

# GFL GUJARAT FLUORO CHEMICALS LIMITED

Registered Office: 16/3, 26 & 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat 389 380

## AUDITED FINANCIAL RESULTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

Rs in Lakhs

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		31st March 2009	31st March 2008	31st March 2009	31st March 2008
1	<b>Income</b>				
	a) Net Sales / Income from operations	104452	72322	127013	92945
	b) Other Operating Income	187	3164	262	3216
	<b>Total Income</b>	<b>104639</b>	<b>75486</b>	<b>127275</b>	<b>96161</b>
2	<b>Expenditure</b>				
	a) Increase (-) / (+) Decrease in stock-in-trade	(4483)	(965)	(4483)	(965)
	b) Consumption of materials	19572	16195	20781	17253
	c) Purchase of traded goods	52	302	52	302
	d) Employees cost	5114	3731	6917	5551
	e) Power & Fuel	10856	6941	12236	8007
	f) Foreign exchange fluctuation loss (Net)	7173	0	7173	0
	g) Depreciation (including amortization)	4718	1383	5984	2314
	h) Other expenses	12363	10220	27063	22330
	i) Expenditure capitalized	0	(378)	0	(378)
	j) Total Expenditure (a to i)	55365	37429	75723	54414
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>49274</b>	<b>38057</b>	<b>51552</b>	<b>41747</b>
4	<b>Other Income</b>	<b>3166</b>	<b>9004</b>	<b>2932</b>	<b>9699</b>
5	<b>Profit before Interest &amp; Exceptional Items (3+4)</b>	<b>52440</b>	<b>47061</b>	<b>54484</b>	<b>51446</b>
6	<b>Interest</b>	<b>5000</b>	<b>2764</b>	<b>5335</b>	<b>3197</b>
7	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>47440</b>	<b>44297</b>	<b>49149</b>	<b>48249</b>
8	<b>Exceptional Items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
9	<b>Profit from Ordinary Activities before tax (7+8)</b>	<b>47440</b>	<b>44297</b>	<b>49149</b>	<b>48249</b>
10	<b>Tax Expense</b>				
	a) Current Tax	12100	8425	12343	9095
	b) Deferred Tax	1287	3830	1622	4103
	c) Fringe Benefit Tax	40	45	80	105
	d) Earlier Years Taxation	0	(48)	(1043)	(42)
	Total Provision for Taxation (a to d)	13427	12252	13002	13261
11	<b>Net Profit from Ordinary Activities</b>	<b>34013</b>	<b>32045</b>	<b>36147</b>	<b>34988</b>
12	<b>Extraordinary Item (net of tax)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
13	<b>Net Profit</b>	<b>34013</b>	<b>32045</b>	<b>36147</b>	<b>34988</b>

14	Add : Net Profit for the year 2006-2007 of the amalgamated company			0	1
15	Less: Minority Interest			(877)	(551)
16	Net Profit After Minority Interest			35270	34438
17	(Less)/Add: Share in (Loss)/Profit of Associates			(2)	4
18	<b>Consolidated Net Profit</b>			35268	34442
19	<b>Cash Profit (Net Profit+Depreciation+Deferred Tax)</b>	40018	37258	42874	40859
20	Paid-up Equity Share Capital (Face value of Re 1 each)	1098.50	1157.80	1098.50	1157.80
21	Reserves (excluding revaluation reserves)	121984	97911	136283	110928
22	<b>Basic and Diluted Earnings per share (Rs) (Face value of Re 1 each) - Not annualized</b>	29.91	27.68	31.02	29.75
23	Aggregate of public shareholding				
	- Number of shares	32916460	38846460	32916460	38846460
	- Percentage of shareholding	29.96%	33.55%	29.96%	33.55%
24	<b>Promoters and promoter group Shareholding</b>				
	a) Pledged/Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shareholding (as a percentage of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of shareholding (as a percentage of the total share capital of the company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of shares	76933540	76933540	76933540	76933540
	- Percentage of shareholding (as a percentage of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shareholding (as a percentage of the total share capital of the company)	70.04%	66.45%	70.04%	66.45%

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

Rs in Lakhs

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		31st March 2009	31st March 2008	31st March 2009	31st March 2008
<b>1</b>	<b>Segment Revenue</b>				
a)	Chemicals	102225	74285	102225	74285
b)	Multiplexes			22517	20483
c)	Power	16898	8793	17018	8820
d)	Other Segment, Un-allocable and Corporate	3166	9004	3084	10317
	<b>Total Segment Revenue</b>	<b>122289</b>	<b>92082</b>	<b>144844</b>	<b>113905</b>
	Less: Inter Segment Revenue – Power	14484	7592	14555	7621
	Less: Inter Segment Revenue – Others			82	424
	<b>Total External Revenue</b>	<b>107805</b>	<b>84490</b>	<b>130207</b>	<b>105860</b>
<b>2</b>	<b>Segment Result</b>				
a)	Chemicals	50732	39413	50733	39412
b)	Multiplexes			2509	3156
c)	Power	6406	1909	6470	1924
d)	Other Segment			(286)	(32)
	<b>Total Segment Result</b>	<b>57138</b>	<b>41322</b>	<b>59425</b>	<b>44460</b>
	(Less)/Add: Un-allocable (Expenses)/Income (Net of Un-allocable expenses/income)	(4698)	5739	(4941)	6986
	Less: Interest expenses	5000	2764	5335	3197
	<b>Total Profit Before Tax</b>	<b>47440</b>	<b>44297</b>	<b>49149</b>	<b>48249</b>
<b>3</b>	<b>Segment Capital Employed (Segment Assets – Segment Liabilities)</b>				
a)	Chemicals	77853	59020	77853	59020
b)	Multiplexes			32444	28676
c)	Power	49565	31170	50265	31931
d)	Other Segment, Un-allocable and corporate	(4336)	8879	(12903)	1909
	<b>Total</b>	<b>123082</b>	<b>99069</b>	<b>147659</b>	<b>121536</b>

## Notes:-

1. The above audited results, reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on 22<sup>nd</sup> May, 2009.
2. Corresponding figures for the previous period / year have been regrouped / recast wherever necessary to correspond to current period / year classification.
3. The Board of Directors at its Meeting considered and recommended final dividend @ 350% i.e. Rs. 3.50 per Equity Share of Re 1 each for the financial year 2008-09.
4. Depreciation for the current year is not comparable with that of the previous year, due to change in accounting policy for providing depreciation effected in the previous year, leading to a write back of depreciation of Rs. 2045.63 Lacs in the previous year due to retrospective re-computation.
5. The Board of Directors of the Company at its meeting held on 21st March, 2008, has approved a proposal, in accordance with Article 8A of the Articles of Association of the Company, and other applicable regulatory provisions, to purchase / buy-back fully paid equity shares of Re 1 each of the Company at a price not exceeding Rs 300 per equity share so that the maximum amount to be utilized for buy-back of shares shall not exceed Rs 6143 lacs, which represents 10 % of paid up capital and free reserves of the Company as on 31<sup>st</sup> March, 2007. The Securities and Exchange Board of India has, vide its order dated 24<sup>th</sup> July, 2008, been pleased to grant an exemption to the Promoter / Promoter Group from making a public offer in terms of the Takeover Regulations. In pursuance of the above buy-back, the Company has, up to 31<sup>st</sup> March, 2009, purchased 59,30,000 equity shares, at a total cost of Rs 6136.31 lakhs, and the equity shares so bought back have been extinguished.
6. During the year, the company has received compensation of Rs. 629.64 Lacs (previous year Rs. 706.92 Lacs), equivalent to US \$ 1.37 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 credited to Capital Reserve.
7. Net Sales / Income from Operations include income from Certified Emissions Reductions (Carbon Credits). "Chemicals" segment includes figures pertaining to Carbon Credits.
8. The Company had entered into a fixed price long term Gas Supply Agreement (GSA), with Gujarat Gas Company Limited (GGCL), on 14 March, 2006, valid till 31st March, 2011, with a price reset clause pursuant to which the fixed price, of US \$ 4.60 per MMBTU, valid till 31st March, 2008, was to be mutually negotiated and revised, by 31st December, 2007, to be effective from 1st April, 2008. On GGCL failing to make any endeavours to negotiate the price of gas effective from 1st April, 2008 despite repeated reminders from the Company, the Company approached the Honourable High Court of Delhi, which, vide interim orders, directed GGCL to continue to supply gas to the Company, on the Company paying GGCL an amount of US \$ 4.60 per MMBTU (subsequently revised to US \$ 10 per MMBTU), and submitting to the Court a bank guarantee for a further US \$ 10 per MMBTU. Despite the above order, GGCL purported to terminate the GSA, effective from 1st April, 2008 and has been raising invoices on the Company at US \$ 24.62 per MMBTU, for gas supplied from 1st April, 2008. The Company has also commenced arbitration proceedings against GGCL, contending that GGCL has forfeited its right to revise the price, as also to terminate the GSA, after 1st April, 2008. In view of the above pending proceedings the Company has made provision in its books of accounts for the gas supplied, at a rate of US \$ 4.60 per MMBTU. The difference between the price billed for by GGCL to the Company, and the amount provided by the Company for the year ended 31<sup>st</sup> March 2009

is Rs 10698 lakhs. The above arbitration proceedings are pending before the Honorable Arbitration Panel. In the meantime, the Company has made alternative arrangements for supply of its gas requirements, from two different sources, at a price of US \$ 4.81 and upto US \$ 5.73 respectively, and supplies under these new agreements have commenced during the month of December 2008.

9. The above Consolidated Financial Results represent results of:
- a. Gujarat Fluorochemicals Limited,
  - b. its subsidiaries Inox Leisure Limited, Inox Motions Picture Limited & Inox Infrastructure Private Limited and
  - c. Associate of Inox Infrastructure Private Limited - Megnasolace City Private Limited.

Consolidation has been made by applying Accounting Standard 21 – “Consolidated Financial Statements” and Accounting Standard 23 – “Accounting for Investments in Consolidated Financial Statements”.

10. There were no investors’ complaints pending at the beginning of the quarter. The Company received 9 complaints during the quarter. The Company has disposed all 9 complaints and there were no complaints outstanding at the end of the quarter.

On behalf of the Board of Directors  
For Gujarat Fluorochemicals Limited

22<sup>nd</sup> May, 2009  
Noida

VIVEK JAIN  
Managing Director