| Prudential ICICI Gilt Fund - Investment Plan | 10 | 0 | 2383336 | 0.00 | 400.00 |
| Prudential ICICI Growth Plan | 10 | 2641090 | 0 | 950.00 | 0.00 |
| Prudential ICICI Income Plan | 10 | 0 | 1191895 | 0.00 | 200.00 |
| Prudential ICICI Institutional Income Plan | 10 | 4314483 | 0 | 800.00 | 0.00 |
| Prudential ICICI Liquid Plan Institutional | 10 | 0 | 3550981 | 0.00 | 525.82 |
| Reliance Vision Fund - Dividend Plan | 10 | 534714 | 0 | 221.53 | 0.00 |
| Reliance Vision Fund - Growth Plan - Bonus Option | 10 | 2302026 | 0 | 250.00 | 0.00 |
| Tata Equity Opportunities Fund - Plan A (Dividend) | 10 | 1486839 | 0 | 226.78 | 0.00 |
| Templeton Government Securities Fund | 10 | 0 | 2230264 | 0.00 | 400.00 |
| Templeton India Floating Rate Income Fund Short Te | 10 | 1781039 | 0 | 200.00 | 0.00 |
| Templeton India Income Builder Account Institutional | 10 | 903285 | 0 | 100.00 | 0.00 |
| Templeton India Income Builder Account Plan A | 10 | 2195563 | 1015228 | 500.00 | 200.00 |
| Templeton India Income Fund | 10 | 0 | 3459231 | 0.00 | 700.00 |
| Templeton India Liquid Fund | 10 | 0 | 8007824 | 0.00 | 1194.79 |
| UTI Master Value Fund (Income) | 10 | 422648 | 0 | 129.75 | 0.00 |
| | | | | 14604.28 | 12561.50 |
| Less : Provision for diminution in value of Investments | | | | 481.48 | 0.00 |
| | | | | 14122.80 | 12561.50 |
| Total Unquoted | | | | 23359.22 | 20848.74 |
| B] QUOTED | | | | | |
| In Fully Paid Equity Shares | | | | | |
| a) Long Term | | | | | |
| Aftek Infosys Limited | 2 | 50000 | 0 | 43.81 | 0.00 |
| Canara Bank | 10 | 50000 | 1000 | 76.51 | 3.42 |
| ELGI Equipments Limited | 1 | 100000 | 0 | 66.58 | 0.00 |
| Engineers India Limited | 10 | 13187 | 23000 | 50.23 | 87.62 |
| Indorama Synthetics Limited | 10 | 1632199 | 0 | 1021.59 | 0.00 |
| Indorama Textiles Limited | 10 | 345161 | 0 | 101.13 | 0.00 |
| Kesoram Textile Mills Limited (received pursuant to a scheme of arrangement) | 2 | 131893 | 131893 | 0.00 | 0.00 |
| Niryat-Sam Apparels (India) Limited | 10 | 1556200 | 1556200 | 156.40 | 156.40 |
| Polyplex Corporation Limited | 10 | 45000 | 0 | 99.94 | 0.00 |
| Silverline Industries Limited | 10 | 0 | 30000 | 0.00 | 12.48 |
| Trent Limited | 10 | 3000 | 0 | 8.76 | 0.00 |
| Union Bank of India | 10 | 200000 | 0 | 112.92 | 0.00 |
| Zicom Security Systems Limited | 10 | 46534 | 0 | 34.05 | 0.00 |
| | | | | 1771.92 | 259.92 |
| b) Current (at lower of cost and fair value) | | | | | |
| Alfa Laval India Limited | 10 | 714 | 0 | 4.20 | 0.00 |
| Alok Industries Limited | 10 | 8000 | 0 | 2.04 | 0.00 |
| Alstom Power India Limited | 10 | 0 | 3500 | 0.00 | 2.09 |
| Apollo Tyres Limited | 10 | 0 | 1800 | 0.00 | 2.36 |
| Asian Hotels Limited | 10 | 1930 | 200 | 3.73 | 0.17 |
| Associated Cements Limited | 10 | 4000 | 7500 | 11.11 | 11.66 |
| Aurobindo Pharma Limited | 5 | 5104 | 0 | 17.57 | 0.00 |
| Balrampur Chini Mills Limited | 10 | 0 | 500 | 0.00 | 0.61 |
| Bank of India | 10 | 0 | 8000 | 0.00 | 3.04 |
| BASF India Limited | 10 | 3957 | 0 | 6.59 | 0.00 |
| Bharat Earthmovers Limited | 10 | 9200 | 0 | 20.44 | 0.00 |
| Bharat Electronics Limited | 10 | 1000 | 4850 | 4.74 | 9.35 |
| Bharat Heavy Electricals Limited | 10 | 4100 | 3000 | 22.63 | 6.28 |
| Bongaigaon Refinery Limited | 10 | 25000 | 0 | 21.53 | 0.00 |
| Century Textiles Limited | 10 | 24000 | 0 | 29.32 | 0.00 |
| Chambal Fertilizers Limited | 10 | 45000 | 0 | 11.01 | 0.00 |
| Chennai Petroleum Corporation Limited | 10 | 9590 | 0 | 7.70 | 0.00 |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos As at 31-03-2004 | Nos As at 31-03-2003 | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|-------------------|-------------------------|-------------------------|--|--|
| CIPLA Limited | 10 | 0 | 1000 | 0.00 | 9.41 |
| CMC Limited | 10 | 2996 | 0 | 17.49 | 0.00 |
| Container Corporation of India Limited | 10 | 1500 | 0 | 7.96 | 0.00 |
| Cummins India Limited | 2 | 13384 | 0 | 14.55 | 0.00 |
| Dabur India Limited | 1 | 15000 | 5000 | 13.34 | 2.37 |
| Digital Global Software Limited | 10 | 0 | 975 | 0.00 | 6.25 |
| Divi's Laboratories Limited | 10 | 0 | 700 | 0.00 | 1.56 |
| Dr. Reddy's Laboratories Limited | 5 | 0 | 375 | 0.00 | 2.79 |
| Eastern India Hotels Limited | 10 | 3836 | 400 | 11.95 | 0.73 |
| Eicher Motors Limited | 10 | 0 | 6308 | 0.00 | 5.34 |
| Engineers India Limited | 10 | 10159 | 0 | 40.21 | 0.00 |
| E-Serve International Limited | 10 | 1280 | 0 | 9.67 | 0.00 |
| Essar Steel Limited | 10 | 32000 | 0 | 7.71 | 0.00 |
| Federal Bank Limited | 10 | 3000 | 0 | 8.82 | 0.00 |
| Gas Authority of India Limited | 10 | 2148 | 0 | 5.06 | 0.00 |
| Geometric Software Solutions Limited | 10 | 4784 | 0 | 25.56 | 0.00 |
| Goetze (India) Limited | 10 | 20000 | 0 | 15.64 | 0.00 |
| Grasim Industries Limited | 10 | 1000 | 0 | 11.86 | 0.00 |
| Great Eastern Shipping Company Limited | 10 | 28111 | 3500 | 42.53 | 1.30 |
| Gujarat Ambuja Cements Limited | 10 | 500 | 0 | 1.43 | 0.00 |
| Gujarat Heavy Chemicals Limited | 10 | 45 | 0 | 0.01 | 0.00 |
| HCL Technologies Limited | 2 | 0 | 200 | 0.00 | 0.33 |
| HDFC Bank Limited | 10 | 0 | 1000 | 0.00 | 2.36 |
| Himatsingka Siedge Limited | 10 | 4000 | 0 | 13.01 | 0.00 |
| Hindustan Lever Limited | 1 | 0 | 3700 | 0.00 | 6.53 |
| Hindustan Petroleum Company Limited | 10 | 0 | 13850 | 0.00 | 39.76 |
| Hindustan Zinc Limited | 10 | 325 | 0 | 0.37 | 0.00 |
| Hotel Leela Ventures Limited | 10 | 11000 | 0 | 4.96 | 0.00 |
| Hughes Software System Limited | 5 | 0 | 400 | 0.00 | 0.63 |
| ICICI Bank Limited | 10 | 1463 | 0 | 4.52 | 0.00 |
| ICICI Bank Limited | 10 | 0 | 2500 | 0.00 | 3.40 |
| I-Flex Solutions Limited | 5 | 2500 | 350 | 16.72 | 3.15 |
| India Glycols Limited | 10 | 3185 | 0 | 1.19 | 0.00 |
| Indian Hotels Co. Limited | 10 | 9200 | 0 | 32.59 | 0.00 |
| Indian Oil Corporation Limited | 10 | 1300 | 0 | 5.30 | 0.00 |
| Indian Petrochemicals Corporation Limited | 10 | 3000 | 12500 | 5.52 | 8.92 |
| Infosys Technologies Limited | 5 | 250 | 220 | 13.56 | 9.95 |
| ITC Hotels Limited | 10 | 0 | 300 | 0.00 | 0.17 |
| ITC Limited | 10 | 300 | 0 | 3.23 | 0.00 |
| JCT Limited | 10 | 130000 | 0 | 10.64 | 0.00 |
| Jindal Stainless Limited | 2 | 5 | 0 | 0.00 | 0.00 |
| Jindal Steel and Power Limited | 5 | 971 | 2600 | 4.68 | 9.42 |
| Jindal Strips Limited | 10 | 271 | 8700 | 0.47 | 13.08 |
| Karur Vysya Bank Limited | 10 | 0 | 1300 | 0.00 | 2.23 |
| Kochi Refineries Limited | 10 | 4000 | 0 | 6.95 | 0.00 |
| KRBL Limited | 10 | 16000 | 0 | 9.33 | 0.00 |
| Larsen & Toubro Limited | 10 | 3600 | 5700 | 20.64 | 10.97 |
| Lupin Limited | 10 | 676 | 0 | 4.47 | 0.00 |
| Mahavir Spinning Mills Limited | 10 | 31259 | 0 | 53.29 | 0.00 |
| Mahindra and Mahindra Limited | 10 | 4600 | 0 | 21.65 | 0.00 |
| Mahindra UGINE Steel Co. Limited | 10 | 45000 | 0 | 15.01 | 0.00 |
| Mangalore Refinery and Petrochemicals Limited | 10 | 39000 | 0 | 22.61 | 0.00 |
| Maruti Udyog Limited | 5 | 1500 | 0 | 7.56 | 0.00 |
| Mastek Limited | 5 | 700 | 300 | 1.66 | 1.64 |
| Moser-Baer (I) Limited | 10 | 11500 | 2100 | 39.30 | 4.83 |
| Mphasis BF Limited | 10 | 1038 | 0 | 6.73 | 0.00 |
| National Aluminium Company Limited | 10 | 0 | 7000 | 0.00 | 7.01 |
| Neyveli Lignite Corporation Limited | 10 | 15000 | 0 | 10.91 | 0.00 |
| Oil and Natural Gas Corporation Limited | 10 | 1784 | 0 | 13.08 | 0.00 |
| Orchid Chemicals Limited | 10 | 4000 | 4000 | 7.08 | 3.04 |
| Polaris Software Laboratory Limited | 5 | 0 | 100 | 0.00 | 0.20 |
| Punjab National Bank | 10 | 0 | 1500 | 0.00 | 1.52 |
| Rain Calcining Limited | 10 | 38253 | 0 | 9.76 | 0.00 |
| Ranbaxy Laboratories Limited | 10 | 1000 | 550 | 9.77 | 3.46 |
| Raymond Limited | 10 | 11000 | 0 | 17.30 | 0.00 |
| Reliance Energy Limited | 10 | 0 | 500 | 0.00 | 1.19 |
| Reliance Industries Limited | 10 | 5100 | 5100 | 29.09 | 14.19 |
| Satyam Computers Limited | 10 | 0 | 3800 | 0.00 | 8.51 |
| Shipping Corporation of India Limited | 10 | 12000 | 19200 | 20.42 | 13.56 |
| Siemens Limited | 10 | 300 | 1000 | 1.11 | 2.71 |
| SKF Bearings (India) Limited | 10 | 5000 | 0 | 4.22 | 0.00 |
| State Bank of India | 10 | 1500 | 5000 | 9.39 | 14.06 |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos As at 31-03-2004 | Nos As at 31-03-2003 | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|-------------------|-------------------------|-------------------------|--|--|
| Steel Authority of India Limited | 10 | 53000 | 0 | 22.02 | 0.00 |
| Sundaram Fastners Limited | 10 | 5950 | 0 | 5.44 | 0.00 |
| Syndicate Bank | 10 | 0 | 25473 | 0.00 | 4.43 |
| Tata Chemicals Limited | 10 | 6385 | 3000 | 10.05 | 1.91 |
| Tata Iron and Steel Company Limited | 10 | 4891 | 10000 | 20.71 | 12.52 |
| Tata Motors Limited | 10 | 3700 | 4000 | 19.01 | 5.49 |
| Tata Power Company Limited | 10 | 4850 | 2500 | 18.11 | 3.00 |
| Tata Teleservices Limited | 10 | 65000 | 0 | 13.07 | 0.00 |
| The Arvind Mills Limited | 10 | 0 | 40000 | 0.00 | 8.94 |
| The Karnataka Bank Limited | 10 | 0 | 7400 | 0.00 | 4.42 |
| The South India Bank Limited | 10 | 39000 | 0 | 30.90 | 0.00 |
| TVS Motors Company Limited | 10 | 0 | 600 | 0.00 | 2.57 |
| Vardhman Spinning and Ginning Mills Limited | 10 | 8000 | 0 | 10.18 | 0.00 |
| Varun Shipping Limited | 10 | 117555 | 0 | 28.21 | 0.00 |
| Vijaya Bank | 10 | 26500 | 50000 | 14.75 | 8.84 |
| Welspun Gujarat Limited | 10 | 15000 | 0 | 3.59 | 0.00 |
| | | | | 1050.53 | 304.25 |
| | | | | 2822.45 | 564.17 |
| Less : Provision for diminution in value of Investments | | | | 277.91 | 166.72 |
| Total Quoted | | | | 2544.54 | 397.45 |
| Total Investments | | | | 25903.76 | 21246.19 |
| Total market value of quoted investments | | | | 2741.12 | 346.32 |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos. | Cost (Rs. in lacs) |
|--|-------------------|----------|-----------------------|
| Notes : | | | |
| 1 Following investments were purchased and sold during the year | | | |
| a) Mutual Funds Units | | | |
| Birla Cash Plus Institutional Plan | 10 | 6353963 | 1054.51 |
| Birla Cash Plus Retail Plan | 10 | 2537112 | 425.00 |
| Chola Freedom Income STF Instl. Cumm | 10 | 543836 | 55.56 |
| Deutsche Alpha Equity Fund - Dividend | 10 | 2378534 | 408.58 |
| Deutsche Alpha Equity Fund - Growth | 10 | 899343 | 181.22 |
| DSP Merrill Lynch Equity Fund - Regular | 10 | 1980645 | 432.04 |
| DSP Merrill Lynch Liquidity Fund | 10 | 3260546 | 498.79 |
| DSP Merrill Lynch Opportunities Fund | 10 | 1326260 | 200.00 |
| Franklin India Blue Chip-Dividend Plan | 10 | 794281 | 200.00 |
| Franklin India Blue Chip-Growth Plan | 10 | 352089 | 178.16 |
| Franklin India Prima Fund | 10 | 924784 | 300.00 |
| GCFG Grindlays Cash Fund | 10 | 3532171 | 403.50 |
| GCFG Grindlays Cash Fund-Instn. Plan B | 10 | 4293946 | 500.00 |
| HDFC Cash Management Call Plan | 10 | 8339986 | 912.20 |
| HDFC Equity Fund Dividend Plan | 10 | 4422659 | 800.00 |
| HDFC Growth Fund- Dividend | 10 | 7511932 | 1080.82 |
| HDFC Growth Fund- Growth | 10 | 1008160 | 175.74 |
| HDFC Liquid Fund - Regular | 10 | 2245174 | 271.00 |
| HDFC Top 200 Fund Dividend Plan | 10 | 1769761 | 384.17 |
| HDFC Top 200 Fund Growth | 10 | 463509 | 179.96 |
| HSBC Cash Fund | 10 | 2289939 | 242.36 |
| HSBC Equity Fund | 10 | 2170365 | 423.81 |
| IDBI-Principal Cash Management Fund | 10 | 4504008 | 552.69 |
| IL&FS Liquid Account Growth | 10 | 5967693 | 695.53 |
| IL&FS Growth and Value Fund-Bonus Option | 10 | 1113107 | 120.00 |
| IL&FS Growth and Value Fund-Growth | 10 | 1710587 | 453.13 |
| IL&FS Growth and Value Fund-Semi Annual Dividend | 10 | 13150175 | 1906.75 |
| ING Income Portfolio - Regular Bonus Option | 10 | 3028798 | 304.88 |
| ING Vysya Income Fund Instl. Bonus Option | 10 | 2976722 | 299.40 |
| Kotak Mahindra Liquid IP | 10 | 25445103 | 3153.13 |
| Kotak Mahindra Liquid Scheme | 10 | 6135430 | 745.00 |
| Principal Growth Fund-Dividend Reinvestment Annual | 10 | 2982894 | 423.28 |
| Prudential ICICI Liquid Plan | 10 | 5624116 | 843.00 |
| Prudential ICICI Liquid Plan Institutional | 10 | 6060518 | 925.00 |
| Prudential ICICI Power Dividend | 10 | 8538570 | 1189.83 |
| Reliance Growth Fund Dividend | 10 | 1031923 | 378.36 |
| Reliance Growth Fund Growth Plan | 10 | 244457 | 173.74 |
| Reliance Vision Fund - Dividend | 10 | 912192 | 420.29 |
| Reliance Vision Fund - Growth Plan | 10 | 2586518 | 425.59 |
| RLF Treasury Plan Retail Option | 10 | 1581916 | 241.23 |
| SBI Magnum Liquid Institutional plan | 10 | 9609257 | 965.00 |
| Sun F& C Money Value Fund-Liquid Normal | 10 | 708225 | 100.00 |
| Templeton India Growth Fund | 10 | 608650 | 178.33 |
| Templeton India Growth Fund Dividend Plan | 10 | 1353881 | 381.26 |
| Templeton India Liquid Fund | 10 | 2207727 | 343.46 |
| UTI Money Market Fund | 10 | 294258 | 50.00 |
| b) Quoted Equity Shares | | | |
| ABB Limited | 10 | 5200 | 18.34 |
| ABS Industries Limited | 10 | 12165 | 12.83 |
| Alok Industries Limited | 10 | 50901 | 11.36 |
| Alstom Power India Limited | 10 | 11451 | 12.33 |
| Andhra Bank | 10 | 22000 | 6.52 |
| Apollo Tyres Limited | 10 | 15529 | 27.05 |
| Asea Brown Boveri Limited | 10 | 2300 | 8.99 |
| Ashok Leyland Limited | 10 | 10050 | 13.35 |
| Asian Hotels Limited | 10 | 9167 | 17.74 |
| Associated Cements Limited | 10 | 7500 | 13.39 |
| Aurobindo Pharma Limited | 5 | 3220 | 10.88 |
| Bajaj Auto Limited | 10 | 2000 | 16.29 |
| Balaji Telefilms Limited | 2 | 20000 | 11.06 |
| Balrampur Chini Mills Limited | 10 | 500 | 0.54 |
| Bank of India | 10 | 22500 | 11.11 |
| Bank of Punjab | 10 | 54000 | 10.32 |
| Bharat Earthmovers Limited | 10 | 50000 | 79.91 |
| Bharat Electronics Limited | 10 | 4900 | 22.17 |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos. | Cost (Rs. in lacs) |
|---|-------------------|--------|-----------------------|
| Bharat Forge Co. Limited | 10 | 2000 | 8.16 |
| Bharat Heavy Electricals Limited | 10 | 10616 | 42.31 |
| Bharat Petroleum Company Limited | 10 | 1000 | 3.66 |
| Birla Corporation Limited | 10 | 2561 | 1.89 |
| Blue Star Limited | 10 | 1158 | 1.14 |
| Bombay Dyeing & Mfg. Co. Limited | 10 | 22713 | 16.12 |
| Bongaigaon Refinery Limited | 10 | 31000 | 24.47 |
| BSES Limited | 10 | 4000 | 16.86 |
| Canara Bank | 10 | 45500 | 47.80 |
| Century Textiles Limited | 10 | 29000 | 32.68 |
| Chambal Fertilizers Limited | 10 | 152000 | 33.43 |
| Chennai Petroleum Corporation Limited | 10 | 144156 | 127.53 |
| Cipla Limited | 10 | 2147 | 22.14 |
| Container Corporation of India Limited | 10 | 1975 | 7.86 |
| Corporation Bank Limited | 10 | 13641 | 27.38 |
| Dabur India Limited | 1 | 80000 | 59.92 |
| Digital Global Software Limited | 10 | 2400 | 11.94 |
| Divi's Laboratories Limited | 10 | 2447 | 8.32 |
| Dr. Reddy's Laboratories Limited | 5 | 3089 | 36.92 |
| East India Hotels Limited | 10 | 900 | 2.59 |
| Eicher Motors Limited | 10 | 1150 | 1.06 |
| E-Serve International Limited | 10 | 2336 | 15.38 |
| Essar Steel Limited | 10 | 40000 | 9.73 |
| FAG Bearings India Limited | 10 | 12119 | 9.01 |
| Federal Bank Limited | 10 | 21987 | 44.73 |
| Gas Authority of India Limited | 10 | 17300 | 20.53 |
| Geometric Software Solutions Limited | 10 | 716 | 3.83 |
| Global Trust Bank Limited | 10 | 45000 | 9.14 |
| GMDC Limited | 10 | 47000 | 102.26 |
| Grasim Industries Limited | 10 | 6800 | 35.43 |
| Great Eastern Shipping Co. Limited | 10 | 3454 | 2.46 |
| GTN Textiles Limited | 10 | 21000 | 7.49 |
| Gujarat Ambuja Limited | 10 | 5000 | 8.90 |
| Gujarat Heavy Chemicals Limited | 10 | 20350 | 4.41 |
| HDFC Bank Limited | 10 | 6500 | 17.92 |
| Hindalco Industries Limited | 10 | 1765 | 14.68 |
| Hindustan Lever Limited | 1 | 13550 | 25.23 |
| Hindustan Motors Limited | 10 | 40070 | 5.14 |
| Hindustan Petroleum Company Limited | 10 | 4880 | 16.12 |
| Hotel Leela Ventures Limited | 10 | 110898 | 40.59 |
| Hughes Software System Limited | 5 | 1000 | 2.96 |
| IBP Co. Limited | 10 | 1400 | 8.70 |
| ICICI Bank Limited | 10 | 8026 | 14.68 |
| IFCI Limited | 10 | 40000 | 6.96 |
| I-Flex Solutions Limited | 5 | 2450 | 19.57 |
| Indian Hotels Co. Limited | 10 | 3500 | 9.28 |
| Indian Oil Corporation Limited | 10 | 16903 | 61.89 |
| Indian Petrochemicals Corporation Limited | 10 | 14000 | 25.50 |
| Indian Rayon and Industries Limited | 10 | 5000 | 5.01 |
| Industrial Development Bank of India | 10 | 200000 | 124.45 |
| Infosys Technologies Limited | 5 | 16020 | 462.52 |
| Ingersoll-Rand India Limited | 10 | 6041 | 15.47 |
| ITC Limited | 10 | 776 | 6.39 |
| J B Chemicals and Pharmaceutical Limited | 10 | 4000 | 11.50 |
| Jammu & Kashmir Bank Limited | 10 | 4700 | 11.09 |
| Jindal Stainless Steel Limited | 2 | 1000 | 1.19 |
| Jindal Steel and Power Limited | 5 | 2550 | 11.68 |
| Jindal Vijaynagar Steel Limited | 10 | 102000 | 10.59 |
| Kochi Refineries Limited | 10 | 15000 | 21.89 |
| KRBL Limited | 10 | 4000 | 2.33 |
| LIC Housing Finance Limited | 10 | 1500 | 2.09 |
| Madras Fertilizers Limited | 10 | 10000 | 2.86 |
| Maharashtra Seamless Limited | 10 | 8000 | 15.98 |
| Mahavir Spinning Mills Limited | 10 | 160336 | 175.08 |
| Mahindra & Mahindra Limited | 10 | 13000 | 30.02 |
| Mahindra Ugine Steel Co. Limited | 10 | 15000 | 4.55 |
| Mangalore Refinery & Petrochemicals Limited | 10 | 45682 | 24.28 |
| Maruti Udyog Limited | 5 | 30125 | 60.38 |
| Mastek Limited | 5 | 6700 | 18.42 |
| McDowell & Company Limited | 10 | 25000 | 16.96 |

GUJARAT FLUOROCHEMICALS LIMITED

| | Face Value Rs. | Nos. | Cost (Rs. in lacs) |
|--|-------------------|--------|-----------------------|
| Morgan Stanley Limited | 10 | 150000 | 19.33 |
| Moser-Baer (I) Limited | 10 | 11200 | 35.62 |
| Motor Industries Co. Limited | 100 | 150 | 8.59 |
| Mphasis BF Limited | 10 | 4350 | 15.67 |
| National Aluminium Company Limited | 10 | 40917 | 70.21 |
| NELCO Limited | 10 | 39800 | 25.26 |
| Neyveli Lignite Corporation Limited | 10 | 13000 | 8.18 |
| Nicolas Piramal India Limited | 10 | 4800 | 16.11 |
| Oil & Natural Gas Corporation Limited | 10 | 3950 | 21.69 |
| Omax Auto Limited | 10 | 15531 | 6.86 |
| Orchid Chemicals Limited | 10 | 11250 | 18.95 |
| PNB Gilts Limited | 10 | 1000 | 0.24 |
| Prism Cements Limited | 10 | 40000 | 4.14 |
| Punjab National Bank | 10 | 7650 | 8.05 |
| Rain Calcining Limited | 10 | 136747 | 36.04 |
| Ranbaxy Laboratories Limited | 10 | 5740 | 47.15 |
| Rashtriya Chemicals & Fertilizers Company Limited | 10 | 146000 | 55.72 |
| Raymond Limited | 10 | 9500 | 10.78 |
| Reliance Industries Limited | 10 | 8225 | 34.26 |
| Satyam Computers Limited | 2 | 3100 | 6.07 |
| Shasun Chemicals Limited | 10 | 2626 | 7.30 |
| Shipping Corporation of India Limited | 10 | 25500 | 23.87 |
| Siemens Limited | 10 | 6215 | 22.88 |
| SKF Bearings (India) Limited | 10 | 14000 | 10.38 |
| State Bank of India | 10 | 8100 | 37.53 |
| Steel Authority of India Limited | 10 | 307000 | 128.39 |
| Strides Arcolab Limited | 10 | 142000 | 341.59 |
| Sun Pharmaceuticals Limited | 5 | 2995 | 16.87 |
| Sundaram Fastners Limited | 1 | 155 | 1.35 |
| Supreme Petrochemicals Limited | 10 | 21000 | 3.24 |
| Tamilnadu Petroproducts Limited | 10 | 20000 | 4.26 |
| Tata Power Company Limited | 10 | 16000 | 40.94 |
| Tata Tea Limited | 10 | 5453 | 15.72 |
| Tata Teleservices Limited | 10 | 200000 | 40.48 |
| TELCO | 10 | 6500 | 25.78 |
| The Arvind Mills Limited | 10 | 64000 | 32.04 |
| The Karnataka Bank Limited | 10 | 6406 | 3.64 |
| Thermax Limited | 10 | 9309 | 25.43 |
| TISCO | 10 | 14950 | 41.61 |
| Trent Limited | 10 | 7000 | 20.44 |
| TVS Motors Company Limited | 1 | 2003 | 9.54 |
| Union Bank of India | 10 | 17000 | 6.80 |
| UTI Bank Limited | 10 | 17300 | 13.11 |
| Vardhman Spinning & Ginning Mills Limited | 10 | 24540 | 21.05 |
| Varun Shipping Limited | 10 | 132500 | 22.96 |
| Videocon International Limited | 10 | 16000 | 5.78 |
| Vijaya Bank | 10 | 59000 | 22.41 |
| Visualsoft (India) Limited | 10 | 12000 | 28.87 |
| Voltas Limited | 10 | 5500 | 4.36 |
| Welspun Gujarat Limited | 10 | 339227 | 81.66 |
| Widia India Limited | 10 | 8316 | 8.95 |
| Wipro Limited | 2 | 950 | 8.87 |
| Wockhard T Limited | 5 | 500 | 2.50 |
| Zicom Security Limited | 10 | 12727 | 9.31 |
| 2 Following shares were transferred in the name of the Company after 31.03.2004 | | | |
| Bharat Earth Movers Limited | 10 | 2000 | |
| Bharat Heavy Chemicals Limited | 10 | 2000 | |
| Federal Bank | 10 | 70 | |
| Gujarat Heavy Chemicals Limited | 10 | 45 | |
| I-Flex Solutions Limited | 5 | 400 | |
| Indian Hotels Co. Limited | 10 | 279 | |
| Infosys Technologies Limited | 5 | 20 | |
| Reliance Industries Limited | 10 | 500 | |
| Steel Authority of India Limited | 10 | 1000 | |
| Vijaya Bank | 10 | 4500 | |

GUJARAT FLUOROCHEMICALS LIMITED

| | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|--|--|
| SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES | | |
| A CURRENT ASSETS | | |
| 1 Inventories (for basis of valuation, please refer to the accounting policies) | | |
| Stores and Spares | 277.07 | 227.66 |
| Packing Materials | 681.45 | 624.23 |
| Finished Goods | | |
| - Manufactured Goods | 129.39 | 404.92 |
| - Traded Goods | 193.53 | 75.49 |
| | 322.92 | 480.41 |
| By-products | 0.40 | 0.34 |
| Material in process | 24.49 | 14.19 |
| Raw Materials | 2685.09 | 1224.36 |
| | 3991.42 | 2571.19 |
| 2 Sundry Debtors (Unsecured) Considered good Exceeding 6 months Others | 107.72 1746.13 1853.85 | 86.52 2068.25 2154.77 |
| Considered Doubtful Exceeding 6 months Others | 63.29 5.80 69.09 | 49.98 0.00 49.98 |
| | 1922.94 | 2204.75 |
| Less: Provision for Doubtful Debts | 69.09 | 49.98 |
| | 1853.85 | 2154.77 |
| 3 Cash and Bank Balances Cash on Hand Bank Balances with Scheduled Banks (a) in Current Accounts (b) in Cash Credit Accounts (c) Fixed Deposits | 2.81 380.73 146.45 2600.97 | 2.68 317.20 5.50 1110.02 |
| | 3130.96 | 1435.40 |
| 4 Other Current Assets Interest accrued | 216.83 | 105.54 |
| B LOANS AND ADVANCES (Unsecured, considered good, unless otherwise stated) | | |
| 1 Advances recoverable in cash or in kind or for value to be received Considered Good Considered Doubtful | 96.28 1.48 97.76 | 146.61 1.48 148.09 |
| Less: Provision for Doubtful advances | 1.48 | 1.48 |
| | 96.28 | 146.61 |
| 2 Deposits | 332.15 | 80.37 |
| 3 Inter-corporate loans Considered Good - to subsidiary company - Inox Leisure Limited (long term investment) - to others (current investments) | 3397.30 736.74 4134.04 | 0.00 1172.40 1172.40 |
| Considered Doubtful | 45.51 | 45.51 |
| | 4179.55 | 1217.91 |
| Less: Provision for Doubtful Inter-corporate loans | 45.51 | 45.51 |
| | 4134.04 | 1172.40 |
| 4 Share Application Money - to subsidiary company - Inox Leisure Limited | 362.00 | 262.00 |
| 5 Prepaid Expenses | 17.99 | 13.66 |
| 6 Balances in Excise Account | 56.78 | 49.74 |
| 7 Income tax paid (Net of provisions) | 972.43 | 0.00 |
| | 5971.67 | 1724.78 |
| Total | 15164.73 | 7991.68 |

GUJARAT FLUOROCHEMICALS LIMITED

| | As at 31st March, 2004 Amount (Rs. in lacs) | As at 31st March, 2003 Amount (Rs. in lacs) |
|---|--|--|
| SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS | | |
| A CURRENT LIABILITIES | | |
| 1 Sundry Creditors | | |
| - due to small scale industrial undertakings | 9.23 | 55.85 |
| - others | 1763.46 | 1133.73 |
| | <u>1772.69</u> | <u>1189.58</u> |
| 2 Trade Deposits | 132.47 | 122.89 |
| 3 Investor Education and Protection Fund shall be credited by the following amounts namely: - Unclaimed dividends (Refer note no. 6) | 37.03 | 40.78 |
| 4 Advances from Customers | 6.66 | 5.35 |
| 5 Other Liabilities | 54.67 | 38.68 |
| 6 Interest accrued but not due | 7.56 | 0.00 |
| | 2011.08 | 1397.28 |
| B PROVISIONS | | |
| 1 Provision for Taxation (Net of payments) | 0.00 | 51.60 |
| 2 Proposed Dividend | 347.34 | 347.34 |
| 3 Tax on Proposed Dividend | 44.50 | 44.50 |
| 4 Provision for Gratuity | 117.64 | 92.23 |
| 5 Provision for Leave Encashment | 71.85 | 56.21 |
| | 581.33 | 591.88 |
| Total | <u>2592.41</u> | <u>1989.16</u> |

GUJARAT FLUOROchemicals LIMITED

| | 2003-2004 Amount (Rs. in lacs) | 2002-2003 Amount (Rs. in lacs) |
|--|-----------------------------------|-----------------------------------|
| SCHEDULE 9: OTHER INCOME | | |
| Interest | | |
| - On long term investments | 79.26 | 5.25 |
| (tax deducted at source of Rs. 10.48 lacs, previous year Rs. Nil) | | |
| - On current investments | 82.15 | 81.18 |
| (tax deducted at source of Rs. 11.89 lacs, previous year Rs. 17.05 lacs) | | |
| - From banks | 125.32 | 88.94 |
| (tax deducted at source of Rs. 25.66 lacs, previous year Rs. 18.72 lacs) | | |
| - On Income-tax refunds | 13.58 | 0.00 |
| - Others | 14.85 | 0.45 |
| (tax deducted at source of Rs. 3.04 lacs, previous year Rs. Nil/-) | | |
| | 315.16 | 175.82 |
| Dividend | | |
| - On long term investments | 1926.85 | 140.52 |
| (tax deducted at source of Rs Nil, previous year Rs. 14.65 lacs) | | |
| - On current investments | 15.45 | 3.35 |
| (tax deducted at source of Rs Nil, previous year Rs. 0.35 lacs) | | |
| | 1942.30 | 143.87 |
| Profit on sale of investments | | |
| (Net of provision for diminution made in earlier years) | | |
| - On long term investments (Net) | 1483.16 | 1613.87 |
| - On current investments (Net) | 429.76 | 10.39 |
| | 1912.92 | 1624.26 |
| Insurance claims received | 2.74 | 5.01 |
| Export Incentives | 17.29 | 40.90 |
| Bad debts written off recovered | 0.00 | 14.59 |
| Liabilities written back | 7.16 | 31.17 |
| Provisions written back | | |
| - doubtful debts | 2.02 | 0.48 |
| - diminution in value of Investments | 1.14 | 0.00 |
| | 3.16 | 0.48 |
| Foreign exchange fluctuation gain (Net) | 84.95 | 0.00 |
| Profit on sale of assets sold/discarded (Net) | 2.06 | 0.00 |
| Miscellaneous income | 15.07 | 19.87 |
| Total | 4302.81 | 2055.97 |
| SCHEDULE 10: MATERIALS | | |
| Opening Stock | | |
| Finished Goods | 480.41 | 935.14 |
| Material in Process | 14.19 | 20.31 |
| By-products | 0.34 | 0.16 |
| | 494.94 | 955.61 |
| Raw Materials consumed | | |
| Opening Stock | 1224.36 | 1008.37 |
| Add : Purchases | 6919.04 | 4392.55 |
| | 8143.40 | 5400.92 |
| Less : Closing Stock | 2685.09 | 1224.36 |
| | 5458.31 | 4176.56 |
| Packing Materials consumed | 2186.11 | 1750.44 |
| Purchase of Finished Goods | 465.77 | 219.95 |
| Less : Closing Stock | | |
| - Finished Goods | 322.92 | 480.41 |
| - Material in Process | 24.49 | 14.19 |
| - By-products | 0.40 | 0.34 |
| | 347.81 | 494.94 |
| Total | 8257.32 | 6607.62 |

GUJARAT FLUOROCHEMICALS LIMITED

| | 2003-2004 Amount (Rs. in lacs) | 2002-2003 Amount (Rs. in lacs) |
|--|-----------------------------------|-----------------------------------|
| SCHEDULE 11: MANUFACTURING AND OTHER EXPENSES | | |
| Stores and Spare parts Consumed | 237.25 | 243.54 |
| Power and Fuel | 846.87 | 747.45 |
| Freight and Octroi | 983.96 | 780.00 |
| Insurance | 64.26 | 61.67 |
| Sales Tax and Excise Duty | 18.79 | 19.19 |
| Production Labour Charges | 57.14 | 50.42 |
| Factory Expenses | 17.72 | 14.00 |
| Repairs to | | |
| - Buildings | 66.06 | 18.22 |
| - Machinery | 88.21 | 106.48 |
| - Others | 34.16 | 27.75 |
| | 188.43 | 152.45 |
| Directors' Sitting Fees | 0.30 | 0.24 |
| Rent | 41.59 | 35.23 |
| Rates and Taxes | 7.71 | 6.19 |
| Travelling and Conveyance | 177.80 | 156.55 |
| Communication expenses | 57.34 | 49.57 |
| Legal and Professional Fees and Expenses | 252.23 | 187.03 |
| Lease Rentals and Hire Charges | 47.56 | 56.25 |
| Loss on assets sold/scrapped (Net) | 0.00 | 0.12 |
| Bank Charges | 70.77 | 38.51 |
| Foreign exchange fluctuation loss (Net) | 0.00 | 10.40 |
| Provision for doubtful debts | 21.12 | 7.65 |
| Bad debts and Remissions | 1.49 | 0.50 |
| Commission | 73.64 | 39.52 |
| Miscellaneous Expenses | 178.13 | 171.34 |
| Total | 3344.10 | 2827.82 |
| SCHEDULE 12: SALARIES AND BENEFITS | | |
| Salaries, Wages, Allowances and Benefits | 605.40 | 500.74 |
| Contribution to Provident and other Funds | 41.82 | 35.15 |
| Gratuity | 26.32 | 34.77 |
| Staff Welfare Expenses | 26.07 | 19.89 |
| Total | 699.61 | 590.55 |
| SCHEDULE 13: INTEREST | | |
| Interest on fixed loans | 66.97 | 14.97 |
| Other Interest | 29.21 | 6.99 |
| Total | 96.18 | 21.96 |

SCHEDULE 14 : NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and provisions of Companies Act, 1956.

b) FIXED ASSETS

Fixed Assets are carried at cost of acquisition, net of modvat/cenvat credit, or cost of construction, including erection expenses, and variations arising due to subsequent fluctuations in foreign exchange rates, as reduced by accumulated depreciation. Lease hold Land is carried at cost, comprising of Lease premium and expenses on acquisition thereof, as reduced by accumulated amortisation.

c) DEPRECIATION

Depreciation has been provided at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956; on Plant and Machinery, on written down value basis; and on other Fixed Assets, excluding Land, on straight line basis. Cost of Leasehold Land is amortised over the period of the lease. Fixed Assets costing upto Rs 5,000 each added during the year are fully depreciated.

d) INVESTMENTS

Long Term Investments are carried at cost. Provision for diminution is made to recognise the decline, other than temporary, in the values of these investments. Current Investments are carried at lower of cost and fair value. Income from investments is accounted for on accrual basis.

e) INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined using FIFO method and is inclusive of appropriate overheads. Closing stock of finished goods and imported materials include excise duty and customs duty payable thereon, wherever applicable. Obsolete, defective and unserviceable stocks are duly provided for.

f) SALES

Sales value is exclusive of excise duty and sales tax, and net of trade discounts.

g) CENVAT CREDIT

Excise duty on inputs is carried forward in current assets and is included in 'Balances in Excise Accounts', till it is utilised while effecting dispatches. Consequently, such inputs are accounted for exclusive of excise duty.

h) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or Losses on settlement of the transactions are recognised in the Profit and Loss Account. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognised in the Profit and Loss Account. In respect of forward exchange contracts entered, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of such contract.

In respect of foreign currency liabilities incurred for the acquisition of fixed assets, such differences are adjusted in the carrying amount of the fixed assets.

i) RETIREMENT BENEFITS

Provisions for Gratuity and Leave Encashment made on the basis of actuarial valuations and contributions to Provident and Pension funds are charged to Profit and Loss Account.

j) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset. Other borrowing costs are charged to Profit and Loss Account.

k) TAXES ON INCOME

Income tax expense comprises current tax and deferred tax charge or release. Deferred tax is recognised on timing differences, subject to consideration of prudence, 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.

2. Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.
3. During the year, the company has received compensation of Rs 993.86 lacs, (previous year 858.46 lacs) equivalent to US \$ 2.16 million (previous year US\$ 1.76 million), for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated. The Company has been advised that the compensation is a capital receipt and hence this amount is directly credited to Capital Reserve.
4. Rupee Term Loan is secured by hypothecation of the fixed assets of the company on first pari passu basis with other banks.

Foreign Currency Term Loan is secured by hypothecation of all movable assets of the company lying at its plant at Ranjitnagar.

Cash Credit limits from Banks (including Foreign Currency Loans- Packing Credit) are secured by hypothecation of stocks and book debts of the company.

All the above loans are secured by way of mortgage created in favour of the banks by deposit of title deeds in respect of the immovable properties of the company situated at Survey No. 16/3, 26 and 27 at Village Ranjitnagar, Taluka Ghoghamba, District Panchmahals, Gujarat on first pari passu basis.

Foreign Currency Loans-Other Loan is secured by pledge of fixed deposits with the banks.

5. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and the provisions for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
6. In respect of unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.
7. The Company's significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations). Generally, these lease arrangements are non-cancellable, range between 11 months to 3 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent" in Schedule 10 to the Profit and Loss Account.

8. Particulars of Capacity, Production, Sales and Stocks of Finished Goods :

A Manufactured products

| | Products | Quantity in MT | | Value (Rs in lacs) | |
|---|--------------------------------------|-----------------------|------------------|---------------------------|------------------|
| | | 2003-2004 | 2002-2003 | 2003-2004 | 2002-2003 |
| I | Chlorofluorocarbons (CFCs and HCFCs) | | | | |
| | - installed capacity | 19000 | 19000 | | |
| | - opening stock | 756 | 1614 | 410.90 | 864.59 |
| | - production | 13886 | 12458 | | |
| | - purchases | 63 | 40 | 107.63 | 77.83 |
| | - sales | 14545 | 13356 | 14513.53 | 12597.89 |
| | - closing stock | 160 | 756 | 92.05 | 410.90 |

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| | | | | | |
|-----|-----------------------------|-------------|------|---------------|--------|
| II | Hydrofluoric acid | | | | |
| | - installed capacity | 9000 | 9000 | | |
| | - opening stock | 107 | 79 | 42.35 | 30.55 |
| | - production | 6741 | 5734 | | |
| | - closing stock | 96 | 107 | 37.35 | 42.35 |
| III | By-products and other sales | | | 469.12 | 511.85 |

- i Vide notification No SO 477(E) dated 25th July, 1991, issued by the Ministry of Industry, the Company's products are exempted from licensing provisions under the Industries (Development and Regulation) Act, 1951.
- ii Installed capacities are as certified by the management on which the Auditors have relied, being a technical matter.
- iii Production is net of filling and other losses.
- iv Production of Hydrofluoric Acid is for captive consumption.

B Traded Goods

| | Products | Quantity in MT | | Value (Rs in lacs) | |
|--|--|-----------------------|------------------|---------------------------|------------------|
| | | 2003-2004 | 2002-2003 | 2003-2004 | 2002-2003 |
| | Hydrofluorocarbons and Other Refrigerant Gases | | | | |
| | - opening stock | 29 | 14 | 27.16 | 40.00 |
| | - purchases | 224 | 81 | 356.14 | 142.12 |
| | - sales | 140 | 66 | 236.69 | 152.57 |
| | - closing stock | 113 | 29 | 193.52 | 27.16 |

| 9. | Raw Materials consumed : | Quantity in MT | | Value (Rs in lacs) | |
|----|--------------------------|-----------------------|------------------|---------------------------|------------------|
| | | 2003-2004 | 2002-2003 | 2003-2004 | 2002-2003 |
| | Fluorspar | 15867 | 13805 | 1328.81 | 1049.77 |
| | Chloromethanes | 20245 | 17542 | 3656.93 | 2746.61 |
| | Others | | | 472.57 | 380.18 |
| | Total | | | 5458.31 | 4176.56 |

| 10. | Imported and indigenous raw material consumed | Percentage | | Value (Rs in lacs) | |
|-----|---|-------------------|------------------|---------------------------|------------------|
| | | 2003-2004 | 2002-2003 | 2003-2004 | 2002-2003 |
| | Imported | 72 | 74 | 3931.17 | 3088.10 |
| | Indigenous | 28 | 26 | 1527.14 | 1088.46 |
| | Total | | | 5458.31 | 4176.56 |

| 11. | Imported and indigenous Stores and spares consumed | Percentage | | Value (Rs in lacs) | |
|-----|--|-------------------|------------------|---------------------------|------------------|
| | | 2003-2004 | 2002-2003 | 2003-2004 | 2002-2003 |
| | Imported | 5 | 8 | 10.94 | 19.43 |
| | Indigenous | 95 | 92 | 226.31 | 224.11 |
| | Total | | | 237.25 | 243.54 |

| 12. | Remuneration to Managing Director and Wholetime Director : | Amount (Rs in lacs) | |
|-----|--|----------------------------|------------------|
| | | 2003-2004 | 2002-2003 |
| | Salary and allowances | 25.47 | 20.64 |
| | Commission to Managing Director | 100.64 | 70.15 |
| | Perquisites | 13.76 | 10.76 |
| | Contribution to Provident Fund | 2.90 | 2.33 |
| | Total | 142.77 | 103.88 |

Note: Remuneration of whole time director is subject to approval of the shareholders at the ensuing annual general meeting.

| | | | |
|--|---|----------------|---------|
| | Computation of Net Profit for Commission to Managing Director | | |
| | Profit as per Profit & Loss Account | 5289.04 | 3337.20 |

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| | | | |
|--------|--|----------------|---------|
| Add : | Directors' Sitting Fees | 0.30 | 0.24 |
| | Managing Director's and Wholetime Director's Remuneration | 142.77 | 103.88 |
| | Provision for doubtful debts/advances | 21.12 | 7.65 |
| | Provision for Diminution in value of Investments | 603.00 | 620.67 |
| | Wealth Tax (net) | 6.50 | 3.73 |
| | Taxation (net) | 889.61 | 1058.84 |
| | Sub-total | 1663.30 | 1795.01 |
| Less : | Provision for doubtful debts written back/adjusted | 2.02 | 0.48 |
| | Provision for wealth tax written back | 4.20 | 0.00 |
| | Provision for Diminution in value of Investment written back | 1.14 | 0.00 |
| | Profit on Sale of Investments | 1912.92 | 1624.26 |
| | Sub-total | 1920.28 | 1624.74 |
| | Net Profit for Managing Director's Commission | 5032.06 | 3507.47 |
| | Commission payable to Managing Director for the year at 2% | 100.64 | 70.15 |

13. Payments to Auditors (included in Legal and Professional Fees and Expenses)

| | Amount (Rs in lacs) | |
|--|----------------------------|-------------------------|
| | <u>2003-2004</u> | <u>2002-2003</u> |
| Audit Fees | 1.40 | 1.25 |
| Tax Audit Fees | 0.90 | 0.75 |
| Fees for taxation matters | 0.48 | 0.37 |
| Limited Review, Corporate Governance and Consolidated Accounts | 0.45 | 0.50 |
| Out of pocket expenses | 0.03 | 0.05 |
| Service Tax | 0.24 | 0.20 |
| Total | 3.50 | 3.12 |

14. Contingent liabilities not provided for in respect of:

| | Amount (Rs in lacs) | |
|---|----------------------------|-------------------------|
| | <u>2003-2004</u> | <u>2002-2003</u> |
| Central Excise Duty | 0.00 | 4.85 |
| Sales Tax | 38.94 | 80.09 |
| Income Tax | 21.60 | 62.59 |
| Bills discounted | 304.77 | 111.83 |
| Guarantee given in respect of loans availed by subsidiary company | 0.00 | 1002.55 |
| Claims against the Company not acknowledged as debts | 24.19 | 22.52 |

Note : Amount of Rs 26.09 lacs (previous year Rs 69.24 lacs) has been paid in respect of above Central Excise Duty, Sales Tax and Income Tax demands and not charged to the Profit and Loss Account.

15. Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances – Rs. 276.21 lacs (previous year Rs. Nil)
16. Amount of borrowing cost capitalised as cost of fixed assets – Rs. 12.74 lacs (previous year Rs. Nil)
17. Exchange Difference Income, in respect of forward contracts attributable to subsequent periods and hence to be recognised accordingly is Rs 27.86 lacs (previous year Rs Nil) .

18. CIF value of imports of:

| | Amount (Rs in lacs) | |
|-------------------|----------------------------|-------------------------|
| | <u>2003-2004</u> | <u>2002-2003</u> |
| Raw materials | 4868.74 | 2838.86 |
| Finished Goods | 359.65 | 111.27 |
| Stores and spares | 6.83 | 18.19 |
| Packing materials | 167.58 | 114.11 |
| Capital Goods | 213.34 | 3.80 |

19. Expenditure in foreign currency :

| | Amount (Rs in lacs) | |
|--|----------------------------|-------------------------|
| | <u>2003-2004</u> | <u>2002-2003</u> |
| Lease rentals, Sales commission, Travelling etc. | 147.60 | 105.92 |

20. Earnings in foreign exchange :

| | Amount (Rs in lacs) | |
|-----------------------------|----------------------------|-------------------------|
| | <u>2003-2004</u> | <u>2002-2003</u> |
| FOB value of exports | 11523.34 | 9421.19 |
| Other recoveries on exports | 549.10 | 359.05 |

21. Name of Small Scale Industrial Undertakings, on the basis of information received by the Company, to whom the Company owes a sum which is outstanding for more than 30 days as on 31.03.2004:

Forbes Marshall Limited, Gayatri Machine Tools, K.S. Industries, Manish Art, S.D. Engineering Works, V. C. Patel & Co.,

22. Prior period items, included in respective heads of accounts, are as under :

| Sr No | Account Head | Amount (Rs. In lacs) | |
|-------|-------------------------------|-----------------------------|-------------------------|
| | | <u>2003-2004</u> | <u>2002-2003</u> |
| 1 | Freight and Octroi | 0.00 | 1.41 |
| 2 | Production labour charges | 0.00 | 1.33 |
| 3 | Repairs Others | 2.09 | 0.00 |
| 4 | Legal & Professional Expenses | 0.75 | 0.00 |
| 5 | Repairs to Building | 9.45 | 0.00 |
| 6 | Others | 0.42 | 1.50 |
| | Total | 12.71 | 4.24 |

23. The major components of the net deferred tax liability are as under :

| Sr No | | Amount (Rs. In lacs) | |
|-------|--|-----------------------------|-------------------------|
| | | <u>2003-2004</u> | <u>2002-2003</u> |

Deferred Tax Liabilities

| | | | |
|------|--------------|---------------|--------|
| (i) | Depreciation | 288.18 | 234.68 |
| (ii) | Others | 89.19 | 25.63 |
| | Total | 377.37 | 260.31 |

Deferred Tax Assets

| | | | |
|-------|---|---------------|--------|
| (i) | Provision for diminution in value of investment | 61.81 | 17.09 |
| (ii) | Retirement benefits | 61.22 | 44.07 |
| (iii) | Doubtful debts and advances | 24.78 | 16.98 |
| | Total | 147.81 | 78.14 |
| | Net Deferred Tax Liability | 229.56 | 182.17 |

24. Calculation of Earnings Per Share (EPS) :

| | | Amount (Rs.in lacs) | |
|----|--|----------------------------|------------------|
| | | 2003-2004 | 2002-2003 |
| a) | Amount used as the numerator - Profit after taxation (Rs. in lacs) | 5289.04 | 3337.20 |
| b) | Number of equity shares outstanding at the beginning and at the end of the year – (Nos.) | 11578000 | 11578000 |
| c) | Nominal value of each share – (Rs.) | 10 | 10 |
| d) | Basic & Diluted Earnings per share (Rs.) | 45.68 | 28.82 |

25. Disclosure of the relationship and transactions with the related parties as defined in Accounting Standard 18 issued by The Institute of Chartered Accountant of India is as under:

(i) Names of the related parties with whom transactions have taken place during the year :

(a) Subsidiary Companies:

Inox Leisure Limited

(b) Key Management Personnel

Shri V K Jain (Managing Director)

Shri D K Sachdeva (Whole-time Director)

(c) Relative of Key-management Personnel

Shri D K Jain (Father of Shri V K Jain)

(d) Enterprises over which Key Management Personnel, or his relative, has significant influence

Chandra Finance

Inox India Limited

Inox Air Products Limited

Inox Leasing & Finance Limited

Inox Global Services Limited (Subsidiary during the period 31.08.2002 to 28.03.2003 in the previous year)

Niryat Sam Apparels (I) Limited

Refron Cylinders Limited

Refron Valves Limited

Ritspin Synthetics Limited (no transaction in current year)

(ii) Particulars of transactions

| | | Amount (Rs in lacs) | |
|-----------|---|----------------------------|------------------|
| | | 2003-2004 | 2002-2003 |
| a) | With Inox Leisure Limited | | |
| | Transactions during the year | | |
| | - Share application money paid (excluding amount of shares allotted) | 100.00 | 262.00 |
| | - Investment in Equity Shares | 0.00 | 1080.00 |
| | - Intercompany Loans given | 3479.00 | 144.00 |
| | - Intercompany Loans received back | 81.70 | 144.00 |
| | - Interest Received | 51.12 | 0.30 |
| | Balances at the end of the year | | |
| | - Investment in Equity Shares | 4500.00 | 4500.00 |
| | - Guarantee given | 0.00 | 1002.55 |
| | - Share application money | 362.00 | 262.00 |
| | - Share application money | 362.00 | 262.00 |
| | -Amount receivable | 3397.30 | 0.00 |

| | | | |
|-----------|---|----------------|---------|
| b) | With Shri V K Jain | | |
| | Transactions during the year | | |
| | - Remuneration paid | 132.39 | 94.81 |
| | Balances at the end of the year | | |
| | - Remuneration payable | 67.70 | 49.62 |
| c) | With Shri D K Sachdeva | | |
| | - Transactions during the year | | |
| | - Remuneration paid | 9.18 | 7.88 |
| | - Rent paid | 1.20 | 1.20 |
| | Balances at the end of the year | | |
| | - Remuneration payable | 1.19 | 1.62 |
| d) | With Shri D K Jain | | |
| | Transactions during the year | | |
| | - Sitting Fees paid | 0.08 | 0.08 |
| d) | With Chandra Finance | | |
| | Transactions during the year | | |
| | - Rent paid | 3.00 | 3.00 |
| | - Deposit given for use of premises received back | 0.00 | 125.00 |
| e) | With Inox India Limited | | |
| | Transactions during the year | | |
| | - Sale of Goods | 0.00 | 0.30 |
| | - Purchase of Goods | 729.76 | 447.23 |
| | - Reimbursement of expenses (received) | 0.87 | 0.00 |
| | Balances at the end of the year | | |
| | - Amounts payable | 54.34 | 58.17 |
| f) | With Inox Air Products Limited | | |
| | Transactions during the year | | |
| | - Sale of Goods | 2.54 | 2.88 |
| | - Purchase of Goods | 959.96 | 882.73 |
| | - Reimbursement of expenses (paid) | 3.70 | 3.20 |
| | - Rent paid | 5.40 | 5.40 |
| | - Purchase of Fixed Assets | 0.00 | 109.50 |
| | Balances at the end of the year | | |
| | - Amounts payable | 109.44 | 74.96 |
| g) | With Inox Leasing & Finance Limited | | |
| | Transactions during the year | | |
| | - Deposit given for use of premises received back | 0.00 | 100.00 |
| | - Deposit given for use of premises | 250.00 | 0.00 |
| | - Sale of Shares | 0.00 | 201.50 |
| | - Interest Received | 14.85 | 0.00 |
| | - Dividend Received | 31.50 | 138.50 |
| | - Rent paid | 0.17 | 0.00 |
| | Balances at the end of the year | | |
| | - Investment in preference shares | 1400.00 | 1400.00 |
| | - Amount receivable | 0.00 | 201.50 |
| | - Outstanding deposit, in respect of premises, receivable | 250.00 | 0.00 |
| h) | With Inox Global Services Limited | | |
| | Transactions during the year | | |
| | - Inter Corporate loans given | 270.00 | 735.00 |

| | | | |
|-----------|--|----------------|---------|
| | - Inter Corporate loans received back | 730.00 | 150.00 |
| | - Interest received | 22.02 | 21.81 |
| | -Purchase of Shares | 899.14 | 0.00 |
| | Balances at the end of the year | | |
| | - Investment in Preference Shares | 1883.00 | 1883.00 |
| | - Investment in Equity Shares | 247.49 | 247.49 |
| | - Amount receivable | 129.44 | 602.24 |
| i) | With Niryat Sam Apparels (I) Limited | | |
| | Balances at the end of the year | | |
| | - Investment in Preference Shares (net of provision) | 145.00 | 145.00 |
| j) | With Refron Cylinders Limited | | |
| | Transactions during the year | | |
| | - Purchase of Goods | 16.12 | 0.00 |
| k) | With Refron Valves Limited | | |
| | Transactions during the year | | |
| | - Purchase of goods | 0.16 | 0.00 |
| l) | With Ritspin Synthetics Limited | | |
| | Transactions during the year | | |
| | - Inter Corporate loans given | 0.00 | 150.00 |
| | - Inter Corporate loans received back | 0.00 | 150.00 |
| | - Interest Received | 0.00 | 1.65 |

26. The Company is primarily engaged in the business of manufacture and sale of refrigerant gases, and hence, it is operating in a single business segment. The products of the company are sold both in the domestic and export markets, which are considered different geographical segments.

Segment-wise revenues are as under:

| Particulars | Amount (Rs in lacs) | |
|-------------|----------------------------|------------------|
| | 2003-2004 | 2002-2003 |
| Domestic | 3146.89 | 3482.07 |
| Exports | 12072.44 | 9780.24 |
| Total | 15219.33 | 13262.31 |

As the company has a single manufacturing facility, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to these geographical segments.

27. Amount due to/from companies under the same management are as under:

| Particulars | Amount (Rs. lacs) | |
|--|---------------------------|-------------------------------------|
| | Inox India Limited | Inox Global Services Limited |
| Inter Corporate Deposit Receivable | | 125.00 (585.00) |
| Amount payable as at 31 st March – credit balance | 54.34 (58.17) | |
| Maximum amount due during the year – debit balance | 3.10 (48.57) | 690.00 (585.00) |

Note ; Figures for previous year are given in brackets.

28. Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956, is enclosed vide Annexure

Gujarat Fluorochemicals Limited

As per our Report of even date attached

| | | |
|--|--|---|
| For Patankar & Associates Chartered Accountants | V.K. JAIN Managing Director | Chairman |
| M.Y.Kulkarni Partner | DEEPAK ASHER Vice President (Corporate Finance) | Director |
| Pune, 21st June, 2004 | BHAVIN DESAI Company Secretary | Director Mumbai, 21 st June, 2004 |

ANNEXURE

Statement Pursuant to Part IV of Schedule VI to the Companies Act. 1956

Balance Sheet Abstract and Company's General Business Profile**I REGISTRATION DETAILS**

Registration No

9 3 6 2

State Code

0 4

Balance Sheet Date

3 1 0 3 0 4

Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS THOUSAND)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS THOUSAND)

Total Liabilities

4 4 8 1 0 1 0

Total Assets

4 4 8 1 0 1 0

Sources of Funds

Paid-up Capital

1 1 5 7 8 0

Reserves & Surplus

3 4 3 4 3 1 3

Secured Loans

5 5 3 4 3 2

Unsecured Loans

9 5 2 8 8

Deferred tax Liability

2 2 9 5 6

Application of Funds

Net Fixed Assets

3 7 4 1 6 1

Investments

2 5 9 0 3 7 6

Net Current Assets

1 2 5 7 2 3 2

Misc. Expenditure

N I L

Accumulated Losses

N I L

IV Performance of Company (Amount in Rs. Thousand)

Turnover (net)

1 5 2 1 9 3 3

Total Expenditure

1 3 3 4 3 4 9

+ - Profit/(Loss) Before Tax
/ 6 1 7 8 6 5+ - Profit/(Loss) After Tax
/ 5 2 8 9 0 4

Earning per share (Rs.)

4 5 6 8

Dividend Rate @ %

3 0 0 0

V Generic Names of Principal Products/Services of Company

(As per monetary terms)

Item Code No (ITC Code)

2 9 0 3 1 0

Product Description

C H L O R O F L U O R O C A R B O N S

Item Code No. (HS Code)

2 8 1 1 9 0

Product Description

H Y D R O F L U O R I C A C I D