



Creating the right formula  
for growth



GUJARAT  
FLUOROCHEMICALS  
LIMITED



GROUP COMPANY

22nd Annual Report 2008-09

Creating the right formula  
for **growth**



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**Gujarat Fluorochemicals Limited**

## GUJARAT FLUOROchemicals LIMITED

### TWENTY-SECOND ANNUAL GENERAL MEETING

Monday, the 29th June, 2009

at 3.00 p.m.

at

Survey No. 16/3, 26&27

Ranjitnagar 389 380

Taluka Ghoghamba

Dist. Panchmahal

Gujarat

### Request to Shareholders

- Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.
- Kindly send all your transfer deeds together with Share Certificates for transfer of Shares to our Registrar and Share Transfer Agents at the following address :

#### **Link Intime India Pvt. Ltd.**

308, 1st Floor,

Jaldhara Complex

Opp. Manisha Society

Vadodara - 390 015

- Kindly notify change of your address and write only to the Registrar and Share Transfer Agents in respect of any matter connected with your Shares.

### BOARD OF DIRECTORS

Shri D.K. Jain

Shri Shailendra Swarup

Shri V.P. Mittal

Shri Pavan Jain

Shri Vivek Jain

Shri D.K. Sachdeva

Shri J.S. Bedi

Shri O.P. Lohia

Dr. S. Rama Iyer

Shri Deepak Asher

Shri S.P. Jain

*Chairman*

*Managing Director*

*Whole-Time Director*

*Whole-Time Director*

*Director and Group Head*

*Corporate Finance*

*Additional Director*

### Audit Committee

Shri D.K. Jain

Shri V.P. Mittal

Shri Shailendra Swarup

### Company Secretary

Shri B.V. Desai

### Auditors

M/s. Patankar & Associates

Chartered Accountants

### Bankers

Canara Bank

Bank of Maharashtra

ABN Amro Bank N.V.

ICICI Bank

United Bank of India

Oriental Bank of Commerce

UCO Bank

### Registered Office

S/No. 16/3, 26&27,

Ranjitnagar 389 380

Taluka Ghoghamba,

Dist. Panchmahal,

Gujarat.

Tel.: 02678-248 153

### Corporate Office

ABS Towers, 2nd Floor,

Old Padra Road,

Vadodara 390 007,

Gujarat. 0265 - 308 1111

## PLANT LOCATION

#### **Ranjitnagar Project**

Survey No. 16/3, 26 & 27,

Ranjitnagar 389 380,

Taluka Ghoghamba,

District Panchmahal,

Gujarat - State

#### **Dahej Project**

Plot No. 12A,

GIDC Dahej Industrial Estate,

Taluka Vagra,

District Bharuch,

Gujarat - State

#### **Wind Farm Project**

Village Gudhe, Panchgini,

Maharashtra State

Village Sadiya & Ossiya,

Rajasthan State

## **GUJARAT FLUOROchemicals LIMITED**

### **NOTICE**

NOTICE is hereby given to the Members of **Gujarat Fluorochemicals Limited** that the **Twenty-Second Annual General Meeting** of the Company will be held at the Registered Office of the Company at S/No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Goghamba, District Panchmahal, Gujarat, on Monday, the 29<sup>th</sup> June, 2009, at 3:00 pm, to transact the following business :

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009, the Balance Sheet as at that date, the report of the Auditors thereon and the report of the Board of Directors for the said year.
2. To declare final dividend for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Shri VP Mittal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri PK Jain who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS**

6. To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Shri Shanti Prasad Jain, who having been appointed as an Additional Director and in respect of whom Notice under Section 257 of the Companies Act, 1956, has been received from a Member of the Company be and is hereby appointed as a Director of the Company."
7. To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, Shri DK Sachdeva be re-appointed, as a Whole-Time Director of the Company, for the period from 29.11.2009 to 28.11.2010 on the following terms and conditions :

#### **I. SALARY**

- a) Salary and allowances of upto Rs 30.00 lacs per annum as may be decided by the Managing Director of the Company.
- b) Ex-gratia : 20% of the monthly basic salary payable per annum at the end of the year subject to overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.

#### **II. PERQUISITES**

Perquisites will be restricted to Rs 5,00,000 per annum. Perquisites are classified into three categories A, B and C as follows:

#### **CATEGORY A**

- 1) Housing I : The expenditure incurred by the Company on hiring furnished accommodation for the Whole-Time Director will be subject to a ceiling of Rs 20,000 per month.  
 Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
- 2) Medical Reimbursement: Expenses incurred for the Whole-Time Director and his family subject to a ceiling of Rs 15,000 per annum.
- 3) Leave Travel Concession: 6% of the basic salary per month for the Whole-Time Director and his family, once in a year incurred in accordance with the rules specified by the Company.



## **CATEGORY B**

The Whole-Time Director shall also be eligible to the following perquisites:

- 1) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- 3) Encashment of leave is as per the rules of the Company.

## **CATEGORY C**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the individual Whole-Time Director.

Notwithstanding anything contained hereinabove where in any financial year, during the currency of the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, it will pay him above remuneration by way of salary and perquisites."

8. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, Shri JS Bedi be re- appointed, as a Whole-Time Director of the Company, for the period from 01.12.2009 to 30.11.2010 and that he be paid remuneration for the period from 01.04.2009 to 30.11.2010 as per the following terms and conditions :

### **I. SALARY**

- a) Salary and allowances upto Rs 54.00 lacs as may be decided by the Managing Director of the Company.
- b) Ex-gratia : Upto Rs 5.00 lacs subject to overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.

### **II. PERQUISITES**

Perquisites will be restricted to Rs 15.00 lacs. Perquisites are classified into three categories A, B and C as follows :

## **CATEGORY A**

- 1) Housing I : The expenditure incurred by the Company on hiring furnished accommodation for the Whole-Time Director will be subject to a ceiling of Rs 50,000 per month.

Housing II : In case no accommodation is provided by the Company, the Whole-Time Director shall be entitled to House Rent Allowance subject to ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

- 2) Medical Reimbursement: Expenses incurred for the Whole-Time Director and his family subject to a ceiling of Rs 15,000 per annum.
- 3) Leave Travel Concession: Upto Rs 3.00 lacs for the Whole-Time Director and his family, once in a year incurred in accordance with the rules specified by the Company.

## **CATEGORY B**

The Whole-Time Director shall also be eligible to the following perquisites:

- 1) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- 2) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- 3) Encashment of leave is as per the rules of the Company.



## CATEGORY C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual Whole-Time Director.

Notwithstanding anything contained hereinabove where in any financial year, during the currency of the tenure of the Whole-Time Director, the Company has no profits or its profits are inadequate, it will pay him above remuneration by way of salary and perquisites."

By Order of the Board of Directors

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

**DK JAIN**  
Chairman

### Registered Office :

Survey No. 16/3, 26 & 27, Ranjitnagar 389 380  
Taluka Goghamba,  
District Panchmahal, Gujarat

### Note :

- A Member entitled to attend the Meeting and vote thereat is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a Member. Duly executed proxies must be registered with the Company not later than forty-eight hours before the scheduled time of the Meeting.
- The Register of Members and the Share Transfer Books of the Company will be closed from 22<sup>nd</sup> June, 2009 to 29<sup>th</sup> June, 2009 (both days inclusive).
- The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above is annexed hereto.
- Those Members who have not received interim dividend and / or final dividend for 2002-2003 and / or 2003-2004 and / or 2004-2005 and / or 2005-06 and / or 2006-2007 and / or 2007-08 declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents at the following address :

Link Intime India Private Limited,  
308, Jaldhara Complex, First Floor,  
Opp Manisha Society, Vasna Road  
VADODARA 390 015

## ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

### Items No. 6

Shri Shanti Prasad Jain is appointed as an additional director of the Company pursuant to Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company with effect from 22<sup>nd</sup> May, 2009. The term of his office expires at the ensuing Annual General Meeting of the Company. The Company has received notice from the Member proposing to appoint Shri Shanti Prasad Jain as Director of the Company.

The Directors commend that the proposed Resolutions be approved.

None of the Directors of the Company are interested in the Resolution, except Shri Shanti Prasad Jain to the extent of his appointment as Director of the Company.



## **Gujarat Fluorochemicals Limited**

### **Item No. 7**

At the Twenty-First General Meeting of the Company, the Members had re-appointed Shri DK Sachdeva as a Whole-Time Director of the Company for a period from 29<sup>th</sup> November, 2008 to 28<sup>th</sup> November, 2009. It is desirable that the Company should continue to avail his services as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution be approved.

None of the Directors of the Company is concerned or interested in the proposed Resolution except Shri DK Sachdeva to the extent of his appointment as a Whole-Time Director of the Company.

### **Item No. 8**

At the Twenty-First Annual General Meeting of the Company, the Members had re-appointed Shri JS Bedi as a Whole-Time Director of the Company for a period from 1<sup>st</sup> December, 2008 to 30<sup>th</sup> November, 2009. It is desirable that the Company should continue to avail his services as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution be approved.

None of the Directors of the Company is concerned or interested in the proposed Resolution except Shri JS Bedi to the extent of his appointment as a Whole-Time Director of the Company.

By Order of the Board of Directors

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

**DK JAIN**  
Chairman

### **Registered Office :**

Survey No. 16/3, 26 & 27, Ranjitnagar 389 380  
Taluka Goghamba,  
District Panchmahal, Gujarat



## DIRECTORS' REPORT

To the Members of

### GUJARAT FLUOROchemicals LIMITED

Your Directors take pleasure in presenting to you their Twenty-Second Annual Report for the year ended 31<sup>st</sup> March, 2009.

#### 1. FINANCIAL RESULTS

Following are the working results for the year 2008-2009:

(Rs in lacs)

	2008-2009	2007-2008
Turnover	104452.17	72321.56
Gross Profit before Interest and Depreciation	57427.46	49463.52
Less: Interest	4999.97	2764.00
Profit before Depreciation	52427.49	46699.52
Less: Depreciation and amortization for the year	4718.44	1383.28
Less: Provision for diminution in value of investments	268.09	1019.62
Profit before Taxation	47440.96	44296.62
Provision for Taxation	13427.34	12251.92
<b>Profit for the year</b>	<b>34013.62</b>	<b>32044.70</b>
Add: Profit brought forward from previous year	80.56	271.33
	<b>34094.18</b>	<b>32316.03</b>
<b>Appropriations</b>		
Capital Redemption Reserve	59.30	0.00
Proposed Dividend written back	-4.88	0.00
Transferred to General Reserve	29372.39	27494.49
Interim dividend	0.00	2894.50
Proposed Dividend subject to approval of the shareholders	3844.75	1157.80
Tax on Dividend	653.42	688.69
Balance carried to Balance Sheet	169.20	80.55
	<b>34094.18</b>	<b>32316.03</b>

#### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

##### a) Industry structure and developments

There are 4 major manufacturers of Refrigerant Gases in India, of which your company is the largest. Around 90% of your company's production is exported to around 75 countries across the globe. The Refrigerant Gas market in India comprises of two distinct customer categories - distributors, who cater to the replacement demand, and OEs, who represent requirements for new equipment. Internationally, the market is serviced predominantly by a network of distributors



The Company has been successful implementing a Clean Development Mechanism Project which effects Greenhouse Gas Emission Reductions by Thermal Oxidation of HFC23, and earns Carbon Credits. Your Company is amongst the larger Carbon Credit generating projects in the world. Industrial installations and utilities in Europe and Japan buy these Carbon Credits for compliance under the Kyoto Protocol and / or the European Union Emissions Trading Scheme.

Your company has set up a chemical complex at an industrial plot allotted to it at Dahej, GIDC Estate, Taluka Vagra, District Bharuch, Gujarat. The chemical complex comprises of a 30 MW Captive Power Plant, a 54,000 tpa Caustic Soda / Chlorine Plant, a 41,630 tpa Chloromethane Plant and a 5,500 tpa Poly Tetra Fluoro Ethane (PTFE) Plant. All these projects have now been commissioned and are currently operating at around 40% capacity utilization. All the chlorine and most of the chlormethanes produced will be used captively. The Company will sell the Caustic Soda and the PTFE in the domestic and export markets. The PTFE plant is the largest in the country.

Your Company has incorporated a subsidiary company "Inox Wind Limited" for manufacturing wind turbines, in pursuance of its business plans to set up and operate wind farms. It is also in the process of acquiring land and setting up an operating team for this business.

**b) Opportunities and threats**

The Refrigerant Gas Business of your Company is operating at near full capacity. The key threat to the Refrigerant Gas Business continues to be pressures on margins due to competition from China. However, your Company's competitive advantage is likely to be further enhanced with the full operations of the integration projects at Dahej.

On the Carbon Credit Business, your Company continues its strong presence in the international markets, and the sale of Carbon Credits to European buyers has added a healthy revenue stream to your Company's operating results and is expected to do so, right upto 2012, and potentially beyond. The key threat to this business is the price volatility in the carbon markets, but your Company has implemented an effective price hedging strategy to mitigate this risk.

The Chemical Complex at Dahej has diversified the product portfolio of the company, strengthened its cost-competitiveness by making it amongst the most integrated manufacturers of these products in the world, added longevity to its existing Refrigerant Gas Business, and expanded your Company's size in terms of turnover and assets, and add to its profitability. The key threats to this business is availability and cost of energy (being one of the key inputs) and your company's ability to meet the quality standards of the export markets.

The Wind Energy Business is quite nascent in the country, and there is a good opportunity of creating value by identifying viable sites, a cost-effective equipment sourcing strategy and ability to raise capital efficiently. Growth opportunities could be greenfield, as well as through consolidation. The key threat in this business is increasing costs due to supply constraints, wind uncertainty, and regulatory restrictions leading to inability to sell the power generated at viable tariffs.

**c) Segment-wise and product-wise performance**

In line with the requirements of the Accounting Standard on Segment Reporting (AS-17), the Company has disclosed performance of each segment in the Note No 24 of Notes to the Accounts of Annual Report of the Company.

**d) Outlook**

HCFC22 is expected to witness a growth of around 5% per annum globally, largely due to growth in PTFE demand. Your company, due to its vast marketing reach and increasing cost competitiveness, as also due to faster Montreal Protocol mandated phase-out schedules in developed countries, has been able to maintain a healthy growth rate over the past few years, and expects to be able to operate at near full capacity levels, into the future.

On the Carbon Credit front, it is expected that with stabilising energy prices, prices of Carbon Credits generated by your Company should remain firm. There is still some uncertainty about the market post 2012, over which some clarity could evolve over the next year(s).

The outlook on the Chemical Complex at Dahej is quite positive, with the firming up of Caustic soda prices domestically, and the improved PTFE realizations expected due to the imposition of anti-dumping duty on Chinese product exported to Europe.

As regards the Wind Energy Business, there continues to be a demand-supply gap for energy in general, and renewable energy in particular, and this should provide the impetus for regulatory regime changes to further improve the viability of this business.

**e) Internal control system and their adequacy**

The company has an adequate internal audit system commensurate with its size and the nature of its business. The internal audit is carried out by an independent firm of Chartered Accountants, who interact with the Audit Committee on a regular basis, with respect to the scope of audit, significant audit observations, and remedial action required, if any.

**f) Discussion on financial performance with respect to operational performance**

The financial performance of your Company continues to remain stable, and is expected to show an improvement in the coming years, with the stabilisation of the chemical complex at Dahej, the firming up of Carbon Credit prices, and the commencement of revenues from the Wind Energy business.

**g) Material developments in human resources / industrial relations front, including number of people employed**

The company has around 900 employees on its rolls. Your company continues to have cordial and harmonious relations with all its employees.

### 3. RESPONSIBILITY STATEMENT

Your Directors would like to confirm that

- I. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- II. the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Directors have prepared the Annual Accounts on a going concern basis.

### 4. DIVIDEND

Your Directors now recommend a final dividend of Rs 3.50 per share (350%) subject to approval of the shareholders. The total dividend payout (including tax) for the year will be Rs 4498.17 lacs.

### 5. DIRECTORS

Shri VP Mittal and Shri PK Jain, retire by rotation and being eligible, offer themselves for re-appointment.

Shri Shanti Prasad Jain is appointed as an additional director of the Company at the Meeting of the Board of Directors held on 22<sup>nd</sup> May, 2009. He holds his office upto the 22<sup>nd</sup> Annual General Meeting of the Company. Notice has been received from a Member of the Company specifying his intention to propose the candidature of Shri Shanti Prasad Jain as a Director of the Company. The Board recommends his appointment as a Director of the Company.

### 6. BUY-BACK OF COMPANY EQUITY SHARES

Your Company has completed buy-back of its 59,30,000 equity shares of Rs 1 each at an average price of Rs 103.48 per equity share. The present paid-up share capital of the Company, post buy-back, is 10,98,50,000 equity shares of Rs 1 each. On account of the buy-back of shares, Inox Leasing and Finance Limited, the Promoter Company, has become the holding company of your Company.

### 7. SUBSIDIARY COMPANY

The Balance Sheet, Profit and Loss Account, Auditors' Report and Directors' Report and a Statement of your Company's interest in Inox Leisure Limited, Inox Infrastructure Private Limited and Inox Motion Pictures Limited, as required under Section 212 of the Companies Act, 1956, for the year 31<sup>st</sup> March 2009 are annexed hereto.

### 8. AUDITORS' REPORT

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.



## **9. AUDITORS**

Members are requested to appoint Auditors for the current year and to fix, or authorise the Board to fix, their remuneration. The Auditors, M/s. Patankar & Associates, retire and offer themselves for re-appointment. Due notice has been received from them that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

## **10. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

In compliance with the requirements of Clause 49(V), a certificate from the Managing Director and Director and Group Head (Corporate Finance) of the Company, who are responsible for the finance function, was placed before the Board.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report.

## **11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the matters contained therein is given by way of an Annexure to this Report.

## **12. PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

## **13. SUSTAINABLE DEVELOPMENT ACTIVITIES**

The Company undertakes sustainable development work as part of its ongoing efforts to improve the quality of life of the people in the areas surrounding its plant. Your company has spent around Rs 69.93 lakhs in the last financial year on these initiatives. Diligent and sincere efforts in this direction have had a positive and lasting impact on the neighbouring community.

## **14. SAFETY, HEALTH AND ENVIRONMENT**

Safety, health and environment have been of prime concern to the Company and necessary efforts were made in this direction in line with the safety, health and environment policy laid down by the Company. The Company has achieved certification of ISO : 14001:2004 (Environment Management System) and ISO 18001:2007 (Occupational Health and Safety Management System) for its Ranjitnagar Unit. Health of employees is being regularly monitored and environment has been maintained as per statutory requirements.

## **15. INSURANCE**

The Company's property and assets have been adequately insured.

## **16. ACKNOWLEDGEMENT**

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By Order of the Board of Directors

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

**DK JAIN**  
Chairman

## ANNEXURE

To The Directors' Report

Information as required under Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### (A) CONSERVATION OF ENERGY

#### **Ranjitnagar Unit :**

##### **(a) Energy conservation measures taken :**

1. Benefits of energy savings are continued to be obtained due to implementation of jacket hot water recovery scheme.
2. Energy saving is continued to be achieved by utilizing the waste heat from AHF Kiln Hot Air system.
3. Conversion of part by-product HCl to AHCl by AHCl purification system is continued as a step to value addition to product.
4. Timer installation and replacement of 125 W HPMV lamps with 70 W HPMV lamps to all street lights have resulted in energy saving.
5. Recovery of low grade heat from Captive Power Plant (CPP) Gas Engine Jacket for process heating in place of steam. This has increased fuel efficiency of the CPP. This has resulted in net substitution of about 50 tons per day of Steam by low grade heat.
6. Work on optimization of Cooling Water Distribution Network is continued. This has resulted in net reduction of 702 kWh/day in power consumption.
7. Cross Flow Cooling Towers were converted into higher efficient counter flow configuration using structured packing which has resulted in net savings of about 4000 kWh/day.
8. Variable frequency drive was installed to crude gas compressor which resulted in power saving 1.60 lacs kWh per annum.
9. Additional Sulphur cooler and all condensers / heat exchangers cleaned in Central Utility which resulted in reduction in operation of one Refrigeration Compressor thereby saving of 9.50 lacs kWh per annum.
10. Power distribution system to cooling towers has been rearranged for critical and non-critical load section for optimizing the power load which resulted in saving of 1.72 lacs kWh per annum.
11. Fluid coupling of blower of Kiln replaced with more economical one resulted in saving of about 1.58 lacs kWh per annum.

##### **(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

1. Optimization of refrigeration system in the process is being taken to reduce the overall refrigeration load to the process.
2. Further utilisation of waste heat in Boiler and process.
3. Further plant corrosion and robustness study to improve continuity of plant.
4. Better utilization of equipments by changing MOC for better plant efficiency.
5. Further process improvement to reduce slippage of AHF in by-product HCl to improve raw material efficiency.
6. Further improvement in steam condensate recovery system to improve the recovery and to use flash steam in process.
7. Better utilization of recovered water in process and to reduce water consumption.
8. Utilization of Hot Water from gas based generator in process.
9. Further study to reduce power consumption in cooling water circulation system.
10. Further improvement in power supply system to improve power factor.

**Dahej Unit :**

**(a) Energy conservation measures taken :**

1. Benefits of energy savings are continued to be obtained due to lower power consumption by trimming of impellers of cooling water and chilled water pumps.
2. Energy Audit of all the plant units was conducted and relevant suggestions were implemented resulting into substantial power saving in each plant operations.
3. The number of elements in electrolyser were increased from 128 to 142, resulted into increase of production from 142 TPD to 157 TPD. This has resulted into reduction of Auxiliary power consumption by 25 kWH.
4. Replacement of membranes with lesser power consuming membranes. This has resulted into use power saving from 2580 kWH/MT to 2300 kWH/MT of Caustic production.
5. Electric heater design has been changed in PTFE drying system resulted into a power saving upto 120 kWH.
6. By operational modifications, Chlorine vaporizer temperature has been reduced from 140°C to 95°C, resulted into saving of 1800 MT of steam per annum.
7. Modification was done in Brine Clarifier to remove operation of two pumps, which resulted into saving of 7.5 kWH.
8. Direct Cell house outlet dilute Caustic taken to CCU resulting into saving of 11 kWH.
9. Replacement of piston crown in both gas engines to increase the combustion efficiency and hence performance of engine.
10. Installation of gas filters assembly in main gas line to increase the reliability of Power plant.
11. Installation of 0.2s class energy meter in the generator and 0.5 class for outgoing feeders for better energy management.
12. At various locations wherever possible 250 / 125 W HPMV lamp being replaced by 75 W metal halides lamps.
13. Power management system along with CD increase being taken upto make CPU more reliable and stable to meet site requirement i.e. more productivity with minimum down time.
14. Variable frequency drive installed in the wet crushing operation of PTFE instead of soft starters was benefitted in saving power consumption of 30 kWH.
15. In PT-PTFE VFD in 20 micron line installed to get saving potential of 5.4 kWH per day.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

1. Coal / thermal based power generation and export for additional revenue generation and back up gas based power in captive use.
2. The steam being generated from coal / thermal power plant shall be used in VAMs for chilled water units, which will save approximately 55 kWH / MT in CMS, 46 KWH / MT in Caustic in CA and 20 kWH / MT in TFE / PTFE.
3. Proposal for one more electrolyser to enhance the capacity and reduce overall power consumption.
4. Recovery of waste heat of both gas engines by providing WHRSG in exhaust of gas engine to make it cost effective and meet additional steam requirement.
5. External oil cooling system for GE alternator bearing to make it more effective and reliable.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods ;**

1. The impact of the measures indicated in (a) and (b) above are expected to be favourable i.e., reduced energy consumption and its consequential effect on cost of production.



(d) **Total energy consumption and energy consumption per unit of production as per Form A;**

				Current Year	Previous Year
<b>A</b>			<b>Power and Fuel Consumption</b>		
	1	A	Electricity Purchased		
			Units (in lacs)	<b>376.53</b>	23.38
			Total Amount (Rs in lacs)	<b>2276.19</b>	152.47
			Rate/Unit (Rs.)	<b>6.05</b>	6.52
		B	Own Generation		
			Units (in lacs)	<b>1805.38</b>	1534.73
			Total Amount (Rs in lacs)	<b>9217.85</b>	6517.58
			Rate/Unit (Rs.)	<b>5.11</b>	4.25
	2		Coal	<b>0</b>	0
	3		Furnace Oil		
			Quantity (k. ltrs.)	<b>701.90</b>	1249.42
			Total Amount (Rs. in lacs)	<b>186.87</b>	297.45
			Average Rate (Rs.)	<b>26.62</b>	23.81
	4		RLNG SCM		
			Quantity (scm)	<b>554.87</b>	488.16
			Total Amount (Rs. in lacs)	<b>7061.33</b>	5738.53
			Average Rate (Rs.)	<b>12.73</b>	11.76
<b>B</b>			<b>Consumption per unit of production</b>		
			Ranjitnagar (Fluorochemicals) Unit		
	1		Electricity KWH/MT	<b>735</b>	837
	2		Fuel Oil LTR/MT	<b>17</b>	39
	3		RLNG SCM/MT	<b>253</b>	253
	4		Coal	<b>0</b>	0
	5		Others	<b>0</b>	0
			Dahej (Chemicals) Unit		
	1		Electricity KWH/MT	<b>2357</b>	2654
	2		Fuel Oil LTR/MT	<b>1</b>	0
	3		RLNG SCM/MT	<b>571</b>	915
	4		Coal	<b>0</b>	0
	5		Others	<b>0</b>	0

**(B) TECHNOLOGY ABSORPTION**

**(e) efforts made in technology absorption as per Form B ;**

**Ranjitnagar Unit:**

**Research and Development**

**1. Specific areas in which R & D carried out by the Company**

- Close study of the plant to improve the plant throughput, to improve efficiency and product quality.
- Close study of method of removal of impurities from raw material for better product efficiency and quality.
- Study on plant corrosion to improve technique to reduce downtime and to study use of better material of construction.
- Study the utilization of by-products for various value added products.
- More efficient system to remove impurities in product gases.

**2. Benefits derived as a result of the above R & D**

- Improved throughput improved efficiency, better quality, better capacity utilisation, and consistency in product quality and improved profitability.



### 3. Future plan of action

- i. The Company proposes to develop various value-added products based on Hydrofluoric Acid, Hydrofluosilicic Acid and Hydrogen Chloride.

#### Technology absorption, adaptation and innovation :

##### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- i. Plant personnel were given exclusive training for better technology absorption and innovation.
- ii. Technological information is up-dated by discussions with the collaborators, Engineers, Consultants and through technical literature.

##### 2. Benefits derived as a result of the above efforts.

- i. Improvements carried out in AHF, HCFC and ETP plants have resulted in lowering of corrosion and water consumption and in increasing throughput and efficiency.

#### Dahej Unit:

##### Research and Development

##### 1. Specific areas in which R & D carried out by the Company

- i. Continuous efforts are being put to improve the efficiency of the operation and quality of products.
- ii. Efforts are being made to develop indigenous spare parts to have better availability of the plant and compatibility of operation.
- iii. Close watch is being maintained to contain the specific consumables within the limits of specified norms.
- iv. Operational analysis being shared with technology supplier on regular basis to have their advice on operation and establishment of technology.
- v. Material of construction upgradation: PTFE lined plug valve used instead of CS ball valve and PP / PTFE lined pipe used to improve plant reliability better equipment utilization.
- vi. All operational units have implemented Planned Preventive Maintenance.

##### 2. Benefits derived as a result of the above R & D

- i. GFRC is capable to cater the customer needs within the laid out standards. Validation studies have helped in efficient process optimization.
- ii. GFRC has geared up to explore application development potential in domestic market by way of translation of applications, creating awareness about the latest technological advancements and in converting product ideas into reality.

##### 3. Future plan of action

- i. Proposed to develop value added by-products and enhancement of power generation, Caustic and Methylene Chloride production.
- ii. PTFE conversion for compounding operation.

#### Technology absorption, adaptation and innovation :

##### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- iii. Exclusive training was extended to plant personnel both in-house and as well as technology suppliers work for better technology absorption.
- iv. Technical representative from technology supplier, equipment supplier were hired to give on-hand operational training.

##### 2. Benefits derived as a result of the above efforts.

- i. Improvements in operational efficiency.

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- |                           |   |  |
|---------------------------|---|--|
| (f) Foreign exchange used | - | Refer to Note No. 19 of Schedule 16 of Annual Accounts |
| Foreign exchange earned   | - | Refer to Note No. 20 of Schedule 16 of Annual Accounts |

By Order of the Board of Directors

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

**DK JAIN**  
Chairman

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Company	:	Inox Leisure Limited	Inox Infrastructure Private Limited	Inox Motion Pictures Limited
2. Financial year ended	:	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2009
3. Shares held by the Holding Company in the Subsidiary Company	:	3,96,00,000 Equity Shares of Rs 10 each	5,00,00,000 Equity Shares of Rs 10 each	50,000 Equity Shares of Rs 10 each
4. Holding Company's Interest	:	63.98 %	100.00 %	100.00 %
5. The net aggregate of Profits or Losses for the current and previous financial periods of the Subsidiary so far as it concerns the Members of the Holding Company :				
a) dealt with or provided for in the accounts of the Holding Company	:			
b) not dealt with or provided for in the accounts of the Holding Company		Rs 3577.83 lakhs	Rs 104.14 lakhs	Rs(-)8.33 lakhs

By Order of the Board of Directors

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

**DK JAIN**  
Chairman



## CORPORATE GOVERNANCE REPORT

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company is pleased to submit this report on the matters mentioned in the said clause and the practices followed by the Company in this regard.

### 1. Company's philosophy on Code of Governance

Corporate Governance is the system by which companies are directed and controlled by the management in the best interest of the shareholders and others ensuing greater transparency and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its shareholders.

Gujarat Fluorochemicals Limited believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with corporate governance.

### 2. Board of Directors

The Board of Directors consists of eleven directors of which one is Managing Director and two are Whole-Time Directors. There are eight non-executive Directors. The Chairman of your Company is related to the Managing Director of the Company and as per provisions of the Listing Agreement, 50 % of the Board shall consist of Independent Directors. The Board of your Company consists of five Independent Directors and is in process of appointing one more Independent Director in order to comply with the requirement of Independent Directors as per the Listing Agreement.

During the year, 2008-2009, the Board met four times on following dates, namely, 10<sup>th</sup> June, 2008, 31<sup>st</sup> July, 2008, 25<sup>th</sup> October, 2008, 23<sup>rd</sup> January, 2009.

The following table gives details of Directors, details of attendance of Directors of Board Meetings, at the Annual General Meeting, number of memberships held by Directors in the Board / Committees of various Companies:

Name	Category	Attendance Particulars		Number of other directorship and Committee Member / Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri DK Jain	Non-Independent Director	3	No	9	2	1
Shri VP Mittal	Independent Director	4	No	6	7	6
Shri Shailendra Swarup	Independent Director	3	No	9	5	-
Shri VK Jain	Managing Director	4	Yes	18	11	-
Shri DK Sachdeva	Whole-time Director	-	Yes	-	-	-
Shri PK Jain	Non-Independent Director	1	No	14	9	-
Shri OP Lohia	Independent Director	4	No	4	2	1
Shri JS Bedi	Whole-time Director	-	No	-	-	-
Dr S Rama Iyer	Independent Director	2	No	5	-	-
Shri Deepak Asher	Non-Independent Director	4	Yes	3	1	-

### Directors seeking re-appointment / appointment

Shri VP Mittal and Shri PK Jain retire by rotation and, being eligible offer themselves for re-appointment. Shri Shanti Prasad Jain is appointed as additional director of the Company on 22nd May, 2009 and holds office upto 22<sup>nd</sup> Annual General Meeting. Notice has been received from a Member of the Company signifying his intention to propose the candidature of Shri Shanti Prasad Jain as a Director of the Company.

#### Shri VP Mittal

Shri VP Mittal is M.A., LL.B. and retired IRS. He was Chief Commissioner of Income Tax. He has served in various capacities in the Government of India and as Taxation Advisor to the Government of Barbados (West Indies). He is Director of several companies apart from your Company and is presently practicing as Tax Consultant.

#### Shri PK Jain

Shri PK Jain is a Chemical Engineer from IIT, New Delhi, with over 32 years of experience in various capacities of which last twenty have been as Managing Director of INOX Air Products Limited. Under his stewardship INOX Air Products Limited has grown from a single plant business, to one of the largest players in industrial gas business in the country.

#### Shri Shanti Prasad Jain

Shri Shanti Prasad Jain is a leading Chartered Accountant and practicing since 1963. He has specialized in taxation matters of various reputed companies and banks.

### 3. Audit Committee

The composition of Audit Committee and the details of the Meetings attended by the Directors are given below:

Name	Category	Attendance			
		10 <sup>th</sup> June, 2008	31 <sup>st</sup> July 2008	25 <sup>th</sup> October 2008	23 <sup>rd</sup> January 2009
Shri DK Jain	Director	Yes	No	Yes	Yes
Shri VP Mittal	Chairman	Yes	Yes	Yes	Yes
Shri Shailendra Swarup	Director	Yes	Yes	Yes	Yes

The Company Secretary acts as the Secretary to the Audit Committee. The terms of reference and powers of the Audit Committee are in accordance with the Clause 49 of the Listing Agreement. The Chairman of the Audit Committee was unable to attend Annual General Meeting held on 20th September, 2008 due to unavoidable circumstances.

### 4. Directors Remuneration

The Board of Directors approves the remuneration of Directors before it is placed to the Shareholders for their approval. The remuneration payable to the Managing Director and the Whole-time Director was approved by the Board of Directors in its Meeting when all the Directors were present. The Remuneration Committee being optional is not formed so far. The following are the details of remuneration drawn by Directors:

#### Remuneration paid during 2008-2009

Name of Director	Relationship With other Directors	Business Relationship with the Company, if any	All elements of Remuneration package i.e. salary, benefits, bonuses, pension, etc.	Service Contracts, NoticePeriod, Severance Fee												
Shri Vivek Jain	Relative of Shri DK Jain and Shri PK Jain	Managing Director	<table><tr><td>Particulars</td><td>Rs.in Lacs</td></tr><tr><td>Salary &amp; Allowances:</td><td>24.60</td></tr><tr><td>Perquisites :</td><td>25.33</td></tr><tr><td>Contribution To PF :</td><td>2.88</td></tr><tr><td>Commission :</td><td>2020.49</td></tr><tr><td>Total :</td><td>2073.31</td></tr></table>	Particulars	Rs.in Lacs	Salary & Allowances:	24.60	Perquisites :	25.33	Contribution To PF :	2.88	Commission :	2020.49	Total :	2073.31	Service Contract 01.01.2008 to 31.12.2012
Particulars	Rs.in Lacs															
Salary & Allowances:	24.60															
Perquisites :	25.33															
Contribution To PF :	2.88															
Commission :	2020.49															
Total :	2073.31															



Name of Director	Relationship With other Directors	Business Relationship with the Company, if any	All elements of Remuneration package i.e. salary, benefits, bonuses, pension, etc.	Service Contracts, NoticePeriod, Severance Fee
Shri DK Sachdeva	None	Whole-Time Director	ParticularsRs.in Lacs Salary & Allowances:24.25 Perquisites:2.35 Contribution To PF:1.20 Total:27.79	Service Contract 29.11.2008 to 28.11.2009
Shri JS Bedi	None	Whole-Time Director	ParticularsRs.in Lacs Salary & Allowances:24.01 Perquisites:1.43 Contribution To PF:1.30 Total:26.75	Service Contract 31.10.2008 to 30.11.2009

The following are the details of sitting fees paid to the Directors for attending the Board / Committee Meetings:

<b>Name of the Director</b>	<b>Total Rupees</b>
Shri D K Jain	80000
Shri Shailendra Swarup	30000
Shri V P Mittal	40000
Shri PK Jain	5000
Dr S Rama Iyer	10000
Shri Deepak Asher	20000

## 5. Shareholders and Investors Grievance Committee

The Committee comprises of Shri DK Jain, Chairman, Shri PK Jain, Director and Shri Vivek Jain, Managing Director. The Committee approves the share transfers and issue of duplicate share certificates. The Committee also takes note of the dematerialization requests received and attended by the transfer agents. Shri Bhavin Desai, Company Secretary is Compliance Officer of the Company. During the year the company has received 66 complaints which were replied / resolved to the satisfaction of the shareholders and 2 requests for transfer were pending for approval as on 31<sup>st</sup> March, 2009 and the same were approved and dealt with in share transfer committee meeting on 2<sup>nd</sup> April, 2009.

The following table gives details of Directors / attendance of Directors of Share transfer and Investor Grievance Committee Meeting:

<b>Name</b>	<b>Category</b>	<b>Attendance</b>
Shri DK Jain	Director	21
Shri Vivek Jain	Managing Director	21

## 6. General Body Meetings

The last three Annual General Meetings of the Company were held as under:

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>
2005-2006	Survey No.16/3, 26 & 27, Ranjitnagar – 389 380 Taluka Ghoghamba, Dist. Panchmahal, Gujarat	23.09.2006	11:30 am
2006-2007	Same as above	29.09.2007	11:30 am
2007-2008	Same as above	20.09.2008	11:30 am

## Note



No special resolution was passed at the Annual General Meetings held on 23<sup>rd</sup> September, 2006.

The following special resolution was passed at the last Annual General Meeting held on 29<sup>th</sup> September, 2007:

- Commencement of new business of giving on lease of property by the Company.

The following special resolution was passed at the last Annual General Meeting held on 20<sup>th</sup> September, 2008:

- Appointment of Shri Devensh Jain, relative of Shri DK Jain and Shri VK Jain, Directors of the Company, to hold office or place of profit of the Company.

During the year ended 31st March, 2009, no ordinary or special resolutions were passed by your Company's shareholders through postal ballot.

## 7. Disclosures

### (a) Disclosures on materially significant related party transactions

There are no related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with interests of the Company at large. The Register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.

Transactions with the related parties are disclosed in the Note No 27 of Schedule 16 to the accounts in the Annual Report.

### (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other authority on any matter related to capital markets during last three years.

There were no instances of non-compliance of any matter related to capital markets during last three years.

## 8. Means of communication

- The Company has published its quarterly results in The Economic Times and Vadodara Samachar / Sandesh.
- The Management discussion and analysis form part of the Annual Report, which is posted to the shareholders of the Company.

## 9. General Shareholder information

9.1	Annual General Meeting	:	29 <sup>th</sup> June, 2009 Survey No 16/3,26&27, Ranjitnagar 389 380
9.2	Financial Year	:	April to March
9.3	Book Closure Date	:	22 <sup>nd</sup> June, 2009 to 29 <sup>th</sup> June 2009
9.4	Dividend Payment Date	:	On or before 10 <sup>th</sup> July, 2009
9.5	Listing of Equity Shares	:	National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051 The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkatta 700 001 The Company's application for voluntarily delisting of its equity shares with The Calcutta Stock Exchange Association Limited is pending with the stock exchange since 2004.
9.6	Stock code		
	Mumbai Stock Exchange	:	500173
	Demat ISIN No in NSDL & CDSL	:	INE538A01037



## 9.7 Market Price data

	Bombay Stock Exchange (BSE) (in Rs.)				National Stock Exchange (NSE) (in Rs.)			
	Monthly low price	Monthly high price	Quantity in Nos.	Value in Rs. in lacs	Monthly low price	Monthly high price	Quantity in Nos.	Value Rs. in lacs
April, 2008	152.90	244.55	518333	1143.63	182.00	244.45	611654	1317.59
May, 2008	197.00	234.50	206302	444.86	193.70	235.00	300747	649.10
June, 2008	165.10	208.00	267907	527.79	168.10	209.50	341624	674.11
July, 2008	159.00	213.85	546174	1039.64	160.00	213.85	528146	1017.03
August, 2008	185.05	213.00	839616	1656.90	171.00	219.90	1176288	2333.02
September, 2008	149.10	218.75	954879	1768.40	148.90	219.95	1203906	2347.13
October, 2008	61.20	156.70	2431166	2703.50	61.75	158.40	987016	1010.21
November, 2008	53.25	102.35	768222	459.19	53.00	102.00	1036016	689.20
December, 2008	55.50	74.00	1157248	735.04	55.05	76.50	1975676	1260.48
January, 2009	59.00	76.60	712942	465.41	58.10	77.00	1333430	875.02
February, 2009	49.50	64.50	757458	421.20	49.25	63.00	592989	337.64
March, 2009	51.00	75.50	419632	269.84	52.00	75.85	1329709	827.76

## 9.8 Company's share price performance in comparison to BSE Sensex based on share price on 31.03.2009

Period	% change		Company in comparison to Sensex
	Co's share price	Sensex	
2008-2009	-65.50	-38.44	-27.06

## Company's share price performance in comparison to NIFTY based on share price on 31.03.2009

Period	% change		Company in comparison to Nifty
	Co's share price	Nifty	
2008-2009	-65.51	-36.21	-29.30

## 9.9 Registrar and Transfer Agents

**Link Intime India Private Limited**, 308 Jaldhara Complex, Opp Manisha Society, Vasna Road, Vadodara 390 015

## 9.10 Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

## 9.11 Distribution of Shareholding as on 31.03.2009

Shareholding of nominal value of Rs	No of shareholders	% to total	Number of shares	Amount in Rs	% to total
Upto 5000	12698	97.00	7001785	7001785	6.37
5001 to 10000	186	1.42	1462564	1462564	1.33
10001 to 20000	84	0.64	1309225	1309225	1.19
20001 to 30000	31	0.24	785802	785802	0.72
30001 to 40000	7	0.05	254184	254184	0.23
40001 to 50000	5	0.04	207871	207871	0.19
50001 to 100000	30	0.23	2254187	2254187	2.05
100001 and above	49	0.38	96574382	96574382	87.92
Total	13090	100.00	109850000	109850000	100.00

**Shareholding pattern of the Company as on 31.03.2009 is as under :**

Sr. No.	Category	No of shares held	% of total share holding
<b>A</b>	<b>Shareholding of Promoters and Promoters' Group</b>		
1	Indian Promoters	76933540	70.04
	Sub-Total of A	76933540	70.04
<b>B</b>	<b>Non-Promoters; Holding</b>		
1	Institutions		
a	Mutual Funds and UTI	3872139	3.52
b	Banks, Financial Institutions, Insurance Companies	17200	0.01
c	Central / State Government		
d	Foreign Institutional Investors	2826752	2.57
	Sub-Total of B (1)	6716119	6.11
2	Non-Institutions		
a	Bodies Corporate	5415348	4.93
b	Individual	14267746	12.98
c	Non-Resident	740503	0.68
d	Foreign companies	2000	0.00
e	Clearing Member	104971	0.10
	Sub-Total B (2)	26200341	23.85
	Sub-Total of B	32916460	29.96
	<b>Grand Total (A+B)</b>	<b>109850000</b>	<b>100.00</b>

**Particulars of shareholding of Non-Executive Directors :**

Sr No	Name of Non-Executive Director	No of shares held	% of total share holding
1	Shri DK Jain	10100	0.01
2	Shri PK Jain	20100	0.02
3	Shri Shailendra Swarup	10000	0.01
4	Shri VP Mittal	17000	0.01

**9.12 Dematerialization of shares**

Approximately 33% of the shares issued by the Company have been dematerialized upto 31st March, 2009.

Trading in equity shares of the Company is permitted only in dematerialized form with effect from 28<sup>th</sup> August, 2000, as per Notification issued by Securities and Exchange Board of India bearing No. PR 35/2000 dated 28<sup>th</sup> February, 2000.

**Liquidity**

Company's shares are traded on Bombay Stock Exchange and National Stock Exchange. Relevant data of National Stock Exchange for the Financial Year 2008-2009 is given 9.7 above.

**9.13 Plant location**
**Ranjitnagar Project**

Survey No. 16/3, 26 and 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal, Gujarat State

**Dahej Project**

Plot No 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch, Gujarat State



## Gujarat Fluorochemicals Limited

### Wind Farm Project

Village Gudhe, Panchgini, Maharashtra State

Village Sadiya, District Jaisalmer, Rajasthan State

### 9.14 (i) Address for Investor Correspondence

Link Intime India Private Limited, 308, Jaldhara Complex, 1<sup>st</sup> Floor, Opp Manisha Society, Vadodara 390 015

### (ii) Any query on Annual Report

Company Secretary, Gujarat Fluorochemicals Limited,  
ABS Tower, 2<sup>nd</sup> Floor, Old Padra Road, Vadodara 390 007

### 9.15 Code of Conduct

The Board of Directors of the Company had laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

### 9.16 CEO / CFO Certification

The certificate in compliance with Clause 49(V) of the Listing Agreement was placed before the Board of Directors of the Company.

## DECLARATION

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2009.

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

**Vivek Jain**  
Managing Director

## CERTIFICATE

To the Members of Gujarat Fluorochemicals Limited

We have examined the compliance of conditions of corporate governance by Gujarat Fluorochemicals Limited, for the year ended on 31<sup>st</sup> March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement, in all material respect, except as per the details given below.

- The Chairman of the audit committee had not attended the Annual General Meeting of the Company for the reasons mentioned in paragraph 3 of the Corporate Governance report prepared by the Company.
- The Company is in process of appointing one more Independent Director in order to comply with the requirements of Independent Directors.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of  
Patankar & Associates  
Chartered Accountants

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

M.Y. Kulkarni  
Partner

## **AUDITOR'S REPORT**

TO THE MEMBERS OF  
GUJARAT FLUOROchemicals LIMITED

1. We have audited the attached Balance Sheet of Gujarat Fluorochemicals Limited, as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 (Auditor's 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 in paragraph 4 and 5 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 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, read with the notes thereon, 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 31<sup>st</sup> March, 2009;
    - 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,  
Dated: 22<sup>nd</sup> May, 2009

**M.Y. Kulkarni**  
Partner  
Mem. No. 35524



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT FLUOROchemicals LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanations 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 no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has granted loan to one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 2560.80 lacs and the year-end balance is Rs. 1604.10 lacs. In our opinion, the rate of interest and other terms and conditions on which this loan is granted are not, *prime-facie*, prejudicial to the interest of the Company. The party is regular in repayment of principle and payment of interest. There is no overdue amount in respect of this loan.

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.

4. In our opinion, there are generally adequate internal control systems 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. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.

5. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 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, except for transactions for purchase of services where no comparison of prices could be made available as these services are of special nature.

6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said Rules are made applicable, and are of the opinion that, *prima-facie*, the prescribed accounts and records have been made and maintained.

9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Eemployee's State Insurance, Income-tax, Sales-tax, Wealth tax, Service-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, Service 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 Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, 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. in lacs)	Forum where dispute is pending
Uttar Pradesh Trade Tax	Sales Tax and Interest there on for the period 1996-97 to 1999-00	20.20	Sales Tax Authority, Ghaziabad
West Bengal Sales Tax	Sales Tax for the period 1995-96	2.83	Sales Tax Appellate Tribunal, Kolkatta
	Sales Tax for the period 1997-98	1.30	Asst. Commissioner (Appeals), WBST, Kolkatta
Gujarat Sales Tax	Sales Tax for the year 1995-96	13.35	Sales Tax Appellate Tribunal, Ahmedabad
	Sales Tax for the year 2001-02	1.79	Deputy Commissioner (Appeals), Ahmedabad
Service Tax	Service tax interest and penalty in respect of ECB Loans for the period 10.09.2004 to 30.06.2007	29.85	Director General of Central Excise and Intelligence, Ahmedabad-Zonal Unit
Service Tax	Service tax, penalty and interest in respect of credit availed on outward freight for the period 01.04.2005 to 31.03.2006	2.83	Commissioner Central Excise and Customs (Appeals), Vadodara.
Service Tax	Service tax penalty in respect of delay in payment of service tax payable on services of foreign consulting engineer availed.	0.14	Assistant Commissioner Central Excise and Customs (Appeals), Vadodara.

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 has invested in shares, mutual funds, bonds, debentures and other securities in the course of its investment activity. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. These investments 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.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. In our opinion, the term loans 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 investment.
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 and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 course of our audit.

**For Patankar & Associates**  
Chartered Accountants

Pune,  
Dated: 22<sup>nd</sup> May, 2009

**M.Y. Kulkarni**  
Partner  
Mem. No. 35524



Gujarat Fluorochemicals Limited

## Balance Sheet as at 31 st March, 2009

	Schedule Number	As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
<b>I SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
(a) Capital	1	1098.50	1157.80
(b) Reserves and Surplus	2	121984.32	97911.36
		<b>123082.82</b>	99069.16
<b>2 Loan Funds</b>			
(a) Secured Loans	3	55533.15	47345.44
(b) Unsecured Loans	4	13877.71	3000.00
		<b>69410.86</b>	50345.44
<b>3 Deferred Tax Liability (Net)</b>		<b>9124.55</b>	7837.21
Total		<b>201618.23</b>	157251.81
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>	5		
(a) Gross Block		92676.40	83097.12
(b) Less : Depreciation		12963.85	8317.26
(c) Net Block		79712.55	74779.86
(d) Capital work-in-progress		17917.32	4442.44
(e) Advances on Capital Account		4293.64	6275.91
(f) Pre-operative expenditure pending allocation	6	0.00	0.00
		<b>101923.51</b>	85498.21
<b>2 Investments</b>	7	<b>50572.85</b>	54647.92
<b>3 (i) Current Assets, Loans and Advances</b>	8		
(a) Inventories		19221.11	10016.15
(b) Sundry Debtors		22220.36	14800.01
(c) Cash and Bank Balances		20349.08	2790.40
(d) Other Current Assets		788.27	474.98
(e) Loans and Advances		15539.57	15366.18
Sub-Total (i)		<b>78118.39</b>	43447.72
<b>(ii) Less : Current Liabilities and Provisions</b>	9		
(a) Liabilities		24035.39	23437.80
(b) Provisions		4961.13	2904.24
Sub-Total (ii)		<b>28996.52</b>	26342.04
Net Current Assets (i) - (ii)		<b>49121.87</b>	17105.68
Total		<b>201618.23</b>	157251.81
Notes forming part of Accounts	16		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**VIVEK JAIN**

Managing Director

**D. K. JAIN**

Chairman

**V. P. MITTAL**

Director

**M. Y. KULKARNI**

Partner

**DEEPAK ASHER**

Director

**B. V. DESAI**

Company Secretary

**DR. S. RAMA IYER**

Director

Place : Pune

Dated : 22nd May 2009

Place : Noida

Dated : 22nd May 2009

## Profit and Loss Account for the year ended 31 st March, 2009

	Schedule Number	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
<b>INCOME</b>			
1 Sales - Gross		107121.31	74251.22
Less: Excise Duty		2669.14	1929.66
Sales - Net		104452.17	72321.56
2 Other Income	10	3353.02	12168.17
		107805.19	84489.73
<b>EXPENDITURE</b>			
1 ( Increase ) / Decrease in Stocks	11	(4483.50)	(965.04)
2 Materials Consumed and Purchase of Goods	12	19623.38	16497.15
3 Manufacturing and other expenses	13	30123.67	16141.10
4 Salaries and benefits	14	5114.18	3731.24
5 Provision for diminution in value of investments		268.09	1019.62
6 Interest	15	4999.97	2764.00
7 Depreciation & Amortization (Net)- Ref. Note No. 2	5	4718.44	1383.28
		60364.23	40571.35
Less : Capitalized during the year		0.00	(378.24)
Total Expenditure		60364.23	40193.11
8 Profit before Taxation		47440.96	44296.62
9 Provision for Taxation			
Current tax		12100.00	8425.00
Deferred tax		1287.34	3830.10
Fringe benefit tax		40.00	45.00
		13427.34	12300.10
10 Profit after taxation for the year		34013.62	31996.52
11 Add: Taxation pertaining to earlier years		0.00	48.18
Balance Profit		34013.62	32044.70
12 Profit brought forward from previous year		80.55	271.33
13 Profit available for appropriation		34094.17	32316.03
Less : Appropriations			
Capital Redemption Reserve		59.30	0.00
Dividend on shares bought back - Ref. Note No. 3		(4.88)	0.00
General Reserve		29372.39	27494.49
Interim Dividend		0.00	2894.50
Proposed Dividend		3844.75	1157.80
Tax on Dividend		653.42	688.69
		33924.98	32235.48
14 Balance carried to Balance Sheet		169.19	80.55
Basic and diluted Earnings Per Share of Re 1 each (Ref. Note No. 22)		29.91	27.68
Notes forming part of Accounts	16		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**VIVEK JAIN**

Managing Director

**D. K. JAIN**

Chairman

**V. P. MITTAL**

Director

**M. Y. KULKARNI**

Partner

**DEEPAK ASHER**

Director

**B. V. DESAI**

Company Secretary

**DR. S. RAMA IYER**

Director

Place : Pune

Dated : 22nd May 2009

Place : Noida

Dated : 22nd May 2009



**Gujarat Fluorochemicals Limited**

## Cash Flow Statement for the year ended 31 st March, 2009

	Amount (Rs. in lacs)	
	2008-2009	2007-2008
<b>A Cash flow from operating activities</b>		
Net profit before tax	47440.96	44296.62
Adjustments for :		
Depreciation and Amortisation	4718.44	1383.28
Loss/(Profit) on assets sold/written off (Net)	6.94	(1.75)
Provision for diminution in value of investments	268.09	1019.62
Income in respect of investing activities (Net)	(1544.68)	(7482.31)
Interest	4999.97	2764.00
	8448.76	(2317.16)
Operative profit before working capital changes	55889.72	41979.46
Adjustments for :		
Trade and other receivables	(11198.81)	(11582.87)
Inventories	(9204.96)	(4679.46)
Trade payables	490.01	84.70
	(19913.76)	(16177.63)
Cash generated from operations	35975.96	25801.83
Income-tax paid (Net)	(11486.13)	(9372.66)
<b>Net cash from operating activities</b>	<b>24489.83</b>	<b>16429.17</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including change in capital wip and advances)	(21276.58)	(19159.15)
Sale of fixed assets	125.90	9.99
Purchase of investments	(84976.52)	(109762.85)
Redemption/Sale of Investments	91423.80	112330.76
Inter-corporate and other loans (Net)	117.61	(933.27)
Interest and Dividend received (Net of expenses)	1242.43	1584.38
Adjustment for receivables on investment account	182.25	(228.26)
<b>Net cash used in investment activities</b>	<b>(13161.12)</b>	<b>(16158.40)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Long Term Loan (Net)	19733.33	2909.25
Proceeds from Short Term Loan (Net)	(667.91)	3000.00
Interest paid	(4834.76)	(2754.96)
Dividend paid (Including Tax on Dividend)	(2494.03)	(3312.49)
Amount paid towards Buy Back of Shares	(6136.31)	0.00
<b>Net cash from financing activities</b>	<b>5600.32</b>	<b>(158.20)</b>
<b>D Capital receipts</b>	<b>629.64</b>	<b>706.92</b>
(Please refer to Note No. 5 of Notes to Accounts)		
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>17558.68</b>	<b>819.49</b>
Cash and cash equivalents as at the beginning of the year	2790.40	1970.91
Cash and cash equivalents as at the end of the year	20349.08	2790.40

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**VIVEK JAIN**  
Managing Director

**D. K. JAIN**  
Chairman

**V. P. MITTAL**  
Director

**M. Y. KULKARNI**  
Partner

**DEEPAK ASHER**  
Director

**B. V. DESAI**  
Company Secretary

**DR. S. RAMA IYER**  
Director

Place : Pune  
Dated : 22nd May 2009

Place : Noida  
Dated : 22nd May 2009

## Schedule Forming part of the Balance Sheet

### SCHEDULE 1 : CAPITAL

Authorized 20,00,00,000 Equity Shares of Re 1 each	2000.00
<b>Issued and Subscribed and Paid Up</b> 10,98,50,000 Equity Shares (Previous Year 11,57,80,000) of Re 1 each - (Refer Note No. 3) (Out of above 5,77,15,310 shares are held by the Holding Co.)	1098.50
<b>Total</b>	1098.50

### SCHEDULE 2 : RESERVES AND SURPLUS

<b>Capital Reserves</b> As per last Balance Sheet Additions during the year (Refer Note No. 5)	10426.19 629.64	11055.83
<b>Share Premium Account</b> As per last Balance Sheet Less: Adjusted on Buyback of shares (Refer Note No. 3)	4.62 (4.62)	0.00
<b>Capital Redemption Reserve</b> Transfer from Profit & Loss Account (Refer Note No. 3)	59.30	0.00
<b>General Reserve</b> As per last Balance Sheet Less: Adjusted on Buyback of shares (Refer Note No. 3) Less: Adjustment on adoption of AS-15 Employee Benefits Add: Transfer from Profit and Loss Account	87400.00 (6072.39) 0.00 29372.39	87400.00 0.00 (94.49) 27494.49
<b>Profit and Loss Account</b> Balance as per Annexed Account	169.19	80.55
<b>Total</b>	121984.32	97911.36

### SCHEDULE 3 : SECURED LOANS

(for securities please Refer Note No. 6)	
<b>From Banks</b>	
<b>Rupee Loan</b> - Term Loans (amount payable within one year Rs.9473.40 lacs, Previous year Rs.10200 lacs)	39100.63
<b>Foreign Currency Loans</b> - Term Loans (amount payable within one year Rs. 6246.82 lacs , Previous year Rs.2012.80 lacs)	16432.52
<b>From Financial Institutions</b> - Term Loan (amount payable within one year Rs. Nil , Previous year Rs. 1.00 lac)	0.00
<b>Total</b>	55533.15

### SCHEDULE 4 : UN SECURED LOANS

<b>From Banks</b>	
<b>Rupee Loan</b> - Term Loan (amount payable within one year Rs.Nil, Previous year Rs.3000 lacs)	0.00
<b>Foreign Currency Loans</b> - Term Loan (amount payable within one year Rs. 2944.35 lacs, Previous year Rs.Nil)	13877.71
<b>Total</b>	13877.71

As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
2000.00	2000.00
1098.50	1157.80
1098.50	1157.80
10426.19 629.64 11055.83	9719.27 706.92 10426.19
4.62 (4.62) 0.00	4.62 0.00 4.62
59.30	0.00
87400.00 (6072.39) 0.00 29372.39 110700.00	60000.00 0.00 (94.49) 27494.49 87400.00
169.19	80.55
121984.32	97911.36
39100.63	35358.10
16432.52	11986.34
0.00	1.00
55533.15	47345.44
0.00	3000.00
13877.71	0.00
13877.71	3000.00

## Schedule Forming part of the Balance Sheet

### SCHEDULE 5 – FIXED ASSETS

Amount (Rs. in lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 1-Apr-08	Additions	Deductions	As at 31-Mar-09	As at 1-Apr-08	For the year	Deductions	As at 31-Mar-09	As at 31-Mar-09	As at 1-Apr-08
<b>(a) Tangible Assets</b>										
Land										
- Freehold Land	68.13			<b>68.13</b>					<b>68.13</b>	68.13
- Leasehold Land	1592.47	8.00	42.11	<b>1558.36</b>	68.53	14.94		<b>83.47</b>	<b>1474.89</b>	1523.94
Buildings and Roads	10015.24	521.51	24.06	<b>10512.69</b>	415.94	298.32		<b>714.26</b>	<b>9798.43</b>	9599.30
Plant and Machinery	48732.93	1630.13	61.57	<b>50301.49</b>	5932.39	2717.33	16.66	<b>8633.06</b>	<b>41668.43</b>	42800.54
Wind Mills	16195.50	7077.20		<b>23272.70</b>	907.65	1228.80		<b>2136.45</b>	<b>21136.25</b>	15287.85
Electrical Installations	3824.49	138.26	26.41	<b>3936.34</b>	399.55	202.67	19.37	<b>582.85</b>	<b>3353.49</b>	3424.94
Manufacturing and other Equipments	945.01	208.01	15.77	<b>1137.25</b>	321.63	85.58	12.85	<b>394.36</b>	<b>742.89</b>	623.38
Furniture and Fixtures	403.43	142.37		<b>545.80</b>	101.59	28.93		<b>130.52</b>	<b>415.28</b>	301.84
Vehicles	325.73	58.50	34.78	<b>349.45</b>	107.37	30.66	22.97	<b>115.06</b>	<b>234.39</b>	218.36
<b>Total (a)</b>	<b>82102.93</b>	<b>9783.98</b>	<b>204.70</b>	<b>91682.21</b>	<b>8254.65</b>	<b>4607.23</b>	<b>71.85</b>	<b>12790.03</b>	<b>78892.18</b>	<b>73848.28</b>
<b>(b) Intangible Assets</b>										
Technical Know How	804.22			<b>804.22</b>	35.19	80.42		<b>115.61</b>	<b>688.61</b>	769.03
Softwares	189.97			<b>189.97</b>	27.42	30.79		<b>58.21</b>	<b>131.76</b>	162.55
<b>Total (b)</b>	<b>994.19</b>			<b>994.19</b>	<b>62.61</b>	<b>111.21</b>		<b>173.82</b>	<b>820.37</b>	<b>931.58</b>
<b>Grand Total (a + b)</b>	<b>83097.12</b>	<b>9783.98</b>	<b>204.70</b>	<b>92676.40</b>	<b>8317.26</b>	<b>4718.44</b>	<b>71.85</b>	<b>12963.85</b>	<b>79712.55</b>	<b>74779.86</b>
Previous year	46772.52	36362.30	37.70	<b>83097.12</b>	6963.46	1383.28*	29.49	<b>8317.26</b>		

\* Refer Note No. 2 in Notes to Accounts

**Rs. in lacs**

Depreciation & Amortization for the previous year

**3428.91**

Less: Surplus on change of Depreciation method

**(2045.63)**

Net Depreciation & Amortization charged to the Profit and Loss Account

**1383.28**

### SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE

**Add: Expenses incurred during the year**

## SCHEDULE 7 : INVESTMENTS

**SCHEDULE 7: INVESTMENTS**  
(Long term, non-trade, at cost, unless otherwise stated)

**A] UNQUOTED**

**i) In Bonds**

5.42% - Nabard Capital Gain Bonds	10000	0	8000	0.00	800.00
5.52% - Nabard Capital Gain Bonds	10000	0	30000	0.00	3000.00
5.50% - National Housing Bank Capital Gain Bonds	10000	0	10000	0.00	1000.00
5.50% - National Highway Authority of India	10000	0	11000	0.00	1100.00

**ii) In Venture Capital Fund**

Indiareit Fund Scheme III	100000	1000	800	1000.00	800.00
Kshitij Venture Capital Fund	1000	250000	250000	2500.00	1825.00

(Paidup Rs.1000 per unit-Previous year Rs.730 per unit)





## Schedule Forming part of the Balance Sheet

### SCHEDULE 7 : INVESTMENTS (Contd.)

	Face Value Rs.	Nos. As at 31st March, 2009	Nos. As at 31st March, 2008	As at 31st March 2009 Amount (Rs. in lacs)	As at 31st March 2008 Amount (Rs. in lacs)
<b>iii) In Fully Paid-up Equity Shares</b>					
<b>i) In wholly owned subsidiary companies</b>					
Inox Infrastructure Private Limited	10	50000000	50000000	5000.00	5000.00
Inox Motion Pictures Limited	10	50000	0	5.00	0.00
				<b>5005.00</b>	5000.00
<b>ii) In Other companies</b>					
Humsay i Global Services Limited (Formerly known as Inox Global Services Limited)	10	2392500	2392500	239.25	239.25
Future Ventures India Limited	10	15000000	0	1500.00	0.00
The Ratnakar Bank Limited	100	221919	221919	998.64	998.64
Kaleidoscope Entertainment Private Limited	1	562500	562500	60.75	60.75
				<b>2798.64</b>	1298.64
<b>iv) In Cumulative, Non-convertible, Redeemable Preference Shares (fully paid-up)</b>					
1% - Humsay i Global Services Limited (Formerly known as Inox Global Services Limited)	64	1638210	1638210	1048.45	1048.45
				<b>1048.45</b>	1048.45
<b>v) In Redeemable Non Convertible Debentures</b>					
<b>i) Citicorp Finance (India) limited</b>					
Redeemable NCD Issue Series 173	1000000	150	150	1500.00	1500.00
Redeemable NCD Issue Series 184	1000000	100	100	1000.00	1000.00
Redeemable NCD Issue Series 200	1000000	100	100	1000.00	1000.00
<b>ii) Citifinancial Consumer Financial India</b>					
Redeemable NCD Issue Series 355	100000	1000	0	1000.00	0.00
				<b>4500.00</b>	3500.00
<b>vi) In Units of Mutual Funds</b>					
ABN AMRO Fixed Term Plan series1-Regular Growth	10	0	5000000	0.00	500.00
Birla FTP-Institutional-Series U-Growth	10	0	10000000	0.00	1000.00
Birla Sunlife Income Plus-Growth	10	2437330	0	2000.00	0.00
DWS Fixed Term Fund series 24-Institutional Plan	10	0	10000000	0.00	1000.00
HDFC Top 200 Fund-Dividend	10	0	1188780	0.00	510.39
ICICI Prudential Institutional Income-Growth	10	6806228	0	2000.00	0.00
IDFC Super Saver Income Fund - Investment Plan B-Growth	10	14099505	0	1500.00	0.00
IDFC Dynamic Bond Fund Plan B-Growth	10	9748489	0	1000.00	0.00
Kotak Bond-Regular-Growth	10	5935464	0	1500.00	0.00
Lotus India FMP 375 Series III - Institutional Growth	10	0	5000000	0.00	500.00
Principal PNB FMP-Series IV(FMP-37)385 Days	10	0	10000000	0.00	1000.00
Pru ICICI Institutional Liquid-Super Insti.Plan-Dividend	10	0	350069	0.00	35.06
Pru ICICI FMP Series 34-18 Mp Institutional Growth	10	0	10000000	0.00	1000.00
Reliance Income Fund Retail Plan Growth Plan-Growth	10	6747468	0	2000.00	0.00
Reliance Fixed Horizon Fund II-AP Series II	10	0	5000000	0.00	500.00
Reliance Medium Term Fund - Retail Plan - Growth	10	3470176	0	621.24	0.00
Std Chartered FM-6th Plan-Growth	10	0	5000000	0.00	500.00
Std Chartered FMP-Yearly Series 5-Growth	10	0	15000000	0.00	1500.00
				<b>10621.24</b>	8045.45
<b>Total Unquoted Eq.Shares,Mutual Fund,Bonds,ELD</b>				<b>27473.33</b>	27417.54
Less: Provision for diminution in value of Investment				<b>1287.70</b>	1019.62
<b>Total Unquoted</b>				<b>26185.62</b>	26397.92
<b>B] Quoted</b>					
<b>(a) In Units of Mutual Funds</b>					
Benchmark Asset Management Company	10	0	22656	0.00	226.61
				<b>0.00</b>	226.61
<b>(b) Fully Paid Equity shares</b>					
<b>i) In subsidiary company</b>					
Inox Leisure Limited (a company under the same management)	10	39600000	39600000	3960.00	3960.00
				<b>3960.00</b>	3960.00
<b>ii) In Other companies</b>					
ABG Shipyard Limited	10	0	10000	0.00	78.97
Adlabs Films Limited	10	0	5000	0.00	47.84
Advanta India Limited	10	48590	48590	598.39	598.39
Balrampur Chini Mills Limited	1	270000	375000	319.12	443.14
BF Utilities Limited	5	0	1650	0.00	37.38
Borosil Glass Works Limited	10	63512	63512	366.48	366.48

## Schedule Forming part of the Balance Sheet

### SCHEDULE 7 : INVESTMENTS (Contd.)

Face Value Rs.	Nos. As at 31st March, 2009	Nos. As at 31st March, 2008	As at 31st March 2009 Amount (Rs. in lacs)	As at 31st March 2008 Amount (Rs. in lacs)
Brandhouse Retails Limited	10	13040	0	0.00
Dalmia Cement Bharat Limited	2	491881	240000	1652.64
Dewan Housing Finance Corporation Limited	10	496832	485666	958.29
Deepak Fertilisers & Petrochemicals Limited	10	600531	600531	996.90
Deepak Fertilisers & Petrochemicals Limited	10	0	47957	0.00
Diamond Power Infrastructure Limited.	1	0	14728	0.00
Dynatomic Technologies Limited	10	0	4227	0.00
TCS E-Serve Ltd.	10	200	200	1.93
Elh Limited	2	439950	449950	963.28
GAIL India Limited	10	137781	191854	501.49
Garware Wall Ropes Limited	10	441308	441308	729.88
Genus Power Infrastructure Limited	10	0	5846	0.00
Glenmark Pharmaceuticals Limited	1	0	14900	0.00
Gujarat NRE Coke Limited	10	266000	260456	264.44
Gujarat Mineral Development Corporation Limited	2	0	20863	0.00
Gwalior Chemical Industries Limited	10	0	1092	0.00
Housing Development & Infrastructure Limited	10	156556	126766	1176.01
HEG Limited	10	116000	116000	500.91
Jaiprakash Associates Limited	10	0	57965	0.00
Jindal Saw Limited	10	143559	143559	1612.51
K S Oil Limited	1	621081	621081	552.01
Kesoram Textile Mills Limited(Received pursuant to A scheme of Arrangement)	10	131893	131893	0.00
Maxwell Industries Limited	2	0	77075	0.00
Mcnally Bharat	10	0	65000	0.00
Mount Everest Mineral water Limited	10	2335592	2360592	2613.06
NTPC Limited	10	0	25000	0.00
Navin Flourine Limited	10	4495	56798	16.72
Northgate Technologies Limited	10	0	8600	0.00
Orbit Corporation Limited	10	245000	250000	219.50
Praj Industries Limited	2	993630	1029839	2461.04
Prime Focus Limited	10	77256	85947	989.21
Poddar Pigments Limited	10	0	1260000	0.00
Rain Commodities Limited	10	0	31200	0.00
Redington India Limited	10	0	27006	0.00
Reliance Communication Limited	5	56981	87583	362.76
Reliance Industries Limited	10	0	5487	0.00
Reliance Petroleum Limited	10	70000	0	118.76
RSWM Limited	10	347695	347695	431.30
Soletron Centum Electronics Limited	10	0	2496	0.00
Soletron EMS Limited	10	0	2490	0.00
S.Kumar Nationwide Limited	10	0	65202	0.00
Taneja Aerospace & Aviation Limited	5	365559	370212	738.06
Tantia Construction Limited	10	472287	472287	663.80
Texmaco Limited	10	0	3099	0.00
Trent Limited	10	2073	19523	14.53
United Phosphorus Limited	2	321326	160663	604.20
Union Bank of India	10	0	357576	0.00
Venus Remedies Limited	10	0	25000	0.00
Zenith Infotech Limited	10	0	9221	0.00
			<b>20427.22</b>	24063.39
<b>Total Equity shares</b>			<b>24387.22</b>	28249.99
<b>Total Investments</b>			<b>50572.85</b>	54647.92
<b>Market value of quoted investments</b>			<b>16398.34</b>	58070.22

Note :- 1) 16,67,800 equity shares of Inox Leisure Limited held by the Company are locked in up to 3rd February, 2011.  
2) Uncalled amount payable by Company in respect of 250000 units of Kshitij Venture Capital fund is Rs. Nil (Previous year Rs.675 Lacs)

## Schedule Forming part of the Balance Sheet

### SCHEDULE 7 : INVESTMENTS (Contd.)

4. Following Investments were purchased and sold/Redeemed during the year

#### (A) Equity Shares

Bharti Shipyard Limited  
Dynamatic Technologies Limited  
HDFC Bank Limited  
ICICI Bank Limited  
Reliance Communication Limited  
Reliance Industries Limited  
Spice Tele Communications Limited  
Union Bank of India

#### TOTAL OF EQUITY SHARES

#### (B) Mutual Funds Units

ABN AMRO Fixed Term Plan Ser 12 Plan A Institutional - Growth  
ABN AMRO Fixed Term Plan Ser 12 Plan B Institutional - Growth  
Birla Fixed Term Plan - Series AY - Retail Growth  
Biral Sun Life Short Term Fund- Institutional Plan - Growth  
DSP Black Rock Strategic Bond Fund - Institutional Plan - Growth  
DSP Black Rock Strategic Bond Fund - Regular Plan - Growth  
DSP Merrill Lynch Liquid Plus Fund - Institutional Plan - Weekly Dividend  
DWS Fixed Term Fund Series 52 Institutional - Growth  
DWS Liquid Plus Fund- Dividend Plan - Weekly Dividend  
HDFC FMP 370 D August 2008 (IX) (1) - Wholesale Plan Growth  
HDFC FMP 370 D June 08 (VIII) (1) - Wholesale Plan Growth  
HDFC Liquid Fund - Premium Plan - Dividend - Daily  
HDFC Top 200 Fund - Dividend  
HSBC Fixed Term Series 53 Institutional - Growth  
HSBC Fixed Term Series 54 Institutional Growth - 370 Days  
HSBC Liquid Plus Fund - Institutional Plus - Dividend - Daily  
ICICI - Prudential Inst Liquid Plan - Super Inst Weekly Div - Reinvest  
ICICI Prudential Flexible Income Plan - Growth  
ICICI Prudential Floating Rate Plan-Plan D - Growth Option  
ICICI Prudential FMP Series 44 - 1 Year Plan D Institutional Growth  
ICICI Prudential Liquid Plan - Super Institutional Dividend Weekly  
IDFC Money Manager Fund - Treasury Plan - Growth  
ING Interval Fund - Annual - A - Institutional - Growth  
ING Liquid Fund - Institutional Daily Dividend Option  
ING Liquid Fund - Institutional Weekly Dividend Option  
JM HIGH Liquidity Fund - Super Institutional Plan - Weekly Dividend  
Kotak Floater Long-Term - Growth  
Kotak FMP 12 M Series 7 - Institutional Growth  
Kotak FMP 12 M Series 8 - Institutional Growth  
Liquidbees  
Lotus India FMP 375 Days Series XI - Institutional - Growth  
Lotus India FMP 375 Days X - Institutional - Growth  
Magnum Insta Cash Fund - Daily Dividend  
Principal Cash Management - Liquid Option-Institutional - Weekly Dividend Plan  
Principal PNB Fixed Maturity Plan [(IMP - 47) - 385 Days] June08  
- Institutional Growth Plan  
Reliance Fixed Horizon Fund - VIII - Series V - Institutional Growth  
Reliance Medium Term Fund - Retail Plan - Growth Plan - Growth Option  
SBI Short Horizon Fund - Ultra Short Term Fund - Retail Plan  
- Daily Dividend  
Standard Chartered Liquidity Manager Plus - A-Dividend Daily  
Tata Fixed Horizon Fund Series 18 Scheme C - Institutional Plan - Growth  
Tata Floater Fund Daily Dividend  
Tata Floating Short Term Institutional Plan - Dividend  
Templeton India Equity Income Fund - Dividend Plan  
UTI - Fixed Term Income Fund - Series - IV -  
Plan - X (May / 08-12 Months) - Institutional

#### TOTAL OF MUTUAL FUNDS

Face Value Rs.	Nos.	Cost (Rs. in lacs)
10	10000.00	49.32
10	73.00	0.89
10	2558.00	39.15
10	3585.00	32.55
5	2257.00	13.22
10	18600.00	387.55
10	680000.00	498.39
10	35000.00	49.03
		<b>1,070.10</b>
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	24316521.67	2,510.00
10	344954.47	3,510.00
10	22218.13	250.00
10	20025.98	200.46
10	10000000.00	1,000.00
10	16568444.07	1,727.88
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	4188112.41	513.45
10	1255650.43	500.00
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	46130472.06	4,618.86
10	20069026.89	2,010.10
10	15538181.86	2,500.00
10	11657276.08	1,500.00
10	10000000.00	1,000.00
10	96370325.44	9,645.02
10	10671371.56	1,500.00
10	7000000.00	700.00
10	20082866.36	2,010.72
10	9958242.32	1,002.53
10	22127789.18	2,212.79
10	21907374.71	3,010.00
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	227.32	2.27
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	14375560.99	2,407.95
10	11280442.35	1,129.69
10	10000000.00	1,000.00
10	10000000.00	1,000.00
10	18883561.56	3,388.76
10	50010.78	5.00
10	112024.81	1,120.48
10	10000000.00	1,000.00
10	20088138.84	2,015.97
10	8943160.57	894.81
10	3668109.46	500.00
10	10000000.00	1,000.00
		<b>68,386.76</b>

## Schedule Forming part of the Balance Sheet

### SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES

#### A CURRENT ASSETS

##### 1 Inventories

(for basis of valuation, please refer to the accounting policies)

Stores and Spares

2905.64

1615.68

Packing Materials

191.44

302.11

Finished Goods

- Manufactured Goods

6718.50

2918.61

- Traded Goods

51.31

266.29

6769.81

3184.90

By-products

1.41

2.60

Material-in-process

1048.05

281.76

Raw Materials

8205.73

4574.80

Carbon credits

99.03

54.30

19221.11

10016.15

##### 2 Sundry Debtors (Unsecured)

Considered good

Exceeding 6 months

Others

75.87

76.78

22144.49

14723.23

22220.36

14800.01

##### Considered Doubtful

Exceeding 6 months

Others

0.00

61.93

0.00

0.51

0.00

62.44

22220.36

14862.45

Less: Provision for Doubtful Debts

0.00

62.44

22220.36

14800.01

##### 3 Cash and Bank Balances

Cash on Hand

4.22

2.74

Bank Balances with Scheduled Banks

(a) in Current Accounts

2327.60

2760.25

(b) in Cash Credit Accounts

308.90

12.00

(c) Fixed Deposits

17708.36

15.41

20349.08

2790.40

##### 4 Other Current Assets

Interest accrued

788.27

474.98

#### B LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise stated)

1 Advances recoverable in cash or in kind  
or for value to be received

4116.46

2166.02

2 Deposits

610.60

388.97



## Schedule Forming part of the Balance Sheet

### SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES (Contd.)

	As at 31st March, 2008 Amount (Rs. in lacs)	As at 31st March, 2007 Amount (Rs. in lacs)
3 Inter-corporate Deposits		
Considered Good		
- to subsidiary company (long term investment)		
- Inox Leisure Limited		
(a company under the same mangement)	1604.10	2360.80
- to others (current investments)	3523.59	2884.50
	5127.69	5245.30
Considered Doubtful	144.51	144.51
	5272.20	5389.81
Less: Provision for Doubtful Inter-corporate deposits	144.51	144.51
	5127.69	5245.30
4 Share Application Money	1151.34	2651.34
5 Balances in Excise , Service Tax and VAT Accounts	3252.85	2980.05
6 Income tax paid (Net of provisions)	1280.63	1934.50
	15539.57	15366.18
<b>Total</b>	<b>78118.39</b>	<b>43447.72</b>

### SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS

#### A CURRENT LIABILITIES

1 Sundry Creditors		
- dues to Micro and Small Enterprises	39.15	0.00
- others	12753.75	9917.33
	12792.90	9917.33
2 Trade Deposits	532.99	443.03
3 Investor Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed dividends (Refer Note No. 8)	106.93	93.47
4 Advances from Customers	10135.64	12641.57
5 Other Liabilities	260.98	301.66
6 Interest accrued but not due	205.95	40.74
	24035.39	23437.80

#### B PROVISIONS

1 For Fringe Benefit Tax (Net of Payment)	11.70	9.00
2 Proposed Dividend	3844.75	1157.80
3 Tax on Proposed Dividend	653.42	196.77
4 Interim Dividend	0.00	1157.80
5 For Gratuity and Leave Encashment	451.26	382.87
	4961.13	2904.24
<b>Total</b>	<b>28996.52</b>	<b>26342.04</b>

## Schedule Forming part of the Profit and Loss Account

### SCHEDULE 10 : OTHER INCOME

	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
Interest		
- On long term investments (tax deducted at source of Rs 26.47 lacs, previous year Rs. 37.50 lacs)	431.39	540.10
- On current investments (tax deducted at source of Rs. 51.37 lacs, previous year Rs. 5.95 lacs)	249.12	148.78
- From banks (tax deducted at source of Rs. 199.76 lacs, previous year Rs. 2.68 lacs)	905.59	7.03
- On Income-tax refunds	0.00	40.72
- Others (tax deducted at source of Rs. 2.41 lacs previous year Rs. Nil)	40.90	0.00
	<b>1627.00</b>	736.63
Dividend - On long term investments		
Dividend from subsidiary company	396.00	396.00
Dividend from Others	339.33	656.48
	<b>735.33</b>	1052.48
Profit on sale of Long Term investments (Net)	0.00	5987.94
Liabilities written back	35.83	5.09
Foreign Exchange Gain (Net)	0.00	3899.02
Lease Rent	727.08	320.46
Profit on assets sold/discarded (Net)	0.00	1.75
Miscellaneous income	227.78	164.80
<b>Total</b>	<b>3353.02</b>	12168.17

### SCHEDULE 11 : (INCREASE) / DECREASE IN STOCKS

Opening Stock		
Finished Goods	3184.90	2224.03
Material-in-process	281.76	3.20
By-products	2.60	6.32
Carbon Credits	54.30	94.78
	<b>3523.56</b>	2328.33
Less : Closing Stock		
Finished Goods	6769.81	3184.90
Material-in-process	1048.05	281.76
By-products	1.41	2.60
Carbon Credits	99.03	54.30
	<b>7918.30</b>	3523.56
	<b>(88.76)</b>	230.19
Excise Duty on Stock of Finished Goods (Net)		
<b>(Increase) / Decrease In Stock</b>	<b>(4483.50)</b>	(965.04)

### SCHEDULE 12 : MATERIAL CONSUMED AND PURCHASE OF FINISHED GOODS

Raw Materials consumed	15266.25	13537.33
Packing Materials consumed	4305.61	2658.03
Purchase of Finished Goods	51.52	301.79
<b>Total</b>	<b>19623.38</b>	16497.15



## Schedule Forming part of the Profit and Loss Account

### SCHEDULE 13: MANUFACTURING AND OTHER EXPENSES

	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
Stores and Spare parts Consumed	1769.74	1860.07
Power and Fuel	10856.30	6941.22
Freight and Octroi	1671.45	1670.29
Insurance	273.80	149.68
Excise Duty, Custom Duty and Sales Tax	84.62	83.98
Production Labour Charges	214.57	375.79
Processing Charges	218.94	174.00
Factory Expenses	174.92	28.15
Repairs to		
- Buildings	157.67	58.76
- Machinery	1172.62	960.93
- Others	119.43	83.10
	1449.72	1102.79
Directors' Sitting Fees	1.85	2.35
Rent	101.24	98.08
Rates and Taxes	33.97	152.67
Travelling and Conveyance	647.42	485.78
Communication expenses	169.38	135.24
Legal and Professional Fees and Expenses	1463.87	855.28
Lease Rentals and Hire Charges	407.17	386.56
Discount	48.05	0.00
Loss on assets sold/scrapped (Net)	6.94	0.00
Bank Charges	222.26	79.77
Foreign exchange fluctuation loss (Net)	7173.44	0.00
Provision for doubtful debts	0.00	2.82
Bad debts and Remissions	64.24	28.22
Less : Provision for Doubtful debts adjusted	62.44	28.21
	69.93	57.85
Expenditure for Sustainable Development Plan	293.89	163.03
Commission	192.23	50.39
Royalty	733.51	0.00
Loss on Sale of Long Term Investments (Net)	1842.66	1285.30
Miscellaneous Expenses	30123.67	16141.10
<b>Total</b>	<b>30123.67</b>	<b>16141.10</b>
<b>SCHEDULE 14: SALARIES AND BENEFITS</b>		
Salaries, Wages, Allowances and Benefits	4858.36	3487.59
Contribution to Provident and other Funds	138.63	102.06
Gratuity	60.25	90.36
Staff Welfare Expenses	56.94	51.23
<b>Total</b>	<b>5114.18</b>	<b>3731.24</b>
<b>SCHEDULE 15 : INTEREST</b>		
Interest on fixed loans	4841.88	2676.26
(Net of interest capitalised Rs.422.52 Lacs, previous year Rs.660.61 Lacs)	158.09	87.74
Other Interest	4999.97	2764.00
<b>Total</b>	<b>4999.97</b>	<b>2764.00</b>



## Notes Forming Part of the Accounts

### SCHEDULE 16: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2009

#### 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 notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### b) FIXED ASSETS

Freehold land is carried at cost. Leasehold Land is carried at cost, comprising of lease premium and expenses on acquisition thereof, as reduced by accumulated amortisation. Other Fixed Assets are carried at cost less accumulated depreciation. Cost comprises of purchase price / cost of construction, including any expenses attributable to bring the asset to its working condition for its intended use, and is net of CENVAT & VAT Credit.

##### c) DEPRECIATION & AMORTIZATION

i) On tangible fixed assets: Cost of Leasehold Land is amortised over the period of the lease. Depreciation on other Fixed Assets, excluding Freehold Land, is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

ii) On intangible fixed assets: Cost of Technical Know-how is amortized equally over a period of ten years and cost of Software is amortized @ 16.21% p.a. on straight line method.

##### d) 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.

##### e) 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 except that no income is recognised in respect of doubtful investments.

##### f) 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.

##### g) SALES

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. Gross sales includes excise duty but are exclusive of sales tax. Revenue from Carbon Credits is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer and is net of payment towards cancellation of contracts. Income on sale of electricity generated is recognised on the basis of actual units generated and transmitted to the purchaser and is net of unscheduled interchange charges paid.

##### h) EMPLOYEE BENEFITS

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account in the year in which the related service is rendered. Company's contributions towards provident and pension funds viz. Defined Contribution Plan paid/payable during the year are charged to the Profit and Loss Account. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the Profit and Loss Account at the present value of the amounts payable determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the Profit and Loss Account.

##### i) 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.

##### j) TAXES ON INCOME

Income tax expense comprises current tax and deferred tax charge. 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. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period.



**k) CENVAT and VAT CREDIT**

Excise duty, Service tax and VAT on inputs and services are carried forward in current assets and is included in "Balance in Excise, Service Tax and VAT Accounts" till it is utilized. Consequently such inputs and services are accounted for exclusive of excise duty service tax and VAT credits.

**l) 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.

2. Depreciation for the current year is not comparable with that of immediate previous year, due to change in accounting policy for providing depreciation, effected in last year leading to a write back of depreciation of Rs. 2045.63 Lacs in the previous year due to retrospective re-computation.
3. In accordance with applicable statutory approvals, during the year company has bought back and extinguished 5930000 equity shares of Re 1 each at an average price of Rs. 103.48 per share from the open market, and accordingly:
  - a) The face value of Re 1 per share is reduced from the paid up Equity Share Capital and correspondingly the amount of Rs. 59.30 lacs is transferred to Capital Redemption Reserve from profit and loss account.
  - b) The balance price of Rs 102.48/-per share paid on these shares aggregating to Rs 6077.01 Lacs is adjusted against the following :-
    - (i) Share premium account Rs 4.62 Lacs.
    - (ii) General Reserve Rs 6072.39 Lacs.
  - c) Consequent to the buyback of shares during the year, the Company has become a subsidiary of Inox Leasing and Finance Limited, which holds 52.54 % shares after the buyback. (49.85 % before the buyback).
  - d) Dividend of Rs. 4.88 Lacs pertaining to shares bought back during the year is credited to profit and loss accounts as "Dividend on shares bought back" in the appropriations.
4. Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.
5. 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.
6. Foreign Currency Term Loan from ABN Amro N.V. is secured by hypothecation of all movable fixed assets of the Company situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat on first pari passu charge basis.  
 Foreign Currency Term Loan from ICICI Bank Limited is secured by equitable mortgage of land and hypothecation of all movable property of the Company for wind mills situated at Gude Panchgani, District Sangli, Maharashtra. Further, the lender also has a charge/lien over the escrow account, where the collections of sales of electricity are to be deposited.  
 Rupee Term Loan from Indian Overseas Bank is secured by way of exclusive first charge by hypothecation of all movable and immovable fixed assets of the Company for wind mills situated at Village Ossiya and Sadiya in Rajasthan. Further, the lender shall also have a charge/lien over the escrow account, where the collections of sales of electricity are to be deposited.  
 Rupee Term Loan from United Bank of India, UCO Bank and Oriental Bank of Commerce is secured by joint equitable mortgage of lease hold land and building and hypothecation of all movable fixed assets of the Company situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat on first pari passu basis and by way of second pari passu charge over fixed assets situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat.  
 Working Capital Loan from HDFC Bank Limited and ABN Amro Bank N.V. is secured by first pari passu charge over stock and book debts of the Company's Dahej Plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat.  
 Working Capital Loan from Canara Bank and Bank of Maharashtra is secured by equitable mortgage of land and hypothecation of stocks and book debts of the Company's refrigerant plant located at Ranjitnagar, Survey no 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahals.  
 Vehicle loan from financial institution was secured by hypothecation of vehicle.
7. 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.
8. 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.

**9. Particulars of Capacity, Production, Turnover and Stocks :**

Sr. No.	Products		Quantity	Value (Rs in lacs)	Quantity	Value (Rs in lacs)
		UOM	2008-2009	2008-2009	2007-2008	2007-2008
I	<b>Refrigerant Gases</b>					
	<b>(a) HCFCs and CFCs</b>					
	- installed capacity	MT	25000		25000	
	- opening stock	MT	766	948.91	1785	1315.25
	- production	MT	24968		22067	
	- purchases	MT	7	18.52	23	68.50
	- captive consumption	MT	4267		2163	
	- sales	MT	17425	18689.81	20946	16901.36
	- closing stock	MT	4048	3812.39	766	948.91
	<b>(b) Hydrofluorocarbons and Others</b>					
	- opening stock	MT	156	266.29	161	430.43
	- purchases	MT	0	0.00	147	233.29
	- sales	MT	125	253.07	152	320.14
	- closing stock	MT	31	51.31	156	266.29
II	<b>Anhydrous Hydrochloric Acid</b>					
	- installed capacity	MT	5000		5000	
	- opening stock	MT	16	4.31	4	0.55
	- production	MT	967		520	
	- sales	MT	973	1015.43	508	488.42
	- closing stock	MT	10	0.94	16	4.31
III	<b>Wind Power</b>					
	- installed capacity	MW	35.10		23.10	
	- production	Units	57062336		32141106	
	- sales	Units	57062336	2262.80	32141106	1199.82
IV	<b>Caustic Soda</b>					
	- installed capacity	MT	54000		54000	
	- opening stock	MT	172	29.53	11	1.73
	- production	MT	46016		30520	
	- captive consumption	MT	2054		1331	
	- sales	MT	43969	9616.67	29029	4440.87
	- closing stock	MT	164	28.68	172	29.53
V	<b>Liquid Chlorine</b>					
	- installed capacity	MT	48600		48600	
	- opening stock	MT	84	5.78	103	3.08
	- production	MT	39686		27015	
	- captive consumption	MT	36098		17377	
	- sales	MT	3579	162.84	9657	536.41
	- closing stock	MT	93	0.09	84	5.78
VI	<b>Chloromethanes</b>					
	- installed capacity	MT	41250		41250	
	- opening stock	MT	819	161.92		
	- production	MT	32743		12753	
	- captive consumption	MT	17238		6065	
	- sales	MT	15182	3266.17	5868	1315.54
	- closing stock	MT	1143	172.07	819	161.92
VII	<b>Poly Tetrafluoroethylene (PTFE)</b>					
	- installed capacity	MT	5500		5500	
	- opening stock	MT	91	300.36		
	- production	MT	2121		747	
	- captive consumption	MT	1033		514	
	- sales	MT	834	2444.67	143	436.57
	- closing stock	MT	345	1088.32	91	300.36
VIII	<b>Post Treated Poly Tetrafluoroethylene (PT PTFE)</b>					
	- installed capacity	MT	3750		3750	
	- opening stock	MT	396	1314.46		
	- production	MT	544		473	
	- sales	MT	537	1915.04	77	229.81
	- closing stock	MT	403	1512.86	396	1314.46
IX	<b>Carbon Credit Revenue</b>			62931.20		45393.83
X	<b>By-products and other sales</b>			1894.47		1058.79



## Gujarat Fluorochemicals Limited

- Above information is furnished in respect of the products of the Company which are primarily meant for sale.
- 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.
- Installed capacities are as certified by the management on which the Auditor's have relied, being a technical matter.
- Production is net of filling and other losses.

### 10. Raw Materials consumed

Fluorspar  
Chloromethane  
AHF  
Methanol  
Others  
Total

Quantity (in MT)		Value (Rs in lacs)	
2008-2009	2007-2008	2008-2009	2007-2008
25992	25985	3502.27	2984.05
19935	28286	4354.31	6240.00
1683	1403	1567.47	987.52
12128	6009	2276.03	1131.67
		3566.17	2194.09
		15266.25	13537.33

### 11. Imported and indigenous raw material consumed

Imported  
Indigenous  
Total

Percentage		Value (Rs in lacs)	
2008-2009	2007-2008	2008-2009	2007-2008
63.56	65.33	9703.85	8843.97
36.44	34.67	5562.40	4693.36
100.00	100.00	15266.25	13537.33

### 12. Imported and indigenous stores and spares consumed

Imported  
Indigenous  
Total

Percentage		Value (Rs in lacs)	
2008-2009	2007-2008	2008-2009	2007-2008
13.13	15.62	232.35	290.63
86.87	84.38	1537.39	1569.44
100.00	100.00	1769.74	1860.07

### 13. Remuneration to Managing Director and Whole time Directors :

Salary and allowances  
Commission to Managing Director  
Perquisites  
Contribution to Provident Fund  
Total

Computation of Net Profit for Commission to Managing Director

Profit as per Profit & Loss Account

Add: Directors' Sitting Fees

Managing Director's and Whole time Directors Remuneration

Loss on sale of investments (Net)

Provision for doubtful debts/advances

Provision for Diminution in value of Investments

Wealth Tax

Taxation (Net)

Sub-total

Less: Provision for doubtful debts written back/adjusted

Provision for wealth tax written back

Profit on Sale of Investments (Net)

Adjustment on adoption of AS-15 Employee Benefits

Sub-total

Net Profit for Managing Director's Commission

Commission payable to Managing Director for the year @ 4%

#### Amount (Rs. in lacs)

2008-2009	2007-2008
72.87	63.22
2020.49	1635.90
29.12	28.95
5.37	5.11
2127.85	1733.18
34013.62	31996.52
1.85	2.35
2127.85	1733.18
733.51	0.00
0.00	2.82
268.09	1019.62
2.50	2.25
13427.34	12300.10
16561.14	15060.32
62.44	28.21
0.12	0.00
0.00	5987.94
0.00	143.13
62.56	6159.28
50512.21	40897.56
2020.49	1635.90

Note: Remuneration to whole-time-directors of Rs. 0.90 Lacs is subject to approval of shareholders in the ensuing Annual General Meeting.

**14. Particulars of Payments to Auditor's**

	Amount (Rs. in lacs)	
	2008-2009	2007-2008
Particulars		
Audit Fees	5.00	4.00
Tax Audit Fees	2.50	2.00
Fees for taxation matters	6.00	1.25
Limited Review, Corporate Governance, Consolidated Accounts	2.50	2.00
Certification	1.00	0.60
Out of pocket expenses	0.02	0.00
Service Tax	1.20	1.22
<b>Total</b>	<b>18.22</b>	<b>11.07</b>

**15. Contingent liabilities not provided for in respect of :-**

	Amount (Rs. in lacs)	
	2008-2009	2007-2008
Particulars		
Sales Tax	27.32	25.69
Income Tax	29.14	1336.03
Service Tax	32.81	29.85
Bills discounted	59.61	22.60
Bank Guarantees	5490.90	1292.26
Claims against the Company not acknowledged as debts	4.00	4.00
Claims in respect of labour matters	<b>Amount is not ascertainable</b>	

Note: Amount of Rs. 30.34 Lacs (previous year Rs. 995.29 Lacs) has been paid in respect of above Sales Tax, Income Tax and Service Tax demands and not charged to the Profit and Loss Account.

- 16.** 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 31st 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 this new agreement have commenced during the month of December 2008.

**17. Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances – Rs. 2622.12 Lacs (previous year Rs. 11251.25 Lacs)**
**18. CIF value of imports of :-**

	Amount (Rs in lacs)	
	2008-2009	2007-2008
Particulars		
Raw materials	11511.69	9236.79
Finished goods	0.00	206.71
Stores and spares	932.47	213.55
Capital goods ( Including capital work in progress)	1249.44	266.29
<b>Total</b>	<b>13693.60</b>	<b>9923.34</b>



## Gujarat Fluorochemicals Limited

### 19. Expenditure in foreign currency : (Including Amount Capitalized)

Particulars
Royalty
Professional and Consultation fees
Interest
Others-Lease Rent, Sales Commission, Travelling etc.
Total

#### Amount (Rs in lacs)

2008-2009	2007-2008
191.31	50.39
505.33	516.87
1447.13	168.54
1810.45	961.39
3954.23	1697.18

### 20. Earning In foreign exchange :

Particulars
FOB value of exports
Other recoveries on exports
Carbon Credit Revenue
Total

#### Amount (Rs. in lacs)

2008-2009	2007-2008
18168.67	13457.05
634.25	820.73
62931.20	45393.83
81734.12	59671.61

### 21. Major components of the net deferred tax liability :

#### (A) Deferred Tax Liabilities

(i) Depreciation

Total

#### (B) Deferred Tax Assets

(i) Retirement benefits

(ii) Doubtful debts

(iii) Others

Total

#### Net Deferred Tax Liability (A-B)

#### Amount (Rs. in lacs)

2008-2009	2007-2008
9306.71	8042.04
9306.71	8042.04
153.38	178.79
0.00	21.22
28.78	4.82
182.16	204.83
9124.55	7837.21

### 22. Calculation of Earnings Per Share (EPS)

Particulars

- Amount used as the numerator - Profit after taxation (Rs in lacs)
- Number of equity shares outstanding at the beginning of the year – (Nos.)
- Number of equity shares outstanding at the end of the year – (Nos.)
- Weighted Average Number of equity shares outstanding for the year – (Nos.)
- Nominal value of each share – (Re)
- Basic and Diluted Earnings per share (Rs)

#### Amount

2007-2008	2006-2007
34013.62	32044.70
115780000	115780000
109850000	115780000
113711390	115780000
1	1
29.91	27.68

### 23. Prior period items :

Legal and Professional Expenses
Freight
Repairs to Plant & Machinery
Repairs to Building
Travelling expenses
Equipment Hire charges
Production & Maintenance Labour charges
Provision for Leave Encashment
Others
Total

#### Amount (Rs. in lacs)

2008-09	2007-08
3.38	0.00
7.77	0.00
7.67	0.79
2.40	1.23
1.64	0.00
3.38	0.00
16.86	0.00
24.37	0.00
4.37	2.22
71.84	4.24



**24. Segment Information**

(A) Information about Primary (Business) Segment:  
Description

**[I] Segment Revenue**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total Segment Revenue**
- Less : Inter Segment Revenue- Power
- Total External Revenue**

**[II] Segment Result**

- i. Chemicals
- ii. Power
- Total Segment Result**
- (Less)/Add: Un-allocable (Expenses)/Income (Net)
- Less :Interest expenses
- Total Profit Before Tax**
- Less : Taxation (including Deferred tax and Fringe Benefit tax)
- Net Profit After Tax**

**[III] Other Information**
**a] Segment Assets**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total**

**b] Segment Liabilities**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total**

**c] Capital Expenditure (Including Capital Advances)**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total**

**d] Depreciation & Amortization**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total**

**e] Non-cash expenses (other than depreciation)**

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate
- Total**

Amount (Rs. in lacs )

<b>Year Ended 31.03.2009</b>	Year Ended 31.03.2008
<b>102225.32</b>	74284.98
<b>16897.63</b>	8792.15
<b>3166.41</b>	9004.93
<b>122289.37</b>	92082.06
<b>14484.18</b>	7592.33
<b>107805.19</b>	84489.73
<b>50732.51</b>	39412.81
<b>6406.19</b>	1908.88
<b>57138.70</b>	41321.69
<b>(4697.77)</b>	5738.92
<b>4999.97</b>	2764.00
<b>47440.96</b>	44296.62
<b>13427.34</b>	12251.92
<b>34013.62</b>	32044.70
<b>99547.59</b>	82573.27
<b>49747.51</b>	31303.10
<b>81319.65</b>	69717.47
<b>230614.75</b>	183593.84
<b>21694.50</b>	23553.60
<b>182.15</b>	132.86
<b>85655.28</b>	60838.23
<b>107531.93</b>	84524.69
<b>4791.24</b>	10091.19
<b>16088.57</b>	8819.60
<b>468.63</b>	245.33
<b>21348.44</b>	19156.12
<b>2915.33</b>	571.91
<b>1626.88</b>	674.28
<b>176.23</b>	137.09
<b>4718.44</b>	1383.28
<b>0.00</b>	0.00
<b>0.00</b>	0.00
<b>268.09</b>	1019.62
<b>268.09</b>	1019.62





**[B] Information about Secondary (geographical) Segment:**

The Company derives revenue from both domestic and overseas markets, which are considered different geographical segments. Segment-wise revenues are as under:

Particulars	Amount (Rs in lacs)	
	2008-2009	2007-2008
Domestic	<b>22718.05</b>	12635.92
Overseas	<b>81734.12</b>	59685.64
Total	<b>104452.17</b>	72321.56

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

**[C] Notes:**

- 1) The Company operates in following business segments:
  - a. Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
  - b. Power - Comprising of Power Generation.
- 2) Inter-segment revenue comprise of power generated by Captive Power Generation Units and consumed in Chemical Business and is priced at estimated market value.
- 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. In respect of power segment, the entire production is indigenously sold/consumed. The disclosures regarding geographical segments are made accordingly.
- 4) The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**25. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006;**

Particulars	Amount (Rs. in lacs )	
	2008-2009	2007-2008
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	<b>23.43</b>	Nil
Interest accrued and due to suppliers under MSMED Act,2006 on the above amount, unpaid at the year end.	<b>1.58</b>	Nil
Payment made to suppliers (other than interest) beyond the appointed date during the year	<b>45.98</b>	Nil
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	<b>Nil</b>	Nil
Interest due and payable to suppliers under MSMED Act for payments already made.	<b>1.36</b>	Nil
Interest accrued and not paid to suppliers under MSMED Act,2006 up to the year end.	<b>2.94</b>	Nil

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

**26. Proposed Joint Venture:**

During the last year, the Company has entered into an agreement for formation of a Joint Venture Company ("JVC") in the People's Republic of China. The JVC will be engaged in the business of manufacture of anhydrous hydrogen fluoride and allied activities. As per the terms of the agreement, the Company will own 33.77% share in the equity of the JVC. Up to 31<sup>st</sup> March 2009, the Company has paid an amount of Rs. 1151.34 lacs (Previous year Rs. 1151.34 lacs), equivalent to US\$ 2.93 million as share application money towards investment in the JVC. Pending allotment of shares as on 31<sup>st</sup> March 2009, the amount of share application money paid is included under 'Loans and Advances' in Schedule 8 to the Balance Sheet. Capital commitment towards further equity contribution in the JVC is US\$ 0.19 million.

**27. Related Party Disclosures :**
**(i) Names of Related Parties**
**(A) Where control exists:**

Holding Company- Inox Leasing & Finance Limited (w.e.f. 18<sup>th</sup> September 2008-see note (a))

Subsidiary Companies:

Inox Leisure Limited

Inox Infrastructure Private Limited (w.e.f. 1st July 2007)

Inox Motion Pictures Limited ( w.e.f. 01<sup>st</sup> October 2008)

**(B) Other related parties with whom there are transactions during the year:**

Associates

Humsay i Global Services Ltd. (formerly known as Inox Global Services Limited  
(Upto 1<sup>st</sup> February 2008 - see note (a))

Key Management Personnel

Shri V K Jain (Managing Director)

Shri D K Sachdeva (Whole Time Director)

Shri J S Bedi (Whole Time Director )

Relatives of Key Management Personnel

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

Shri P K Jain (Brother of Shri V K Jain)

Shri Devansh Jain (Son of Shri V.K. Jain)

(Appointed as member - Corporate Management Group w.e.f. 21<sup>st</sup> March 2008)

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

Devansh Gases Private Limited

Devansh Trading and Finance Private Limited

Inox India Limited

Inox Air Products Limited

Inox Leasing & Finance Limited- ( up to 17<sup>th</sup> September, 2008- see note(a))

Inox Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited

**(ii) Particulars of transactions**

Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Associate Company		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>A) Transactions during the year</b>														
<b>Sales of Goods</b>														
Inox Air Products Limited											7.25	22.55	7.25	22.55
Others											0.12	0.00	0.12	0.00
<b>Total</b>											7.37	22.55	7.37	22.55
<b>Purchase of Assets</b>														
Humsay i Global Services Ltd					0.00	7.00					0.00	2.50	0.00	7.00
Inox Air Products Limited											0.00	2.50	0.00	2.50
<b>Total</b>					0.00	7.00					0.00	2.50	0.00	9.50
<b>Purchase of Goods</b>														
Inox Air Products Limited											104.74	43.97	104.74	43.97
Inox India Limited											3145.26	2142.56	3145.26	2142.56
Others											0.46	0.14	0.46	0.14
<b>Total</b>											3250.45	2186.67	3250.45	2186.67



## Gujarat Fluorochemicals Limited

Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Associate Company		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Inter-corporate Deposits given</b>														
Inox Air Products Limited											0.00	1000.00	0.00	1000.00
Inox Leasing & Finance Limited											0.00	200.00	0.00	200.00
Inox Leisure Limited			525.00	0.00							0.00	0.00	525.00	0.00
<b>Total</b>			525.00	0.00							0.00	1200.00	525.00	1200.00
<b>Inter-corporate Deposits received back</b>														
Inox Leisure Limited			1281.70	860.88									1281.70	860.88
Inox Air Products Limited											0.00	1000.00	0.00	1000.00
Inox Leasing & Finance Limited											0.00	200.00	0.00	200.00
<b>Total</b>			1281.70	860.88							0.00	1200.00	1281.70	2060.88
<b>Preference shares Redemption</b>														
Humsay i Global Services Ltd					0.00	677.88							0.00	677.88
<b>Total</b>					0.00	677.88							0.00	677.88
<b>Equity shares Subscribed</b>														
Inox Infrastructure Private Limited			0.00	4999.00									0.00	4999.00
Inox Motion Pictures Limited			5.00	0.00									5.00	0.00
<b>Total</b>			5.00	4999.00									5.00	4999.00
<b>Interest received</b>														
Inox Leisure Limited			116.80	165.48									116.80	165.48
Others											0.00	9.08	0.00	9.08
<b>Total</b>			116.80	165.48							0.00	9.08	116.80	174.56
<b>Expenses (Repairs)</b>														
Inox India Limited											4.25	6.96	4.25	6.96
Refron Valves Limited											1.69	0.03	1.69	0.03
<b>Total</b>											5.94	6.99	5.94	6.99
<b>Reimbursement of expenses (paid)</b>														
Inox Air Products Limited											4.30	4.69	4.30	4.69
Inox Leasing & Finance Limited											0.80	0.68	0.80	0.68
Inox Leisure Limited			8.14	0.00									8.14	0.00
<b>Total</b>			8.14	0.00							5.10	5.37	13.24	5.37
<b>Reimbursement of expenses (received)</b>														
Inox India Limited											6.12	0.86	6.12	0.86
Inox Motion Pictures Limited			8.14	0.00									8.14	0.00
Others			0.34	0.00							0.39	0.42	0.73	0.42
<b>Total</b>			8.48	0.00							6.51	1.28	14.99	1.28
<b>Rent Received</b>														
Inox Air Products Limited											126.00	126.00	126.00	126.00
Others					0.00	0.09					0.72	0.72	0.72	0.81
<b>Total</b>					0.00	0.09					126.72	126.72	126.72	126.81

Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Associate Company		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Rent &amp; Lease Rentals paid</b>														
Inox Air Products Limited											46.94	44.04	46.94	44.04
Devansh Gases Private Limited											18.00	18.00	18.00	18.00
Inox Leasing & Finance Limited	18.00	0.00									18.00	36.00	36.00	36.00
Others							1.20	1.20					1.20	1.20
<b>Total</b>	18.00	0.00					1.20	1.20			82.94	98.04	102.14	99.24
<b>O&amp;M Charges paid in respect of leased plant</b>														
Inox Air Products Limited											57.67	58.67	57.67	58.67
<b>Total</b>											57.67	58.67	57.67	58.67
<b>Dividend Received</b>														
Inox Leisure Limited			396.00	396.00									396.00	396.00
<b>Total</b>			396.00	396.00									396.00	396.00
<b>Remuneration paid</b>														
Shri V K Jain							2073.31	1687.55					2073.31	1687.55
Others							54.54	45.64	4.80	0.16			59.34	45.80
<b>Total</b>							2127.85	1733.18	4.80	0.16			2132.65	1733.34
<b>Sitting Fees</b>														
Shri D K Jain									0.80	1.25			0.80	1.25
Shri P K Jain									0.05	0.05			0.05	0.05
<b>Total</b>									0.85	1.30			0.85	1.30
<b>Purchase of Shares</b>														
Shri V K Jain							0.00	0.30					0.00	0.30
Shri P K Jain									0.00	0.30			0.00	0.30
<b>Total</b>							0.00	0.30	0.00	0.30			0.00	0.60
<b>B) Amounts outstanding</b>														
<b>Investment in Shares</b>														
<b>Inox Leisure Limited</b>														
Equity shares			3960.00	3960.00									3960.00	3960.00
<b>Humsay i Global Services Ltd</b>														
Equity shares					239.25	239.25							239.25	239.25
Preference shares					1048.45	1048.45							1048.45	1048.45
<b>Inox Infrastructure Private Limited</b>														
Equity shares			5000.00	5000.00									5000.00	5000.00
<b>Inox Motion Pictures Limited</b>														
Equity shares			5.00	0.00									5.00	0.00
<b>Total</b>			8965.00	8960.00	1287.70	1287.70							10252.70	10247.70
<b>Amount payable</b>														
Shri V K Jain							2022.49	1636.94					2022.49	1636.94
Others							4.40	3.52			181.19	46.47	185.59	49.99
<b>Total</b>							2026.89	1640.46			181.19	46.47	2208.08	1686.93
<b>Amount receivable</b>														
Inox Leisure Limited-ICD			1604.10	2360.80									1604.10	2360.80
Others			8.14	0.00									8.14	0.00
<b>Total</b>			1612.24	2360.80									1612.24	2360.80

- (a) Inox Leasing & Finance Limited (ILFL) was an "Enterprise over which Key Management Personnel, or his relative, has significant influence. ILFL has become a Holding Company w.e.f 18th September, 2008. Hence, transactions upto 17th September 2008 are classified as transactions with "Enterprises over which Key Management Personnel, or his relative, has significant influence" and transactions w.e.f. 18th September 2008 are classified as transaction with "Holding Company".

- (b) During the last year, the Company has entered into an agreement dated 1<sup>st</sup> February, 2008 to disinvest its stake in Humsay i Global Services Limited (HIGSL), an Associate Company. As per the terms of the agreement, the entire shareholding in HIGSL (equity and preference) was to be transferred to the buyer in installments. Transfer of the first installment has taken place on 1<sup>st</sup> February, 2008 and the remaining shares are to be transferred on or before 31<sup>st</sup> March, 2010. Since the management and control is with the buyer as per the aforesaid agreement, the Company has ceased to exercise significant influence in IGSL w.e.f. 1<sup>st</sup> February, 2008 and accordingly IGSL is no longer an 'Associate' from this date.
- (c) Additional disclosure as required by Listing Agreement in respect of loans given:
- |   | <b>Inox Leisure Limited</b> |
|---|-----------------------------|
| Name of the Loanee                                    | 1604.10                     |
| Amount of loan at the year end                        | 2560.80                     |
| Maximum balance during the year                       | Nil                         |
| Investment by the loanee in the shares of the Company |                             |

## 28. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs.138.63 (Previous Year Rs 89.63 Lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation as on 31<sup>st</sup> March, 2009

Particulars	Amount (Rs. in lacs)			
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2008-09	2007-08	2008-09	2007-08
<b>1. Change in Benefit Obligation</b>				
Liability at the beginning of the year	239.03	176.37	143.84	113.20
Interest Cost	16.73	14.11	10.07	9.06
Current Service Cost	45.55	33.29	35.13	30.80
Benefit paid	(26.16)	(27.71)	(39.46)	(29.14)
Actuarial (Gain)/Loss	(1.09)	42.97	0.86	19.92
Liability at the end of the year	274.06	239.03	150.44	143.84
<b>2. Expenses recognized in the Profit and Loss Account</b>				
Current Service Cost	45.55	33.29	35.13	30.80
Interest Cost	16.73	14.11	10.07	9.06
Actuarial (Gain)/Loss	(1.09)	42.97	0.86	19.92
Expenses recognized in the Profit and Loss Account	61.19	90.37	46.06	59.78
<b>3. Actuarial Assumptions</b>				
Discount Rate	7%	8%	7%	8%
Salary Escalation Rate	8%	8%	8%	8%
Retirement Age	60 years	60 years	60 years	60 years
Withdrawal Rates	5%	2%	5%	2%
Mortality	LIC (1994-96) Published table of rates			

The above defined benefit plans are un funded. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

29. Legal & Professional fees includes Rs 33.92 lacs (Previous years Rs Nil ) paid to firms in which one of the director is partner.

**30. Disclosure as required by Accounting Standard – AS 19 on “Leases” –**

a) In respect of Assets given on Operating Lease :

**Amount ( Rs. in lacs )**

<b>Sr. No.</b>	<b>Particulars</b>	<b>2008-09</b>	<b>2007-08</b>
(i)	Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets.	<b>914.52</b>	914.52
(ii)	Accumulated Depreciation as at the end of the year	<b>38.56</b>	23.65
(iii)	Depreciation for the year	<b>14.90</b>	13.99
(iv)	Future minimum lease payments -		
(a)	Not later than one year	<b>737.39</b>	726.36
(b)	Later than one year and not later than five years	<b>2941.24</b>	2743.74
(c)	Later than five years	<b>2117.12</b>	2911.04

(v) General description of significant Leasing arrangements –

Asset given on operating lease is Office Premises. The non-cancellable initial lease tenure is for five to nine years, which can be further extended at the mutual option of both the parties.

b) In respect of plant taken on operating lease:

The lease is for an initial non-cancellable period of ten years, which can be further extended at the mutual option of both parties. The lease rentals are included in Lease Rentals and Hire Charges in Schedule 13 to the Profit and Loss account. The future minimum lease payments under this lease arrangement are as under:-

**Amount (Rs. in lacs)**

<b>S.No.</b>	<b>Payable in future</b>	<b>2008-09</b>	<b>2007-08</b>
a)	Not later than one year	<b>35.28</b>	35.28
b)	Later than one year and not later than five years	<b>141.12</b>	141.12
c)	Later than five years	<b>97.02</b>	132.30

c) The Company's other significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations) taken on lease. Generally, these lease arrangements are non-cancellable, range between 11 months to 5 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent" in Schedule 13 to the Profit and Loss Account.

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

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**VIVEK JAIN**  
Managing Director

**D. K. JAIN**  
Chairman

**V. P. MITTAL**  
Director

**M. Y. KULKARNI**  
Partner

**DEEPAK ASHER**  
Director

**B. V. DESAI**  
Company Secretary

**DR. S. RAMA IYER**  
Director

Place : Pune  
Dated : 22nd May 2009

Place : Noida  
Dated : 22nd May 2009



Gujarat Fluorochemicals Limited

## 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 9

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

2 3 0 6 1 4 7 5

Total Assets

2 3 0 6 1 4 7 5

##### Sources of Funds

Paid-up Capital

1 0 9 8 5 0

Reserves & Surplus

1 2 1 9 8 4 3 2

Secured Loans

5 5 5 3 3 1 5

Unsecured Loans

1 3 8 7 7 7 1

Deferred tax Liability

9 1 2 4 5 5

##### Application of Funds

Net Fixed Assets

1 0 1 9 2 3 5 1

Investments

5 0 5 7 2 8 5

Net Current Assets

4 9 1 2 1 8 7

Misc. Expenditure

N I L

Accumulated Losses

N I L

#### IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

1 0 4 4 5 2 1 7

Total Expenditure

6 0 3 6 4 2 3

+ / (-) Profit/(Loss) Before Tax

4 7 4 4 0 9 6

+ - Profit/(Loss) After Tax

3 4 0 1 3 6 2

Earning per share (Rs.)

2 9 . 9 1

Dividend Rate @ %

3 5 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. (ITC Code)

N O T A P P L I C A B L E

Product Description

C A R B O N C R E D I T R E V E N U E

Item Code No. (ITC Code)

3 9 0 4 0 0

Product Description

P O L Y T E T R A F L U O R O E T H Y L E N E



# INOX LEISURE LIMITED

## 10TH ANNUAL REPORT

### 2008-2009

#### BOARD OF DIRECTORS

<b>Shri Pavan Jain</b>	<i>Director</i>
<b>Shri Vivek Jain</b>	<i>Director</i>
<b>Shri Deepak Asher</b>	<i>Director</i>
<b>Shri Haigreve Khaitan</b>	<i>Director</i>
<b>Shri Siddharth Jain</b>	<i>Director</i>
<b>Shri Vimal Mittal</b>	<i>Director</i>

#### AUDIT COMMITTEE

Shri Vimal Mittal  
Shri Deepak Asher  
Shri Haigreve Khaitan

#### AUDITORS

M/s. Patankar & Associates  
Chartered Accountants

#### COMPANY SECRETARY & VICE PRESIDENT - LEGAL

Mr. Rajesh D. Parte

#### REGISTERED OFFICE

ABS Towers, Old Padra Road,  
Vadodara 390 007, Gujarat.

#### CORPORATE OFFICE

5<sup>th</sup> Floor, Viraj Towers,  
Next to Andheri Flyover,  
Western Express Highway,  
Andheri (East),  
Mumbai - 400 069

## Directors' Report

Your Directors take pleasure in presenting to you the Tenth Report on the business and operations of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### 1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
<b>Income</b>		
Sales and other Income	<b>22788.03</b>	21783.13
Profit before Interest, Depreciation and Tax (PBITD)	<b>3703.01</b>	5177.45
Less: Depreciation	<b>1265.30</b>	931.12
Profit before Interest and Tax (PBIT)	<b>2437.70</b>	4246.33
Less: Interest	<b>447.87</b>	598.85
Profit before Tax (PBT)	<b>1989.83</b>	3647.48
Less: Provision for Taxation	<b>(444.24)</b>	1008.73
Add: Profit of erstwhile CCPL for the year ended 31 <sup>st</sup> March 2007 on Amalgamation	—	0.46
Profit after Tax (PAT)	<b>2434.08</b>	2639.21
Add: Profit brought forward from previous year	<b>1143.75</b>	709.18
Add: Balance in Profit & Loss Account of erstwhile CCPL as on 31.03.2006 on Amalgamation	—	19.50
Appropriations:		
• Proposed dividend on equity shares	—	618.96
• Corporate tax on distributed dividend	—	105.19
• Transfer to General Reserve	—	1500.00
• Balance carried to Balance Sheet	<b>3577.83</b>	1143.75

During the year under review, the Company achieved Sales and other Income of Rs. 22788.03 lacs, showing a growth of 4.61 % compared to the previous year. The PBITD decreased by 28.48 % to Rs. 3703.01 lacs. The profit before tax was lower by 45.45 % to Rs. 1989.84 Lacs. The profit after tax decreased by 7.77 % to Rs. 2434.08 Lacs compared to Rs. 2639.21 Lacs in 2007-08.

### 2. DIVIDEND:

With a view to conserve the resource for future projects of the Company, the directors do not recommend any Dividend for the financial year ended 31<sup>st</sup> March 2009.

### 3. REAPPOINTMENT OF MANAGER:

It is proposed to reappoint Mr. Alok Tandon - Chief Executive Officer, as a Manager of the Company pursuant to the provisions of Section 269 of the Companies Act 1956, for a further period of one year from 1<sup>st</sup> October 2009 to 30<sup>th</sup> September, 2010, subject to approval of the Shareholders at the ensuing Annual General Meeting.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956, your Directors would like to confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.

- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the Annual Accounts on a going concern basis.

#### **5. DIRECTORS:**

Mr. Deepak Asher and Mr. Vimal Mittal, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

In accordance with stipulation under Clause 49 of the Listing Agreement, brief resume of Mr. Deepak Asher and Mr. Vimal Mittal together with nature of their expertise in specific functional areas and names of the Companies in which they hold office of a Director is given in the Notice convening the Annual General Meeting.

#### **6. AUDITORS' REPORT:**

The notes forming part of the accounts are self explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

#### **7. AUDITORS:**

The Audit Committee of the Board of Directors of the Company has recommended the re-appointment of M/s Patankar & Associates, who retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of the Companies Act, 1956.

#### **8. PERSONNEL:**

We continue to have cordial and harmonious relationship with our employees.

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

#### **9. EMPLOYEE STOCK OPTION SCHEME:**

During the year under review no options were granted. However 28,450 Equity Shares of Rs. 10 each were allotted to the employees of the Company pursuant to the options vested in them as per the Employee Stock Option Scheme. The disclosures as required under the Guidelines issued by Securities Exchange Board of India on Employee Stock Option Scheme / Employee Stock Purchase Scheme are given in Annexure – A"

#### **10. CORPORATE GOVERNANCE:**

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Auditors' Report thereon are included as a part of the Annual Report.

#### **11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTFLOW:**

Your Company has taken the following energy conservation measures:

- Power factor is being maintained with the use of capacitor banks and Auto power factor correction meter. These banks are used to neutralize the inductive current by providing capacitive current. As a result, a power factor improves and the Company gets rebate as may be applicable on energy bills from Electricity Distribution Companies. The overall current consumption from the equipment also reduces which leads to increase life cycle of the equipments like Motors and heaters.
- Timers are being used to optimize the operational hours of lighting and other load within the premises. We have started energy conservation meeting for all the units so as to create awareness about the energy conservation. The units like Kolkata - City Center, Kolkata - Forum, Bangalore, Indore, Nariman Point, Nagpur have provided Timers for common area lightings and Signage. Digital Timers are also used for the AHU which can precisely control the operation hours of AHU according to the schedule of Movies.
- Successfully installed Variable Frequency Drive (VFD) for Audi AHU motors at Pune, Jaipur Crystal Palm, Baroda, Kolkata CC, Kolkata Forum, Bangalore 1 and Indore Multiplex which helps us to control the speed of Aircon motor as per the temperature and the occupancy. It helps to optimize energy consumption for Air conditioning system.

- The operation timing of HVAC system and temperature is controlled with the help of Building Management System software (BMS) at some of the units of the Company.
- All operational units have implemented Planned Preventive Maintenance (PPM) program where the schedule for all the engineering and projection equipments are chalked out in advance with the PPM chart. A benefit of the PPM program is to improve the efficiency of the machines and minimizing breakdowns. As a part of PPM program the air conditioning system was overhauled and chemical dosing was used to recover the loss of ageing and reduced capacity. As a result, the electrical current required for getting the desired result has reduced.
- All the new fittings are with CFL or energy a saver, which uses less electrical power as compared to incandescent lamps. Replaced 50 watt Halogen lamps with 3 watt/ 9watt Led lamps in Milan, Bangalore 1, Chennai, Jaipur CP, Nagpur and Nariman Point property.
- Introduced movement sensor in toilets and back office area. This sensor functions upon the physical movement which helps to reduce electrical energy.
- Auto Voltage Regulator (AVR) is installed at Pune which is maintaining constant Voltage in the said unit irrespective of any voltage fluctuation form electricity board. In effect the rate of failure of bulbs, tubes and other components has been reduced considerable.
- Emphasizing on CFL and LED lamps in existing units and upcoming project.
- Installed digital projectors at Bharuch, Vijayawada, Jaipur Crystal palm, Milan. This consumes 20% less amount of energy compared with conventional projection system.
- Nariman point property converted into 100% digitalized format which will save approx 20% energy cost.

Your Company continues to use the latest technology for giving high quality viewing experience to the patrons.

**The foreign exchange earning and outflow is as follows:**

	(Rs. in lacs)	
	<b>Current Year</b>	<b>Previous Year</b>
(a) Foreign exchange earnings	Nil	Nil
(b) Foreign exchange outflow		
CIF value of Capital Goods imported	60.10	295.70
Travelling	Nil	Nil
Professional fees	Nil	15.51
Conference and Seminar Fees	Nil	Nil
Subscription	Nil	Nil
<b>Total</b>	<b>60.10</b>	<b>311.21</b>

**12. SUBSIDIARY:**

The Company does not have any Subsidiary.

**13. ACKNOWLEDGEMENT:**

Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the employees at all levels, enabling the Company to achieve a satisfactory performance during the year under review.

Your Directors express their gratitude for the valuable co-operation and continued support extended by the Company's bankers, business associates and investors.

**On behalf of the Board of Directors**

Place : Mumbai  
 Date : 21<sup>st</sup> May 2009

Pavan Jain      Vivek Jain  
 Director      Director

## Annexure "A"

### Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

(Format as given in SEBI manual, point no. 12 of above guideline, page II.1061)

A	Options granted	<b>NIL</b>
B	The price formula / Exercise Price	<b>Rs. 15</b>
C	Options vested	<b>30020</b>
D	Options exercised	<b>28450</b>
E	The total number of shares arising as a result of exercise of option	<b>28450</b>
F	Options lapsed	<b>34910</b>
G	Variation of terms of options	<b>NOT APPLICABLE</b>
H	Money realized by exercise of option	<b>NIL</b>
I	Total number of options in force	<b>90060</b>
J	Employee-wise details of options granted to	
	i. senior managerial personal	<b>Nil</b>
	ii. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	<b>Nil</b>
	iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	<b>Nil</b>
k	Diluted Earnings Per Share (EPS) (as on 31 <sup>st</sup> March, 2009) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 'Earnings per Share'	<b>3.96</b>
L	<p>If employee compensation cost calculated using intrinsic value of the stock options, difference between ECC so computed and ECC shall have been recognized if it had used the fair value of the options.</p> <p>Impact of this difference on profits and on EPS of the company</p>	<p><b>Difference in ECC:</b> The ECC would have been lower by Rs. 0.54 Lacs.</p> <p><b>Impact of the difference on the Profit:</b> Profit After Tax would have been higher by Rs. 0.54 Lacs.</p> <p><b>Impact on EPS:</b> EPS would have been higher by less than Rs. 0.01 each.</p>

M	For options whose exercise price either equals or exceeds or is less than the market price of the stock, disclose weighted-average exercise prices and weighted-average fair values of options separately	<table><tr><td></td><td>Weighted Average Exercise Price</td><td>Weighted Average Fair Value</td></tr><tr><td>Exercise price equals market price</td><td>Nil</td><td>Nil</td></tr><tr><td>Exercise price exceeds market price</td><td>Nil</td><td>Nil</td></tr><tr><td>Exercise price is less than the market price</td><td>Rs. 15</td><td>153.01</td></tr></table>		Weighted Average Exercise Price	Weighted Average Fair Value	Exercise price equals market price	Nil	Nil	Exercise price exceeds market price	Nil	Nil	Exercise price is less than the market price	Rs. 15	153.01
	Weighted Average Exercise Price	Weighted Average Fair Value												
Exercise price equals market price	Nil	Nil												
Exercise price exceeds market price	Nil	Nil												
Exercise price is less than the market price	Rs. 15	153.01												
n	Method and significant assumptions used during the year to estimate fair values of options, including following weighted-average info-  i. risk-free interest rate ii. expected life iii. expected volatility iv. expected dividends, and v. the price of the underlying share in market at the time of option grant	  <b>7.65% to 7.73%</b> <b>1.5 to 4.5 years</b> <b>60.32%</b> <b>0%</b> <b>Rs. 164.85</b>												

## Management Discussion and Analysis

The Indian Media and Entertainment (M&E) industry has been one of the fastest growing sectors in the country in recent times. The higher propensity for discretionary spending amongst young Indians also propelled more money into leisure & entertainment activities, giving a steady impetus to the M&E industry. However, in recent times the market environment has become increasingly challenging for the sector on the back of the economic slowdown and the quality of content. As per the FICCI-KPMG Media & Entertainment Industry Report, the film industry recorded a 13.4% growth in 2008 to reach Rs. 10,990 crores, a marginal drop from the 14% it recorded in 2007.

Most analysts expect that the multiplex industry is likely to see a significant decline in revenues during the first quarter of FY'10 due to the ongoing Indian Premier League (IPL) season and the dispute between exhibitors and producers on revenue sharing leading to delay in movie releases.

However, FICCI-KPMG report 'In the interval but ready for the next Act' suggests the industry is in the pause mode because of the economic environment but is still geared up for growth in the years to come.

### Opportunities:

#### 1. The Indian film industry is one of the largest globally with a history of steady growth:

With films being the most popular form of mass entertainment in India, the film industry has witnessed robust double-digit growth over the past decade with domestic box office collections (accounting for 75% of total film industry revenues) growing at a CAGR of 16% over FY2005-FY2008. It is believed that favorable economics and demographics will help the sector sustain high growth.

#### 2. Demographic and economic scenario supports long-term fundamentals:

Unlike other countries, the Indian economy is still growing, albeit at a lower rate than before. Further, 70% of the Indian population is below 30 years of age, presenting a good opportunity for marketers.

#### 3. Multiplexes set to dominate film exhibition space over the next decade:

Films are the most affordable and popular out-of-home entertainment medium in India. With increasing consumer spending and greater awareness, there is growing demand for improvement in quality and technology of films, making multiplexes a preferred choice over single-screen theaters. The growth in organized retail further creates opportunity for greater penetration by multiplexes, as multiplexes act as anchor tenants in malls by attracting footfalls.

#### 4. Integration across value chain and changing business mix creating additional value:

On the back of high growth witnessed in the sector, film exhibition companies are increasingly looking for opportunities to vertically integrate across the film industry value chain (production, distribution and exhibition) and diversify their business mix into other entertainment-related revenue generating avenues such as food courts, gaming, advertising etc

Film exhibition companies are relatively well placed to benefit from this potential integration scenario for two reasons: 1) they form the direct point of contact with the end consumer (visiting patron), giving them advantage over other participants in the value chain; and 2) given India's current under penetration in multiplexes, new developments and expansions will continue to remain profitable for these companies. This is in contrast to mature markets such as the US where content producers enjoy advantage over film exhibition firms due to saturated penetration at the patron level leaving no leverage with film exhibition firms.

#### 5. Adoption of digital technology:

The film exhibition industry is in the initial stages of conversion from film-based to digital projection technology. Virtually all film entertainment content today can be exhibited digitally. Digital projection results in a premium visual experience for patrons as there is no degradation of image over the life of a film. Digital content also gives the theatre operator greater flexibility in programming content. For example, theatre operators are able to better address capacity utilization and meet the demand in their theatres by making real-time decisions on the number and size of auditoriums to program with particular content. Moreover, digital technology provides theatres with the opportunity for additional revenues through digital output and alternative content offerings. The recent experience with the digital initiative has been positive with increased attendance and rising average ticket prices.

#### 6. Importance of the film exhibition industry:

We believe that the box office success of a motion picture is the key determinant in establishing its value in the other parts of the value chain, such as DVD, cable television, merchandising and other ancillary markets. Also the Box office contributes to as much as 74% of a films business so there is no undermining the importance of a multiplex. As a result, we believe motion picture studios will continue to work in tandem with film exhibitors to improve the revenue extraction.

### Risk and Mitigation

#### • **Overbuilding** – Some catchments are likely to be over-built, leading to pressures on pricing and occupancies.

However, with the exception of certain pockets, we believe that the situation across the country is far from one of oversupply. The screen density in India is less than 12 screens per million in the US and more than 40 screens per million for most European countries. 97.5% of these 12,900 screens are single-screens which suffer from inferior infrastructure, low levels of maintenance, low capacity utilization and high entertainment taxes.

#### • **Tax structure not getting rationalized:** one of the key drivers of growth for the film exhibition business is the expectation of rationalization of entertainment taxes. If this does not happen in the time-frame envisaged, increasing costs will place margins under pressure.

Many States are reducing entertainment tax rates for all cinemas, to encourage the exhibition industry. Entertainment taxes are expected to be rationalized in future.

- **Quality of content:** Good quality content is the key driver of footfalls in multiplexes. While generally the quality of content is improving, in any particular year if the content released is commercially unsuccessful, this could impact revenues of multiplexes. The increasing corporatization of the film production sector should result in an increase in the number of high quality films produced, which should increase demand for movies. Correspondingly, unviable movies with weak scripts should find it difficult to garner funding. Therefore, although the average number of films produced annually in India is expected to fall from over 900 in 2004 to around 600 by 2010, the quality of the movies produced is expected to increase.
- **Execution delays:** There is a possibility of delays in execution of projects due to funding issues, over-ambitious targets, slowdown in organized retail and sluggish real estate activity.  
The Company has a dedicated projects team that focuses on timely completion of projects. Having established multiple properties across the country, the Company is in a position to control the execution and completion of the projects to a large extent.
- **Competition from other forms of entertainment** - Supply of different types and formats of entertainment, like theme parks, movie-on-demand on DTH and cable platforms, IPL, live gaming, amongst others, could affect revenues.  
Increasingly, a number of mall developers are considering Movies/Theaters as the key elements attracting footfalls to the malls. This is being reflected in the attractive rental rates offered to such outlets, in comparison to other categories of outlets in malls. As a result, Multiplexes are fast emerging as one of the key anchor tenants for most organized retail outlets and the preferred entertainment destinations in India.
- **Economic Slowdown:** It is believed that the ongoing economic slowdown may hit the frequency of theatre visits by moviegoers, mainly to multiplexes.
- **Expansion in Tier II & Tier III towns:** Not all non-metros markets will respond favorably to multiplexes.  
The Company's strategy over the past few years has been to expand to smaller markets. This is likely to give the Company an early mover advantage in some of these markets resulting in higher occupancies. The Company has also demonstrated higher ATPs historically in spite of major chunk of screens being in the non-metro regions.

## Segment wise analysis

### Multiplexes / Exhibition

Total revenue from theatrical exhibition segment during the financial year ended 31<sup>st</sup> March 2009 amounted to Rs. 22,517 Lacs. The profit from this Segment was Rs. 2509 Lacs for the financial year ended 31<sup>st</sup> March 2009. The increase in total revenue from this segment is attributed to commencement of operations of new properties across the country. As on date, the Company has 27 multiplexes, 97 screens in 20 cities across India.

### Distribution

Total revenue from Distribution during the financial year ended 31<sup>st</sup> March 2009 amounted to Rs. 152 Lacs. However, the Company suffered a loss to the tune of Rs. 286 Lacs for the financial year ended 31<sup>st</sup> March 2009. The Company forayed into distribution a little over 2 years ago by leveraging its exhibition strength in West Bengal & Rajasthan.

### Power

The Company has set up wind mills in the State of Gujarat primarily for the purpose of generating electricity for its captive consumption. The Total Revenue & Profit from this segment was Rs. 120 Lacs and Rs. 63 Lacs respectively, for the financial year ended 31<sup>st</sup> March 2009.

### Internal control systems and their adequacy

The Company has a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conducts and corporate policies are duly complied with.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by Management.

### Discussion of financial performance with respect to operational performance

The Company's financial performance is discussed under the head "Financial Results" in Directors' Report to the Members.

### Material Developments in Human Resources:

#### A. Recruitment & Selection

We develop and maintain our talent pool by recruiting from different service sectors like hotels, entertainment, retail, aviation, media and management schools. Our professionals and successful management team is drawn from the above backgrounds.

The Current employee strength is around 2000.

#### B. Training & Development

Our employees continue to be our most valuable assets. We thrive upon the quality of our highly "Systems and Service" oriented work culture to achieve and maintain consistently high service standards. Our constructive and progressive management style enables us to attract and retain the best talent in the industry. Thus, we continuously maintain a long term strategic competitive advantage for Sustaining Long term Business Objectives.

#### C. Industrial Relations

With our fair management practices across the board we ensure a congenial work environment and a good quality of work life.



## Corporate Governance Report

### 1. A brief statement on the Company's philosophy on Code of Governance:

Corporate Governance is the system by which Companies are directed and controlled by the management in the best interest of the Shareholders and others; ensuring greater transparency and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its Shareholders.

Your Company believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, your Company has initiated significant measures for compliance with Corporate Governance.

### 2. Board of Directors:

The Board of your Company comprises of six Directors and all of them are Non-Executive Directors having considerable experience in their respective fields. There is no Chairman of the Company. The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Your Company held Six Board Meetings during the year on, 20<sup>th</sup> May, 2008, 9<sup>th</sup> June, 2008, 31<sup>st</sup> July, 2008, 6<sup>th</sup> October, 2008, 24<sup>th</sup> October, 2008, and 22<sup>nd</sup> January, 2009.

The details of the Board of Directors, their positions, attendance record, other Directorships (excluding private limited and foreign companies and alternate Directorships) and the membership of other Board Committees as on 31<sup>st</sup> March, 2009 are as under:-

Name of Director	Position	No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other companies*	Member (Chairman) of other Board Committees**
Mr. Pavan Jain	Non-Executive Director	5	No	5	3
Mr. Vivek Jain	Non-Executive Director	5	No	5	3
Mr. Deepak Asher	Non-Executive Director	6	Yes	4	1(1)
Mr. Siddharth Jain	Non-Executive Director	5	No	3	1
Mr. Vimal Mittal	Non-Executive Independent Director	5	No	5	5(4)
Mr. Haigreave Khaitan	Non-Executive Independent Director	6	No	15	8

\* Excluding private limited companies and company in which Director is alternate director

\*\* Other Committee means Audit Committee and Shareholder's Grievance Committee.

### 3. The Company has three Board-level Committees, namely

- Audit Committee
- Share Transfer & Investor's Grievance Committee
- Compensation Committee

#### a. Audit Committee:

The Audit Committee comprises of three Non-Executive Directors with Mr. Vimal Mittal as the Chairman of the Committee.

**Composition of the Committee together with the meetings held and attendance is as follows:**

Name of Director	Position	Number of Meetings Held	Number of Meetings Attended
Mr. Vimal Mittal	Chairman	5	5
Mr. Deepak Asher	Member	5	5
Mr. Haigreave Khaitan	Member	5	5

During the year under review, Five Meetings of the Committee were held on 20<sup>th</sup> May, 2008, 9<sup>th</sup> June, 2008, 31<sup>st</sup> July, 2008, 24<sup>th</sup> October, 2008, and 22<sup>nd</sup> January, 2009.

The Company Secretary acts as the Secretary to the Committee. The terms of reference for the Audit Committee are in accordance with Clause 49 of the Listing Agreement.

Mr. Vimal Mittal, Chairman of the Audit Committee, was unable to attend the Annual General Meeting held on 19<sup>th</sup> September 2008 due to unavoidable circumstances.

**b. Share Transfer & Investors' Grievance Committee:**

Your Company has formed a Share Transfer & Investors' Grievance Committee under the Chairmanship of Mr. Pavan Jain, a non-executive Director of your Company. The Committee specifically looks into the redressal of Shareholders' and investors' complaints such as transfer of shares, non receipt of shares, non receipt of IPO refund orders, non receipt of dividend, etc. and to ensure their expeditious disposal. The Committee approves and monitors transfers, transmissions, dematerialization, re-materialization, issue of duplicate shares, splitting, consolidation of shares, etc.

**Composition of the Committee together with the meetings held and attendance is as follows:**

Name of Director	Position	Committee Meetings held during the year	Number of Meetings attended
Mr. Pavan Jain	Chairman	7	7
Mr. Vivek Jain	Member	7	2
Mr. Deepak Asher	Member	7	5

Mr. Rajesh D. Parte, Company Secretary and Vice President - Legal acts as a Compliance Officer.

During the year ended 31<sup>st</sup> March 2009, your Company received 51 complaints from investors. All the complaints were resolved / replied. The complaints were mainly in respect of non receipt of Refund Orders / non receipt of Electronic Credits / Non receipt of Dividend.

As on 31<sup>st</sup> March 2009, a total of 2650 equity shares remained in the in-transit account with National Securities Depository Limited / Central Depository Services Limited.

**c. Compensation Committee:**

Your Company has formed a Compensation Committee for the purpose of administration and superintendence of the Employee's Stock Option Scheme, which consists of majority of independent Directors.

**Composition of the Compensation Committee together with the meeting held and attendance is as follows:**

Name of Director	Position	Number of Meetings Held	Number of Meetings Attended
Mr. Vimal Mittal	Non-executive, Independent, Chairman	2	2
Mr. Deepak Asher	Non-executive, Member	2	2
Mr. Haigreve Khaitan	Non-executive, Independent, Member	2	2

**4. Remuneration to Directors:**

All the Directors of your Company are non-executive directors and are not entitled to any remuneration except sitting fees @ Rs.5,000 per meeting for attending the Board Meetings, Audit Committee Meetings, Share Transfer & Investors Grievance Committee Meetings and Compensation Committee Meetings. The details of sitting fees paid to the Non-Executive Directors for the year 2008-09 are given below:

Name of Director	Board Meeting Sitting Fees	Audit Committee Meeting Sitting Fees	Share Transfer Committee Meeting Fees	Compensation Committee Meeting Fees	Total
Mr. Pavan Jain	25000		35000		60000
Mr. Vivek Jain	25000		10000		35000
Mr. Deepak Asher	30000	25000	25000	10000	90000
Mr. Vimal Mittal	25000	25000		10000	60000
Mr. Siddharth Jain	25000				25000
Mr. Haigreve Khaitan	30000	25000		10000	65000

## 5 General Body Meetings:

The particulars of the last three Annual General Meetings (AGM) of your Company are given hereunder:

Year	Date and Time	Venue	Special Resolution Passed
2005-06	7 <sup>th</sup> AGM on 22 <sup>nd</sup> September, 2006 at 3.30 p.m.	Royal Room, Hotel Surya Palace, Sayajigunj, Vadodara – 390005	Nil
2006-07	8 <sup>th</sup> AGM on 28 <sup>th</sup> September, 2007 at 3.00 p.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. Alteration of the Object Clause of Memorandum of Association of the Company
2007-08	9 <sup>th</sup> AGM on 19 <sup>th</sup> September, 2008 at 3.00 p.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	Nil

During the year ended 31<sup>st</sup> March, 2009, no ordinary or special resolution was passed by your Company's Shareholders through postal ballot.

Extraordinary General Meetings held during the past three years:

Year	Date	Time	Special Resolution Passed
2007	4 <sup>th</sup> January, 2007	3.00 p.m.	Approval of Scheme of Amalgamation of CCPL with Inox Leisure Ltd.
2007	4 <sup>th</sup> January, 2007	5.00 p.m.	Adoption of new ESOP scheme.

## 6. Other Disclosures:

### a) Details of non-compliance:

During the last three years, there were no instances of non-compliance, penalties, strictures imposed on your Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

### b) Materially significant related party transactions:

There are no pecuniary related party transactions that may have potential conflict with the interest of your Company at large. All related party transactions are disclosed in the financial statements.

### c) Disclosure about Directors being appointed / re-appointed:

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

### d) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section of this Annual Report and forms a part of this Report.

### e) CEO/CFO Certification:

Your Company has obtained a certificate from Manager & Chief Executive Officer and Vice President - Finance in respect of matters stated in Clause 49 (V) of the Listing Agreement.

## 7. Means of communication:

The quarterly / annual financial results of your Company during / for the year ended 31<sup>st</sup> March 2009 were sent to the Stock Exchanges immediately after they were taken on record by the Board and published in well-circulated Gujarati and English dailies as well. The said results were also posted on your Company's website viz.: [www.inoxmovies.com](http://www.inoxmovies.com).

## 8. General Shareholder information:

<b>AGM</b>	:	
Date	:	29 <sup>th</sup> June, 2009
Time	:	11.00 a.m.
Venue	:	Maple Hall, Hotel Express, Residency, 18/19, Alkapuri Society, Vadodara
<b>Financial year</b>	:	31 <sup>st</sup> March, 2009
<b>Book Closure Dates</b>	:	<b>22<sup>nd</sup> June 2009 to 29<sup>th</sup> June 2009 (both days inclusive)</b>

### Listing on Stock Exchanges:

1. National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051
2. Bombay Stock Exchange Limited  
Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

### Stock Code

National Stock Exchange of India Limited	INOXLEISUR
Bombay Stock Exchange Limited	INOXLEISUR / 532706

### Market Price Data: High, Low during each month in last financial year

Month	NSEHigh	NSELow	BSEHigh	BSELow
April' 08	124.80	94.15	125.00	96.05
May' 08	120.00	98.20	119.80	98.60
June' 08	101.90	72.10	101.45	72.50
July' 08	89.50	58.10	89.50	67.00
August' 08	105.50	76.05	105.25	76.00
September' 08	87.00	59.10	87.00	60.00
October' 08	64.95	30.00	65.00	30.15
November' 08	48.80	31.90	45.00	31.20
December' 08	34.60	22.75	36.00	26.55
January' 09	42.80	28.00	42.50	28.00
February' 09	33.15	23.50	33.45	23.00
March' 09	27.35	20.15	27.40	18.95

As on 1<sup>st</sup> April, 2008 the opening BSE Sensex was 15,771.72 and as on 31<sup>st</sup> March, 2009 the closing BSE Sensex was 9,708.50 (-38.44%). On 1<sup>st</sup> April, 2008, the Opening price of the Company's Share on BSE was Rs. 102.00 and as on 31<sup>st</sup> March, 2009 closing price on BSE was Rs. 26.30 (-74.22%)

### Registrar and Transfer Agents:

For lodgment of transfer deeds and other documents or any grievances / complaints, investors may contact your Company's Registrar and Transfer Agent at the following address:

**Karvy Computershare Private Limited**  
Plot No. 17 -24, Vittal Rao Nagar,  
Madhopur, Hyderabad – 500 081

### Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31 <sup>st</sup> March, 2009 is as follows:					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	39709	94.25	3745411	37454110	6.05
5001 - 10000	1253	2.97	1025819	10258190	1.66
10001 - 20000	579	1.37	890182	8901820	1.44
20001 - 30000	194	0.46	490325	4903250	0.79
30001 - 40000	98	0.23	352417	3524170	0.57
40001 - 50000	78	0.19	367987	3679870	0.59
50001 - 100000	111	0.26	854952	8549520	1.38
100001 & Above	112	0.27	54168455	541684550	87.52
<b>TOTAL</b>	<b>42134</b>	<b>100.00</b>	<b>61895548</b>	<b>618955480</b>	<b>100.00</b>

**Particulars of shares held by Non-Executive Directors**

Name of the Director	No. of Shares as on 31-03-2009
Mr. Pavan Kumar Jain	* 16,79,230
Mr. Vivek Kumar Jain	** 12,50,100
Mr. Deepak Asher	*** 25,100

\* Out of these shares 4,29,230 equity shares are held as Trustee of "Inox Leisure Limited – Employees Welfare Trust", 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited and 6,00,000 shares are held jointly with Mr. Siddharth Jain.

\*\* Out of these 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited and 6,00,000 shares are held jointly with Mr. Devansh Jain.

\*\*\* Out of these 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited.

**Shareholding Pattern as on 31-March-09**

Category	No. of Shares Held	Percentage of Shareholding
<b>Promoter's holding</b>		
- Indian Promoters	40,111,633	64.81
<b>Sub-Total</b>	40,111,633	64.81
<b>Non-Promoters Holding</b>		
<b>Institutional Investors</b>		
- Mutual Funds and UTI	1235000	2.00
- Banks, Financial Institutions	3022	0.00
- FIs	8570	0.01
<b>Sub-Total</b>	1246592	2.01
<b>Others</b>		
Bodies Corporate	9269479	14.98
Indian Public	10489798	16.95
NRI's / OCBs	161303	0.26
Any other		
- Trusts	435893	0.70
- Clearing Members	180850	0.29
<b>Sub-Total</b>	21,783,915	35.19
<b>Grand Total</b>	61,895,548	100.00

**Dematerialization of shares and liquidity:**

Your Company's equity shares are traded compulsorily in dematerialized form. Approximately 34% of the equity shares of your Company are in dematerialized form. ISIN number for dematerialization of the equity shares of your Company is INE312H01016.

**Outstanding GDRs/ADRs/Warrants:**

Your Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

**Property Locations:**

The Multiplex Cinema Theatres of your Company are situated at the following places:

Sr. No.	City	Location
1	Pune	Plot No. D, Bund Garden Road, Near Hotel Central Park, Pune.
2	Vadodara	Race Course, Gopal Baug, Ellora Park, Vadodara.
3	Kolkata	Forum, 10 / 3, Elgin Road, Kolkata.
4	Kolkata	City Centre, DC Block 1, Sector 1, Kolkata.
5	Goa	Old GMC Heritage Precinct, D. B. Road, Campal, Panaji, Goa.
6	Mumbai	CR2, 2 <sup>nd</sup> Floor, Opp. Bajaj Bhavan, Nariman Point, Mumbai.
7	Bangalore	4 <sup>th</sup> Floor, Garuda Mall, Magrath Road, Bangalore.
8	Jaipur	Amrapali Circle, Vaishali Nagar, Jaipur.
9	Indore	Sapna Sangeeta Mall, Sapna Sangeeta Road, Sneha Nagar, Indore.
10	Darjeeling	Rink Mall, 19, Laden La Road, Darjeeling. (West Bengal)
11	Kota	Plot No. Sp 11, Indra Vihar, Kota
12	Nagpur	Poonam Mall, Vardhaman nagar, Nagpur
13	Chennai	3rd floor, Chennai City center, 10/11, R.K. Salai, Near Kalyani Hospital, Mylapore, Chennai
14	Jaipur	City Plaza, ,Nirman Marg, Jhotwara Road, Bani Park, Jaipur Rajasthan
15	Bharuch	Shree Rang Palace, Zadeshwar Road, Bharuch, Gujarat
16	Durgapur	Dream Plex, BSIDL Building, Durgapur

Sr. No.	City	Location
17	Jaipur	4th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur
18	Lucknow	4th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow
19	Raipur	3rd Floor, City Mall 36, G. E. Road, NH-6, Raipur
20	Mumbai	2nd Floor, Milan Mall, Near Milan Subway, Santacruz (W), Mumbai
21	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata
22	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada
23	Faridabad	3rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad
24	Nagpur Tuli Mall	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur
25	Bangalore	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore
26	Burdwan	4th Floor, Burdwan Arcade, 60, B.B Ghosh Road, Burdwan
27	Hyderabad*	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad – 500 034

(\*) Commenced operations after 31<sup>st</sup> March 2009.

#### Address for correspondence:

##### Registered Office:

ABS Towers, Old Padra Road, Vadodara – 390007

##### Corporate Office:

5th floor, Viraj Towers,  
Next to Andheri Flyover,  
Western Express Highway,  
Andheri (E). Mumbai - 400 069  
Phone No.: 4062 6900 Fax No.: 60626999  
Email Address: investors@inox.co.in

#### Listing Fees:

Your Company has paid the annual listing fees for the financial year 2009-10 to the NSE and BSE on which the securities are listed.

#### 9. Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and senior management of your Company. The Code of Conduct is available on the website of your Company. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

##### Declaration by the CEO:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and senior management have affirmed compliance with the Code of Conduct for the year ended 31.3.2009

**Alok Tandon**  
Chief Operating Officer

## Auditors' Certificate on Corporate Governance

To the Members of Inox Leisure Limited

We have examined the compliance of the conditions of Corporate Governance by Inox Leisure Limited for the year ended on 31<sup>st</sup> March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

Compliance with the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, as per the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects except that the Chairman of the audit committee had not attended the Annual General Meeting of the Company for the reasons mentioned in paragraph 3(a) of the Corporate Governance Report.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March 2009, no investor grievances are pending against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Patankar & Associates**  
Chartered Accountants,

M Y Kulkarni  
Partner  
Mem. No. 35524

Pune  
Dated: 21<sup>st</sup> May, 2009

## Auditors' Report

### TO THE MEMBERS OF INOX LEISURE LIMITED

1. We have audited the attached Balance Sheet of Inox Leisure Limited, as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 in paragraph 4 and 5 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 31<sup>st</sup> March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 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, read with the notes thereon, 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 31<sup>st</sup> March, 2009;
    - 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

**M.Y. Kulkarni**  
Partner  
Mem. No. 35524

Place : Pune  
Dated : 21<sup>st</sup> June, 2009



## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF INOX LEISURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009.

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 fixed assets have been physically verified by the management at reasonable intervals and 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 no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has taken loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 3560.80 lacs and the year end balance of the loans taken is Rs. 1604.10 lacs. In our opinion, the rate of interest and other terms and conditions on which these loans were taken are not prima-facie prejudicial to the interest of the Company. The Company is regular in repayment of principle and payment of interest and there are no overdue amounts in respect of these loans.  
  
The Company has not granted any loan, secured or unsecured, to the parties 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 sales and services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion, for purchase of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year, no comparison of prices could be made available as these services are of special nature. There were no transaction of purchase of goods and materials, and sale of goods, materials and services with parties covered in the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions 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. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.
9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Cess, Entertainment Tax and other material statutory dues applicable to it. No payments were due in respect of Investors Education and Protection Fund and Excise Duty.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service 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 Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, 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. in lacs)	Forum where dispute is pending
Income-tax Act, 1961	Assessment dues for assessment year 2006-07	27.93	Commissioner of Income-tax (Appeals) – I, Vadodara
Service-tax	Levy of service tax on certain income	48.56	Commissioner of Service-tax, Mumbai

10. The Company does not have accumulated losses and 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 has invested in mutual funds, debentures and other securities in the course of its investment activity. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the Company in its own name, except as mentioned in the Schedule of Investments in the Balance Sheet.
15. The Company has not given any guarantee for the loans taken by others from banks or financial institution.
16. In our opinion, the term loans availed during the year by the Company were applied for the purpose for which they were raised.
17. On an overall examination of the balance sheet and the cash flow statement, in our opinion, the funds raised on short-term basis have not been used for long term investments.
18. During the year the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The management has disclosed the end use of money raised by public issue and we have verified the same with the prospectus filed with SEBI, the offer documents and as disclosed in the notes to the financial statements.
21. No fraud on or by the Company was noticed or reported during the course of our audit.

**For Patankar & Associates**  
Chartered Accountants

**M.Y. Kulkarni**  
Partner  
Mem. No. 35524

Place : Pune  
Dated : 21<sup>st</sup> June, 2009

## Balance Sheet as at 31 st March, 2009

	Schedule	As at 31st March, 2009 Rs. in lacs	As at 31st March, 2008 Rs. in lacs
<b>I SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
(a) Capital	1	6,146.63	6,121.01
(b) Share Capital Suspense	1A	-	22.77
(c) Employee Stock Options Outstanding		103.41	171.79
(d) Reserves & Surplus	2	22,215.01	19,736.88
		<b>28,465.05</b>	<b>26,052.45</b>
<b>2 Loan Funds</b>			
(a) Secured Loans	3	2,886.82	1,940.69
(b) Unsecured Loans	4	1,604.10	2,360.80
		<b>4,490.92</b>	<b>4,301.49</b>
<b>3 Deferred Tax Liability (Net)</b>		<b>1,431.12</b>	<b>1,644.50</b>
<b>TOTAL</b>		<b>34,387.09</b>	<b>31,998.44</b>
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
(a) Gross block		31,963.11	27,231.83
(b) Less: Depreciation & Amortization		4,159.04	2,927.11
(c) Net block	5	27,804.07	24,304.72
(d) Capital work-in-progress		1,978.54	1,469.72
(e) Advances on Capital Account		82.36	880.21
(f) Pre-operative expenditure pending allocation	6	1,049.84	922.92
		<b>30,914.81</b>	<b>27,577.57</b>
<b>2 Intangible Assets</b>	7	298.40	268.17
<b>3 Investments</b>	8	54.94	3,253.21
<b>4 (i) Current Assets, Loans and Advances</b>			
(a) Interest Accrued		32.00	26.50
(b) Inventories	9	162.74	122.44
(c) Sundry Debtors	10	645.80	461.15
(d) Cash and Bank balances	11	232.12	433.48
(e) Loans and advances	12	4,993.06	3,296.08
Sub-Total (i)		<b>6,065.72</b>	<b>4,339.65</b>
<b>(ii) Less : Current Liabilities and Provisions</b>			
(a) Current liabilities	13	2,656.61	2,301.62
(b) Provisions	14	290.17	1,138.54
Sub-Total (ii)		<b>2,946.78</b>	<b>3,440.16</b>
Net Current Assets (i - ii)		<b>3,118.94</b>	<b>899.49</b>
<b>TOTAL</b>		<b>34,387.09</b>	<b>31,998.44</b>
Notes forming part of accounts	19		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**M. Y. KULKARNI**

Partner

**Rajesh D. Parte**

Company Secretary &  
Vice President - Legal

**Pavan Jain**

Director

**Deepak Asher**

Director

Place : Pune

Dated : 21st May 2009

Place : Mumbai

Dated : 21st May 2009

## Profit and Loss Account for the year ended 31 st March, 2009

	Schedule	For year ended 31st March, 2009 Rs. in lacs	For year ended 31st March, 2008 Rs. in lacs
<b>INCOME</b>			
Sales & Services	15	22,561.02	20,623.88
Other Income	16	227.01	1,159.25
<b>Total</b>		<b>22,788.03</b>	<b>21,783.13</b>
<b>EXPENDITURE</b>			
Entertainment tax		2,838.01	2,157.33
Film Distributors Share		5,308.42	4,495.83
Film Distribution Rights & Print Cost Amortized	7	384.95	541.90
Cost of Food and Beverages		1,209.60	1,057.59
Operating and other expenses	17	9,344.04	8,353.03
Interest	18	447.87	598.85
Depreciation & Amortization	5	1,265.30	931.12
		<b>20,798.19</b>	<b>18,135.65</b>
<b>Profit Before Tax</b>		<b>1,989.84</b>	<b>3,647.48</b>
<b>Provision for Taxation</b>			
Current tax		225.00	670.00
Deferred tax		334.24	272.77
Fringe Benefit tax		40.00	60.00
		<b>599.24</b>	<b>1,002.77</b>
<b>Profit After Tax for the year</b>		<b>1,390.60</b>	<b>2,644.71</b>
Add/(Less) : Taxation in respect of earlier years			
Prior Period Taxation		20.86	(5.96)
Reversal of current tax provision and deferred tax for earlier years - see note no. 7 in Notes to Accounts		1,022.62	-
Add : Profit of erstwhile CCPL for the year ended 31st March 2007 on amalgamation (see note no 2(a) in Notes to Accounts)		-	0.46
<b>Profit</b>		<b>2,434.08</b>	<b>2,639.21</b>
Add : Balance brought forward		1,143.75	709.18
Add : Balance in Profit & Loss Account of erstwhile CCPL as on 31.3.2006 on amalgamation (see note no. 2(a) in Notes to Accounts)		-	19.50
<b>Profit available for appropriation</b>		<b>3,577.83</b>	<b>3,367.89</b>
Less:			
Transfer to General Reserve		-	1,500.00
Proposed Dividend		-	618.95
Tax on Dividend		-	105.19
<b>Balance carried to the Balance Sheet</b>		<b>3,577.83</b>	<b>1,143.75</b>
Earnings Per Equity Share of Rs. 10 each			
Basic		3.96	4.30
Diluted		3.96	4.29
Notes forming part of accounts	19		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**M. Y. KULKARNI**

Partner

**Rajesh D. Parte**Company Secretary &  
Vice President - Legal**Pavan Jain**

Director

**Deepak Asher**

Director

Place : Pune

Dated : 21st May 2009

Place : Mumbai

Dated : 21st May 2009

## Cash Flow Statement for the year ended 31 st March, 2009

	2008-2009 Rs. in lacs	2007-2008 Rs. in lacs
<b>A Cash flow from operating activities</b>		
Net profit before tax and extraordinary items	1,989.83	3,647.48
Adjustments for :		
Depreciation / Amortization	1,265.30	931.12
Film Distribution Rights & Print Cost Amortization	384.95	541.90
Loss on assets sold/written off	75.82	15.55
Amortization of Value of Stock Options	(25.75)	197.06
Interest received	(47.51)	(35.65)
Dividend received and Profit on sale of Investments	(103.85)	(1,071.94)
Interest paid	447.87	598.85
	<b>1,996.83</b>	<b>1,176.89</b>
Operating profit before working capital changes	3,986.66	4,824.37
Adjustments for :		
Trade and other receivables	(1,350.43)	(1,005.19)
Inventories	(40.30)	(30.58)
Trade payables	384.16	476.93
	<b>(1,006.57)</b>	<b>(558.84)</b>
Cash generated from operation	2,980.09	4,265.53
Direct taxes paid (net)	(515.47)	(335.98)
<b>Net cash from/(used in) operating activities</b>	<b>2,464.62</b>	<b>3,929.55</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(4,619.87)	(6,016.02)
Sale of fixed assets	0.95	2.52
Acquisition of Intangible Assets	(415.18)	(586.55)
Purchase of investments	(2.28)	(28,589.21)
Investment in subsidiary company	0.00	(1,386.03)
Sale/redemption of investments	3,302.12	37,876.14
Interest received	42.01	29.04
Dividend received	2.28	327.96
<b>Net cash from/(used in) investment activities</b>	<b>(1,689.97)</b>	<b>1,657.85</b>
<b>C Cash flow from financing activities</b>		
Shares issued under ESOP	4.26	6.35
Repayment of Inter-corporate Deposit (net)	(756.70)	(860.88)
Proceeds from / Repayment of Term Loans (net)	946.13	(3,212.00)
Interest paid	(447.87)	(598.85)
Dividend paid (including tax on dividend)	(721.83)	(700.30)
<b>Net cash (used in)/from financing activities</b>	<b>(976.01)</b>	<b>(5,365.68)</b>
<b>Net increase in cash and cash equivalent</b>	<b>(201.36)</b>	<b>221.72</b>
Opening cash and cash equivalents	433.48	199.46
Add: On amalgamation	0.00	12.30
	<b>433.48</b>	<b>211.76</b>
Closing cash and cash equivalents	232.12	433.48

As per our report of even date attached

### For PATANKAR & ASSOCIATES

Chartered Accountants

**M. Y. KULKARNI**

Partner

**Rajesh D. Parte**

Company Secretary &  
Vice President - Legal

**Pavan Jain**

Director

**Deepak Asher**

Director

Place : Pune

Dated : 21st May 2009

Place : Mumbai

Dated : 21st May 2009

## Schedule Forming part of the Balance Sheet as at 31 st March, 2009

	As at 31st March, 2009 Rs. in lacs	As at 31st March, 2008 Rs. in lacs
<b>Schedule 1 : Share Capital</b>		
<b>Authorised Capital</b>		
75,000,000 Equity Shares of Rs. 10/- each	<b>7,500.00</b>	7,500.00
<b>Issued and Subscribed Capital</b>		
61,895,548 Equity Shares (previous year 61,667,800) of Rs. 10/- each, fully paid-up	<b>6,189.55</b>	6,166.78
Out of above:		
a) 39,600,000 (previous year 39,600,000) shares are held by the Holding Company and 511,633 (previous year Nil) shares are held by the ultimate holding company		
b) 1,895,548 Equity Share (previous year 1,667,800) issued to shareholders of erstwhile Calcutta Cine Private Limited pursuant to the scheme of Amalgamation.(see note no.2 in Notes to Accounts)		
Less: Amount recoverable from ESOP Trust - see note no. 4 in Notes to Accounts	<b>42.92</b>	45.77
<b>Adjusted Issued and Subscribed Capital</b>	<b>6,146.63</b>	6,121.01
<b>Schedule 1A : Share Capital Suspense</b>		
To be Issued, consequent to Amalgamation of Calcutta Cine Private Limited - Nil (previous year 227,748) Equity Shares of Rs.10 each, fully paid up to be Issued to the Equity Shareholders of erstwhile Calcutta Cine Private Limited - see note no. 2(a) in Notes to Accounts	-	22.77
<b>Total</b>	-	22.77
<b>Schedule 2 : Reserves &amp; Surplus</b>		
<b>Share Premium Account</b>		
Opening Balance	<b>13,058.01</b>	13,130.51
On account of Employee Stock Options	<b>(52.31)</b>	(72.50)
	<b>13,005.70</b>	13,058.01
Less: Amount recoverable from ESOP Trust and Deferred Employee Compensation Account - see note no. 4 in Notes to Accounts	<b>156.42</b>	252.78
	<b>12,849.28</b>	12,805.23
<b>Amalgamation Reserve</b>		
Opening Balance	<b>387.90</b>	-
Addition during the year - see note no. 2 in Notes to Accounts	-	387.90
	<b>387.90</b>	387.90
<b>General Reserve</b>		
Opening balance	<b>5,400.00</b>	3,900.00
Add: Transfer from Profit & Loss A/c	-	1,500.00
	<b>5,400.00</b>	5,400.00
<b>Profit and Loss Account</b>		
Balance as per Annexed Account	<b>3,577.83</b>	1,143.75
<b>Total</b>	<b>22,215.01</b>	19,736.88
<b>Schedule 3 : Secured Loans</b>		
Term Loans from Banks	<b>2,886.82</b>	1,940.69
(Repayable within one year Rs. 1120.76 Lacs - previous year Rs.809.76 Lacs)		
<b>Total</b>	<b>2,886.82</b>	1,940.69
<b>Schedule 4 : Unsecured Loans</b>		
Inter-corporate Deposit - from Holding Company	<b>1,604.10</b>	2,360.80
<b>Total</b>	<b>1,604.10</b>	2,360.80

## Schedule Forming part of the Balance Sheet as at 31 st March, 2009



### SCHEDULE 5 – FIXED ASSETS

Rs. in lacs

Particulars	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	As at 1st April 2008	Addition on Amalga- mations	Additions during the year	Deductions during the year	As at 31st March 2009	As at 1st April 2008	Addition on Amalga- mation	Additions during the year	Deductions during the year	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Freehold Lands	2,182.42	-	-	-	<b>2,182.42</b>	-	-	-	-	-	<b>2,182.42</b>	2,182.42
Lease hold Land	367.58	-	-	-	<b>367.58</b>	16.62	-	5.86	-	<b>22.48</b>	<b>345.10</b>	350.95
Buildings (*)	14,402.56	-	1,999.69	-	<b>16,402.25</b>	919.50	-	417.31	-	<b>1,336.81</b>	<b>15,065.44</b>	13,483.06
Plant & Machinery	7,118.29	-	2,017.85	29.51	<b>9,106.63</b>	1,272.01	-	481.61	6.13	<b>1,747.49</b>	<b>7,359.14</b>	5,846.08
Wind Mills	725.41	-	-	-	<b>725.41</b>	11.70	-	38.30	-	<b>50.00</b>	<b>675.41</b>	713.71
Office Equipments including Computers	646.29	-	188.73	15.12	<b>819.90</b>	244.15	-	101.57	8.74	<b>336.98</b>	<b>482.92</b>	402.55
Furniture & Fixtures	1,576.84	-	600.71	86.08	<b>2,091.47</b>	378.21	-	186.01	18.48	<b>545.74</b>	<b>1,545.73</b>	1,198.41
Vehicles	48.02	-	-	-	<b>48.02</b>	12.30	-	4.56	-	<b>16.86</b>	<b>31.16</b>	35.72
Intangible Assets - Software	164.42	-	55.01	-	<b>219.43</b>	72.60	-	30.08	-	<b>102.68</b>	<b>116.75</b>	91.82
<b>TOTAL</b>	27,231.83	-	4,861.99	130.71	<b>31,963.11</b>	2,927.09	-	1,265.30	33.35	<b>4,159.04</b>	<b>27,804.07</b>	24,304.72
Previous year	20,059.66	3,254.73	3,938.77	21.33	27,231.83	1,831.83	167.41	931.12	3.25	2,927.11	24,304.72	

(\*) Includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

## Schedule Forming part of the Balance Sheet as at 31 st March, 2009

### Schedule 6 : Pre-operative expenditure pending allocation

	As at 31st March, 2009 Rs. in lacs	As at 31st March, 2008 Rs. in lacs
Opening Balance	922.92	459.33
Add: Expenses incurred during the year		
Salaries, Bonus etc.	196.88	195.67
Contribution to PF, ESIC etc.	10.97	12.06
Legal, Professional and Consultancy Charges	481.38	467.80
Travelling & Conveyance	102.50	139.71
Rent	15.86	43.04
Insurance	10.46	3.65
Electricity Charges	31.11	36.74
Communication Expenses	13.99	22.51
Rates & Taxes	5.87	0.63
Launch Expenses	83.57	56.59
Miscellaneous Expenses	209.08	214.58
Interest on fixed loans	47.92	9.84
	<b>1,209.59</b>	<b>1,202.82</b>
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	4.06	1.13
	<b>4.06</b>	<b>1.13</b>
	<b>1,205.53</b>	<b>1,201.69</b>
	<b>2,128.45</b>	<b>1,661.02</b>
Less: Capitalised	<b>1,078.61</b>	<b>738.10</b>
<b>Closing balance</b>	<b>1,049.84</b>	<b>922.92</b>

### Schedule 7 : Intangible Assets

Rs.in lacs

PARTICULARS	TOTAL COST				AMORTIZATION				NET BLOCK	
	As at 1st April 2008	Additions during the Year	Deductions during the Year	As at 31st March 2009	As at 1st April 2008	Additions during the Year	Deductions during the Year	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Film Distribution Rights & Prints Cost	2,295.54	125.18	738.88	<b>1,681.84</b>	2,027.37	384.95	738.88	<b>1,673.44</b>	<b>8.40</b>	268.17
Expenditure on Film under Production (including advance)	-	290.00	-	<b>290.00</b>	-	-	-	-	<b>290.00</b>	-
<b>TOTAL</b>	2,295.54	415.18	738.88	<b>1,971.84</b>	2,027.37	384.95	738.88	<b>1,673.44</b>	<b>298.40</b>	268.17
Previous year	1,769.99	586.55	61.00	2,295.54	1,546.47	541.90	61.00	2,027.37	268.17	

## Schedule Forming part of the Balance Sheet as at 31 st March, 2009

### Schedule 8: Investments

(Unquoted &amp; Non-trade)

- National Savings Certificates - Long Term Investment (at cost)  
(Held in the name of Directors/Employees and certificates worth Rs. 22.91 lacs (previous year Rs.22.91 lacs) are pledged with Government Authorities)
- In units of Mutual Funds - Current Investments (at lower of cost and fair value)

Name of the Mutual Fund	Face value (Rs.)	Nos. As at 31.03.09	Nos. As at 31.03.08	As at 31st March, 2009 Rs. in lacs	As at 31st March, 2008 Rs. in lacs
HDFC Cash Management Fund	10	-	128964	-	12.92
Templeton India Treasury Management Account	1000	-	3655	-	45.49
Templeton Floating Rate Income Fund	10	-	456384	-	45.70
ICICI Prudential Liquid Plan	10	-	230737	-	27.30
ICICI Prudential Short Term Plan	10	-	509636	-	55.04
IDFC Liquidity Manager Plus	1000	-	1181	-	11.82
Lotus India FMP - 375 Days - Series I	10	-	5000000	-	500.00
Standard Chartered Fixed Maturity Plan - Yearly Series 11	10	-	5000000	-	500.00
				-	1,198.27
3. Secured Guaranteed Redeemable Non-Convertible Debentures of DSP Merrill Lynch Capital Ltd. - Current Investment (at lower of cost and fair value)	100000	-	2,000	-	2,000.00
<b>Total</b>				<b>54.94</b>	<b>3,253.21</b>

### Notes:

Following mutual fund units were purchased and redeemed during the year

Name of the Mutual Fund	Face value (Rs.)	Nos.	Cost Amount (Rs.)
ICICI Prudential Liquid Plan	10	3031	35,861
ICICI Prudential Short Term Plan	10	4616	50,060
Templeton Floating Rate Income Fund	10	5709	57,366
Templeton India Treasury Management Account	1000	42	52,463
HDFC Cash Management Fund	10	1784	17,870
IDFC Liquidity Manager Plus	1000	14	14,416

### Schedule 9 : Inventories

(at lower of cost and net realisable value)

Stores, Spares & Fuel	<b>75.53</b>	56.19
Food & Beverages	<b>87.21</b>	66.25
<b>Total</b>	<b>162.74</b>	<b>122.44</b>



## Schedule Forming part of the Balance Sheet as at 31 st March, 2009

### Schedule 10 : Sundry Debtors

(unsecured, considered good by the Management, unless otherwise stated)

Considered Good

Exceeding 6 months

Others

Considered Doubtful

Exceeding 6 months

Less: Provision for doubtful debts

**Total**

### Schedule 11 : Cash & Bank balances

Cash on Hand

With scheduled Bank

in Current accounts

in Dividend accounts

in Deposit accounts (Kept as lien against bank guarantees -

Rs.9.42 lacs - previous year Rs.8.35 lacs)

**Total**

### Schedule 12 : Loans & Advances

(unsecured, considered good by the Management, unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

- Considered Good

- Considered Doubtful

Less: Provision for doubtful advances

Deposits

Entertainment Tax Refund claimed

Service Tax Credit Available Account

Income Tax paid (net of provisions)

**Total**

### Schedule 13 : Current Liabilities

Sundry Creditors

- Dues to Micro and Small Enterprises

- Others

Security Deposits

Investor Education and Protection Fund shall be credited by the following amounts:

- Unclaimed Dividend (see note no. 8 in Notes to Accounts)

Advance from customers

Other Liabilities

**Total**

### Schedule 14 : Provisions

Provision for Current Tax (net of taxes paid)

Provision for Fringe Benefit tax (net of taxes paid)

Proposed Dividend

Tax on Proposed Dividend

Provision for Gratuity & Leave encashment

Provision for Expenses

**Total**

	As at 31st March, 2009 Rs. in lacs	As at 31st March, 2008 Rs. in lacs
	<b>113.85</b>	35.98
	<b>531.95</b>	425.17
	<b>645.80</b>	461.15
	<b>21.78</b>	-
	<b>667.58</b>	461.15
	<b>21.78</b>	-
	<b>645.80</b>	461.15
	<b>66.38</b>	81.83
	<b>110.54</b>	305.94
	<b>3.99</b>	1.67
	<b>51.21</b>	44.04
	<b>232.12</b>	433.48
	<b>760.45</b>	666.01
	<b>45.29</b>	15.19
	<b>805.74</b>	681.20
	<b>45.29</b>	15.19
	<b>760.45</b>	666.01
	<b>2,679.60</b>	2,156.51
	<b>686.25</b>	473.56
	<b>335.56</b>	-
	<b>531.20</b>	-
	<b>4,993.06</b>	3,296.08
	<b>27.43</b>	1.31
	<b>2,157.25</b>	1,952.27
	<b>2,184.68</b>	1,953.58
	<b>154.14</b>	138.12
	<b>3.99</b>	1.67
	<b>148.17</b>	73.48
	<b>165.63</b>	134.77
	<b>2,656.61</b>	2,301.62
	-	223.66
	<b>24.98</b>	16.45
	-	618.96
	-	105.19
	<b>153.99</b>	85.88
	<b>111.20</b>	88.40
	<b>290.17</b>	1,138.54

## Schedule to Profit and Loss Account for the year ended 31 st March, 2009

### Schedule 15 : Sales & Services

Box office Revenues
Food & Beverages Revenues
Film Distribution Revenue
Conducting Fees
Advertising Income
Management Fees
Parking Charges
Sale of Power
Other Operating Income

**Total**

### Schedule 16 : Other Income

Interest
On Bank Fixed Deposits
On Long Term Investments
On Income Tax Refunds
Other Interest
Profit on Sale of Current Investments
Dividend on Current Investments
Sundry Liabilities Written Back
Miscellaneous Income

**Total**

### Schedule 17 : Operating and Other Expenses

Salaries, Wages, Allowances and Benefits
Contribution to Provident and other Funds
Gratuities
Staff Welfare Expenses
Outsourced Personnel Cost
Power & Fuel
Water Charges
Property Rent and Conducting Fees
Common Facility Charges
Rates & Taxes
Service Tax
Travelling & Conveyance
Communication Expenses
Printing & stationary
Advertising & sales promotion
House keeping Charges
Security Charges
Repairs & Maint. - Building
Repairs & Maint. - Plant and Machinery
Repairs & Maint. - Others
Legal & Professional Fees & Expenses
Director Sitting Fees
Insurance
Vehicle Fuel & Maint.
Loss on fixed assets sold/scrapped (net)
Bad Debts Written Off
Provision for doubtful debts
Provision for doubtful advances
Miscellaneous Expenses
Amalgamation Expenses

Service Tax Credit in respect of earlier years - See Note No. 5(a)

**Total**

### Schedule 18 : Interest

Interest on Fixed Loans
Other interest

**Total**

For year ended 31st March, 2009 Rs.in lacs	For year ended 31st March, 2008 Rs.in lacs
16,624.69	15,360.89
3,523.68	3,148.75
70.17	192.37
714.27	645.62
1,351.27	1,090.51
46.65	21.63
88.80	88.00
49.59	-
91.90	76.11
<b>22,561.02</b>	<b>20,623.88</b>
3.71	3.17
6.04	5.55
0.11	23.11
37.65	3.83
101.57	743.98
2.28	327.95
46.38	36.02
29.27	15.64
<b>227.01</b>	<b>1,159.25</b>
1,585.70	1,620.38
113.54	106.30
41.67	21.38
62.04	71.71
434.28	233.55
1,380.01	1,065.76
26.53	25.59
2,643.50	1,876.79
618.56	448.45
206.18	172.71
166.27	319.87
102.91	164.65
139.78	130.58
122.48	139.77
432.13	520.81
237.02	215.95
198.72	181.30
41.24	54.22
247.75	242.76
114.29	59.44
203.97	253.51
3.35	3.20
55.58	57.37
62.16	49.26
75.82	15.55
-	0.89
21.78	-
30.10	15.19
297.90	215.70
-	70.39
<b>9,665.26</b>	<b>8,353.03</b>
<b>321.22</b>	<b>-</b>
<b>9,344.04</b>	<b>8,353.03</b>
447.19	594.39
0.68	4.46
<b>447.87</b>	<b>598.85</b>

## Notes Forming Part of Accounts for the year ended 31 st March, 2009

### SCHEDULE NO: 19

#### 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 notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### b) **Revenue Recognition:**

Income from Box Office and Film Distribution is recognized as and when the movie is exhibited. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the Company's Multiplexes. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser.

##### c) **Fixed Assets:**

Fixed assets are carried at cost of acquisition or cost of construction, as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Project pre-operative expenses and expenditure incurred during construction period of Multiplexes are capitalized to various eligible assets in respective Multiplexes. Such expenses in respect of the Multiplexes under construction are carried forward for being capitalised at the time of completion.

##### d) **Amortization and Depreciation of Fixed Assets:**

Cost of leasehold land is amortized over the period of lease. On other fixed assets, excluding freehold land, depreciation is provided on straight-line basis as under:

- I. On additional work in the properties not owned by the Company, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule XIV of the Companies Act, 1956, whichever is shorter.
- II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Individual items of Fixed Assets added during the period, costing Rs. 5,000 or less, are fully depreciated in the first year. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

##### e) **Amortization and Depreciation of Film Distribution Rights and Prints Cost (intangible assets):**

Cost of film distribution rights acquired and prints cost is amortized over a period of one year from the date of release of the movie as under:

50%, 30%, 10% and 10% of the costs in the first, second, third and fourth quarter respectively and in a quarter, pro-rata for the completed weeks.

##### f) **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 asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

##### g) **Investments :**

Long-term investments are carried at cost. Current Investments are carried at lower of the cost and fair value. Income from investments is accounted for on accrual basis.

##### h) **Inventories :**

Inventories are valued at lower of the cost and net realisable value. Cost is determined using FIFO method.

##### i) **Employee Benefits :**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account in the year in which related services are rendered. Company's contribution towards provident fund paid / payable during the year are charged to the Profit and Loss Account. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the Profit and Loss Account at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the Profit and Loss Account.

##### j) **Provisions :**

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.

##### k) **Borrowing Cost :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**I) Taxes on Income :**

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period.

**2. (a) Amalgamation of Calcutta Cine Private Limited during the year ended 31<sup>st</sup> March, 2008**

Pursuant to the Scheme of Amalgamation ('Scheme') of Calcutta Cine Private Limited (CCPL) with Inox Leisure Limited, as approved by the High Courts of Gujarat and Calcutta, all assets, liabilities and reserves of erstwhile CCPL were transferred to and vested in the Company w.e.f. the "appointed date" viz. 1<sup>st</sup> April, 2006. The erstwhile CCPL was engaged in the business of operating and managing multiplexes. The Scheme had become effective on 18<sup>th</sup> July, 2007 and accordingly effect was given in the accounts for the year ended 31<sup>st</sup> March, 2008. The amalgamation was accounted for under 'Pooling of Interest' method as prescribed by the Accounting Standard (AS-14) – Accounting for Amalgamations. Accordingly, the assets, liabilities and reserves of erstwhile CCPL, as at 1<sup>st</sup> April, 2006 were recorded at their book values.

Pursuant to the Scheme, the shareholders of the erstwhile CCPL were entitled to 33 (thirty-three) fully paid equity shares of Rs. 10 each of the Company for every 1 (one) fully paid equity share of Rs. 1,000 each held in the erstwhile CCPL. The Scheme also provided for adjustment in swap ratio on occurrence of Dilutive Event. During the year ended 31<sup>st</sup> March, 2008, the Company had issued 1,667,800 fully paid equity shares of Rs. 10 each to the shareholders of the erstwhile CCPL (including 12,800 equity shares consequent to dilution event viz. declaration of dividend by the Company for the financial year 2006-2007). Further, as per the Scheme, 227,748 fully paid equity shares of Rs. 10 each of the Company (including 1,748 fully paid equity shares consequent to dilution event) were to be issued to the shareholders of the erstwhile CCPL. Pending allotment of these equity shares as on 31<sup>st</sup> March, 2008, amount of Rs. 22.77 lacs was shown as 'Share Capital Suspense' in Schedule 1A in the Balance Sheet.

The difference of Rs. 380.44 lacs between the face value of equity shares issued to the shareholders of the erstwhile CCPL and the net book value of assets and liabilities of erstwhile CCPL was credited to Amalgamation Reserve.

The net profit of erstwhile CCPL for the period from 1<sup>st</sup> April, 2006 to 31<sup>st</sup> March, 2007 of Rs. 0.46 lacs was shown separately in the Profit and Loss Account .

**(b) Amalgamation of Prime Skyline Developers Private Limited during the year ended 31<sup>st</sup> March, 2008**

The Scheme of Amalgamation of Prime Skyline Developers Private Limited (PSDPL) with the Company, as approved by the High Court of Judicature at Bombay vide its order dated 7<sup>th</sup> March, 2008, had become effective on 21<sup>st</sup> March, 2008. The erstwhile PSDPL had not commenced business activities. All assets & liabilities of erstwhile PSDPL were transferred to and vested in the Company with effect from the "appointed date" i.e. 1<sup>st</sup> May, 2007 and was recorded at their respective fair values, on the basis of valuation by approved valuer, under the purchase method of accounting for amalgamation as prescribed by the Accounting Standard (AS-14) – Accounting for Amalgamations. PSDPL was a wholly owned subsidiary of the Company and hence, no shares were allotted to the shareholders of PSDPL. The difference of Rs. 7.46 lacs between the book value of shares of PSDPL held by the Company and the net value of assets and liabilities of erstwhile PSDPL taken over was credited to Amalgamation Reserve.

**3. During the year ended 31<sup>st</sup> March, 2006, the Company had made Initial Public Offer (IPO) and had issued 12,000,000 equity shares of Rs.10 each at a premium of Rs. 110 per share.**

The particulars of monies received out of issue of shares in the IPO and its utilization is as under:

**Particulars**

Total proceeds from the IPO

Less: Amount utilized

a) Towards expenditure on IPO

b) On capital expenditure/payments relating to the new projects of the Company and for Corporate purposes

Total utilization

Amount (Rs in lacs)
14,400
585
13,815
14,400

**4. During the year ended 31<sup>st</sup> March, 2006, the Company had issued 500,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of Rs. 75 lacs to the Trust for subscription of these shares at the beginning of the plan.**

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 500,000 equity shares allotted to the Trust, 70,770 shares have been transferred to employees up to 31<sup>st</sup> March, 2009. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

On 29<sup>th</sup> January, 2007, stock options of 244,120 shares have been granted to the employees and the vesting period for these equity settled options is between one to four years from the date of the grant. The options are exercisable within one year from the date of vesting.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method. The summary of stock options is as under:

Outstanding on 1 <sup>st</sup> April, 2008	1,53,420
Granted during the year	Nil
Lapsed during the year	34,910
Exercised during the year	28,450
Outstanding as on 31 <sup>st</sup> March, 2009	90,060
Exercisable as on 31 <sup>st</sup> March, 2009	30,020
Weighted average exercise price of all stock options	Rs. 15

All stock options are exercisable at the exercise price of Rs. 15 per option and the weighted average remaining contractual life is 1.83 years.

The fair value of stock options is Rs. 153.01 in respect of growth options vesting in one to four years. The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as under:

Risk free interest rate	7.65% to 7.73%
Expected life	1.5 to 4.5 years
Expected volatility(*)	60.32%
Expected dividend yield	Nil
Exercise price	Rs. 15
Stock price	Rs. 164.85

(\*) Expected volatility is computed based on historical share price movement since 23<sup>rd</sup> February, 2006

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Salaries, Wages, Allowances and Benefits' in Schedule 17 is net of credit of Rs. 25.75 lacs (previous year charge of Rs. 197.06 lacs) being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been lower by Rs. 0.54 lacs, profit after tax higher by Rs. 0.54 lacs and the basic and diluted earnings per share would have been higher by less than Rs. 0.01 each.

5. (a) In respect of service-tax, upto last year, as per the then prevailing regulations, the Company was claiming service tax set-off in respect of service tax paid, to the extent of 20% of service tax collected, and the balance amount of service tax paid was charged to the Profit and Loss Account. During the current year, the Central Board of Excise and Customs, vide Circular No CBEC No. 137/72/2008-CX dated 21st November, 2008, has clarified that such unutilized accumulated amount of service-tax as on 31<sup>st</sup> March 2008 can be utilized for payment of service tax after 1<sup>st</sup> April, 2008. Accordingly, the Company has taken credit for such unutilized accumulated amount of service tax of Rs. 321.22 lacs and the same is shown separately in the Schedule 17: Operating and Other Expenses, as deduction.
- (b) Further, the Honorable Delhi Court, vide judgment dated 18<sup>th</sup> April, 2009 in the case of Home Solution Retail India Ltd. & Others v. Union of India, has held that renting of immovable property by itself is not a service and accordingly the levy of service tax on activity of renting immovable property is 'ultra vires' the Finance Act, 1994. In view of this judgment, the service tax paid on rentals during the year can be claimed as refund by the Company. Accordingly, the Company has considered the amount of such service tax paid during the year as refundable. Consequently, service tax of Rs. 318.84 lacs (including Rs. 83.34 lacs claimed as refund) is not charged to the Profit and Loss Account.
6. The Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the Schemes of the respective State Governments. In the appellate proceedings before the Commissioner of Income-tax (Appeals) for the Assessment Year 2003-04, 2004-05 and 2005-06, the Company's contention, that the amount of entertainment tax exemption is a capital receipt, has been accepted. Accordingly, treating the amount of entertainment tax exemption amounts as a capital receipt in respect of multiplexes in those States covered by the above orders, the Company has recomputed its current tax liability and deferred tax liability, and credited an amount of Rs. 475.00 lacs and Rs 547.62 lacs respectively in the Profit and Loss Account as 'Taxation in respect of Earlier Years'. Provision for tax for the current year is also made on the same basis. Provision for current taxation is made for Minimum Alternate Tax payable on book profit.
7. In the opinion of 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 of depreciation and of all known liabilities are adequate and not in excess of the amount reasonably necessary.
8. In respect of unclaimed dividends, the actual amount to be transferred to Investor Education and Protection Fund shall be determined on the due date.
9. Term loan from Axis Bank is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at thirteen new (including present and future) multiplexes. Other term loans from banks are secured by mortgage of immovable properties and hypothecation of movable properties and current assets of the respective units for which the loans are availed.

- 10.** In respect of Entertainment Tax liability of the Company and its treatment in these accounts: -
- The exemption from payment of Entertainment Tax in respect of Multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective Government policies issued in this regard.
  - The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs 408.91 lacs (previous year Rs. 288.62 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to profit & loss account. Cumulative amount as on 31<sup>st</sup> March, 2009 - Rs. 2,119.94 lacs (as on 31<sup>st</sup> March, 2008 - Rs. 1711.03 lacs).
  - The Entertainment Tax Department has disputed the method of calculation of the Entertainment Tax exemption availed in respect of one of the Multiplexes of the Company and the matter is pending before the High Court. The amount involved as on 31<sup>st</sup> March, 2009 - Rs. 1768.82 lacs (as on 31<sup>st</sup> March, 2008 - Rs. 1632.77 lacs).
- 11.** In view of the diverse nature of food and beverages sold by the Company, in the opinion of the management, it is not practical to give quantitative details thereof. Consequently, quantitative information regarding purchases, turnover, opening / closing stocks in respect of the same are not given. All items of food and beverages are indigenously procured.
- 12.** The major components of the deferred tax assets and liabilities are as under:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Deferred Tax Liabilities		
Depreciation (net)	1549.72	1681.06
On account of amortization of Film Distribution Rights and Prints cost	2.85	45.19
<b>Total Liabilities</b>	<b>1552.57</b>	<b>1726.25</b>
Deferred Tax Assets		
Expenditure allowable on payment basis	97.54	57.33
Others	23.91	24.42
<b>Total Assets</b>	<b>121.45</b>	<b>81.75</b>
<b>Net Deferred Tax Liability</b>	<b>1431.12</b>	<b>1644.50</b>

**13. Expenditure incurred/payments in Foreign Currency**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travelling expenses and Professional fees	Nil	15.51
CIF Value of Capital Goods imported	60.10	295.70

**14. Particulars of Prior period expenses:**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salaries, wages, allowances & benefits	1.75	Nil
Legal & Professional fees and expenses	9.59	Nil
Repairs & Maintenance - Others	3.93	Nil
Interest on fixed loans	4.74	Nil
Miscellaneous expenses	12.04	1.06
<b>Total</b>	<b>32.05</b>	<b>1.06</b>

**15. The Company's significant leasing arrangements are in respect of :-**

- Operating leases for premises (offices and residential accommodations for employees) - Generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals of Rs. 10.42 lacs (previous year Rs. 47.14 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 17 to the Profit and Loss Account and lease rental of Rs. 15.85 lacs (previous year Rs. 43.04 lacs) are included in Schedule 6 : Pre-operative Expenditure Pending Allocation.
- The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs. 2633.07 lacs (previous year Rs. 1829.65 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 17 to the Profit and Loss Account

The future minimum lease / conducting fees payments under these arrangements are as under:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Not later than one year	2932.47	2036.96
Later than one year and not later than five years	12300.09	8803.23
Later than five years	46870.07	34331.59
Total	62102.63	45171.78

16. The operating licenses in respect of some of the multiplexes are not in the name of the Company.

**17. Particulars of managerial remuneration:**

a. Remuneration to Manager:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary & Allowances	46.88	27.71
Contribution to Provident Fund	2.33	1.33
Total	49.21	29.04

Note: In the last year, the Manager was appointed w.e.f. 18<sup>th</sup> June, 2007.

- b. Amount of amortization of the accounting value of options granted to the Manager – Rs. Nil (previous year – Rs. 21.46 lacs)
- c. Amount of amortization of the accounting value of options granted to a non-executive director – Rs. Nil lacs (previous year – Rs. 31.10 lacs)

18. Legal & Professional fees paid to a firm in which one of the directors is a partner – Rs. 42.69 lacs (previous year Rs. 44.86 lacs)

**19. Particulars of payment to Auditors :**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Statutory Audit	4.00	3.50
Tax Audit	1.50	1.25
Limited Review & Corporate Governance	1.00	0.85
Fees for Due Diligence	0.00	3.25
For taxation matters	0.50	0.50
Certification matters	0.40	0.35
Out of pocket expenses	0.33	0.72
Service tax on above	0.80	1.20
Total	8.53	11.62

**20. Calculation of Earning per share :**

Particulars	Current Year	Previous Year
Profit after tax as per Profit and Loss Account (Rs. in lacs)	2434.07	2639.21
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	61457768	61399132
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	61470282	61461434
Basic Earnings per share – nominal value Rs. 10/- per share (Rs.)	3.96	4.30
Diluted Earnings per share - nominal value Rs. 10/- per share (Rs.)	3.96	4.29

**21. Contingent Liabilities:**

- a. Claims against the Company not acknowledged as debt – Rs. 15.30 lacs (previous year Rs. 35.18 lacs)
- b. Bank Guarantees furnished by the Company for performance of contractual obligations Rs. 391.54 lacs (previous year Rs. 6.07 lacs)
- c. Municipal Tax demand – Rs. 1346.11 lacs (previous year Rs. 1088.04 lacs)
- d. Entertainment Tax demand – Rs. 53.06 lacs (previous year Rs. 53.06 lacs)
- e. N.A land tax demand – Rs Nil (previous year Rs.0.98 lacs).
- f. Service Tax demand – Rs. 55.74 lacs (previous year Rs. 7.18 lacs).



22. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - Rs. 960.00 lacs (Previous Year Rs. 1908.09 lacs)

23. Following expenses in the Profit & Loss Account are net of recoveries of the amounts mentioned hereunder:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Power & Fuel	153.98	136.36
Salaries	35.07	30.91
Water Charges	0.53	0.81
Advertisement & Sales Promotion	10.60	8.18
Housekeeping Expenses	5.99	5.01
Security Expenses	4.14	4.66

24. Tax deducted at source from Interest received is Rs. 1.34 lacs (previous year Rs. 1.26 lacs)

## 25. Segment Information

### A. Information about Primary Segment

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<b>I Segment Revenue</b>		
a. Multiplexes	22516.72	20482.56
b. Film Distribution	152.45	616.63
c. Film Production	Nil	Nil
d. Power	120.09	28.12
e. Un-allocable and Corporate	151.36	1107.59
<b>Total Segment revenue</b>	<b>22940.62</b>	<b>22234.90</b>
Less: Inter Segment revenue	152.60	451.77
a. Distribution	82.10	423.65
b. Power	70.50	28.12
<b>Total External revenue</b>	<b>22788.02</b>	<b>21783.13</b>
<b>II Segment Result</b>		
a. Multiplexes	2508.85	3155.66
b. Film Distribution	(286.09)	(31.50)
c. Film Production	Nil	Nil
d. Power	63.57	15.04
<b>Total Segment result</b>	<b>2286.33</b>	<b>3139.20</b>
Add: Un-allocable Income (Net of Un-allocable expenses)	151.36	1107.59
Less: Interest expenses	447.86	598.85
<b>Total Profit Before Tax</b>	<b>1989.83</b>	<b>3647.94</b>
Taxation (including Deferred Tax, Fringe Benefit Tax and taxation in respect of earlier years) – Net	(444.24)	1008.72
<b>Profit After Tax</b>	<b>2434.07</b>	<b>2639.22</b>
<b>III Other Information</b>		
A. Segment Assets		
a. Multiplexes	35292.78	30953.55
b. Film Distribution	378.14	399.09
c. Film Production	290.00	Nil
d. Power	699.61	760.55
e. Un-allocable and Corporate	673.34	3325.41
<b>Total</b>	<b>37333.87</b>	<b>35438.60</b>



	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<b>B. Segment Liabilities</b>		
a. Multiplexes	<b>2848.51</b>	2277.22
b. Film Distribution	<b>69.31</b>	197.00
c. Film Production	<b>Nil</b>	Nil
d. Power	<b>Nil</b>	Nil
e. Un-allocable and Corporate	<b>5951.00</b>	6911.92
<b>Total</b>	<b>8868.82</b>	9386.14
<b>C. Capital Expenditure</b>		
a. Multiplexes	<b>4699.82</b>	5562.16
b. Film Distribution	<b>0.05</b>	0.21
c. Film Production	<b>290.00</b>	Nil
d. Power	<b>Nil</b>	743.41
<b>Total</b>	<b>4989.87</b>	6305.78
<b>D. Depreciation &amp; Amortization</b>		
a. Multiplexes	<b>1225.12</b>	918.10
b. Film Distribution	<b>385.92</b>	542.85
c. Film Production	<b>Nil</b>	Nil
d. Power	<b>39.20</b>	12.07
<b>Total</b>	<b>1650.24</b>	1473.02
<b>E. Non-cash expenses (other than depreciation and amortization)</b>		
a. Multiplexes	<b>Nil</b>	197.05
b. Film Distribution	<b>Nil</b>	Nil
c. Film Production	<b>Nil</b>	Nil
d. Power	<b>Nil</b>	Nil
e. Un-allocable and Corporate	<b>Nil</b>	Nil
<b>Total</b>	<b>Nil</b>	197.05

**B. Information about Secondary (Geographical) Segment**

All the multiplexes of the Company are located in India and all the movies are distributed in India. The power is also generated and sold / captively consumed in India. Hence the Company is operating in a single geographical segment.

**C. Notes:**

- a. The Company operates in following business segments:
  - i. Multiplex Business –Operating & Managing Multiplex Entertainment Centres.
  - ii. Film Distribution Business – Distribution of Movies.
  - iii. Film Production Business – Production of Movies
  - iv. Power Business – Generation of Wind Power
- b. Inter-segment revenue of Distribution Business comprises of film distributors' share in respect of movies distributed by the Company and exhibited in its multiplexes. Inter-segment revenue of Power Business comprises of power generated and consumed in Multiplex Business. Inter-segment revenues are priced at market price.
- c. The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

## 26. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 97.68 lacs (previous year Rs. 85.87 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account and Rs. 11.64 lacs (previous year Rs. 11.32 lacs) is included in pre-operative expenses.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

**Amount (Rs. in lacs)**

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2009	As at 31.3.2008	As at 31.3.2009	As at 31.3.2008
1. Change in Benefit Obligation				
Liability at the beginning of the year	<b>49.05</b>	28.53	<b>31.22</b>	21.05
Add: On amalgamation		2.09		0.51
Interest Cost	<b>3.69</b>	2.45	<b>2.01</b>	1.72
Current Service Cost	<b>32.26</b>	19.96	<b>40.12</b>	12.55
Benefit paid	<b>(5.79)</b>	(2.95)	<b>(12.11)</b>	(13.51)
Actuarial (Gain)/Loss	<b>5.72</b>	(1.03)	<b>(8.95)</b>	8.90
Liability at the end of the year	<b>84.93</b>	49.05	<b>52.29</b>	31.22
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	<b>32.26</b>	19.96	<b>40.12</b>	12.55
Interest Cost	<b>3.69</b>	2.45	<b>2.01</b>	1.72
Actuarial (Gain)/Loss	<b>5.72</b>	(1.03)	<b>(8.95)</b>	8.90
Expenses recognized in the Profit and Loss Account	<b>41.67</b>	21.38	<b>33.18</b>	23.17
3. Actuarial Assumptions				
Discount Rate	<b>7%</b>	8%	<b>7%</b>	8%
Salary Escalation Rate	<b>6%</b>	6%	<b>6%</b>	6%
Retirement Age	<b>58 years</b>			
Withdrawal Rates	<b>10%</b>	1%	<b>10%</b>	1%
Mortality	LIC (1994-96) published table of rates			

The above defined benefit plans are unfunded. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## 27. Related Party Disclosure:

Name of the related party with whom transactions have taken place during the year:

- a. Holding Company – Gujarat Fluorochemicals Limited
- b. Key Management Personnel – Mr. Alok Tandon (Manager w.e.f. 18<sup>th</sup> June 2007)

Particulars of Transactions:

- a. With Gujarat Fluorochemicals Limited

Transactions during the year:

Interest paid – Rs. 116.80 lacs (previous year Rs. 165.48 lacs)

Inter-corporate Deposit received Rs. 525.00 lacs (previous year – Rs. Nil)

Inter-corporate Deposit repaid Rs. 1281.70 lacs (previous year – Rs. 860.87 lacs)

Reimbursement of expenses received – Rs. 8.14 lacs (previous year – Rs. Nil)

Reimbursement of expenses paid – Rs. 0.34 lacs (previous year – Rs. Nil)

Amounts outstanding

Inter-corporate Deposit payable – Rs. 1604.10 lacs (previous year – Rs. 2360.80 lacs)

## b. With Key Management Personnel

Transactions during the year:

Remuneration paid to Mr.Alok Tandon – Rs. 49.21 lacs (previous year Rs 29.04 lacs)

Amortization of the accounting value of options granted– Rs. Nil (previous year – Rs. 21.46 lacs)

28. Amount due from Gujarat Fluorochemicals Limited, a company under the same management – Rs. Nil (previous year Rs. Nil) – maximum balance outstanding during the year – Rs. 8.14 lacs (previous year – Rs. Nil)

29. Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

**Particulars**

	<b>As at 31.3.2009 (Rs.in lacs)</b>	As at 31.3.2008 (Rs.in lacs)
Principal amount due to suppliers under MSMED Act at the year end	<b>26.91</b>	1.31
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	<b>0.04</b>	0.00
Payment made to suppliers (other than interest) beyond the appointed day during the year	<b>38.96</b>	0.00
Interest paid to suppliers under MSMED Act during the year	<b>0.00</b>	0.00
Interest due & payable to suppliers under MSMED Act for payments already made	<b>0.49</b>	0.00
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	<b>0.53</b>	0.00

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

30. The Company has recognised a provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under:

**Particulars**

	<b>Current Year (Rs. in Lacs)</b>	Previous Year (Rs. in Lacs)
Opening Balance	<b>88.40</b>	65.60
Provided during the year	<b>52.80</b>	52.80
Paid during the year	<b>30.00</b>	30.00
Closing balance	<b>111.20</b>	88.40

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

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**M. Y. KULKARNI**

Partner

**Rajesh D. Parte**Company Secretary &  
Vice President - Legal**Pavan Jain**

Director

**Deepak Asher**

Director

Place : Pune

Dated : 21st May 2009

Place : Mumbai

Dated : 21st May 2009

# 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 

1	0	2	3	3	8
---	---	---	---	---	---

  
Balance Sheet Date 

3	1	0	3	0	9
---	---	---	---	---	---

  
Date Month Year

State Code 

0	4
---	---

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

Public Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Bonus Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Right Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Private Placement \*

					2	5	6	2
--	--	--	--	--	---	---	---	---

\* Share issued Pursuant to ESOP and Amalgamation

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

Total Liabilities

		3	7	3	3	3	8	7
--	--	---	---	---	---	---	---	---

**Sources of Funds**

Paid-up Capital

		6	1	4	6	6	3
--	--	---	---	---	---	---	---

ESOP Outstanding

			1	0	3	4	1
--	--	--	---	---	---	---	---

Reserves &amp; Surplus

		2	2	2	1	5	0	0
--	--	---	---	---	---	---	---	---

Unsecured Loans

		1	6	0	4	1	0
--	--	---	---	---	---	---	---

**Application of Funds**

Net Fixed Assets\*

		3	0	9	1	4	8	0
--	--	---	---	---	---	---	---	---

\* Includes Capital work-in-progress, Advances on Capital Account and Pre-operative expenditure pending allocation

Investments

				5	4	9	4
--	--	--	--	---	---	---	---

Misc. Expenditure

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Total Assets

		3	7	3	3	3	8	7
--	--	---	---	---	---	---	---	---

Share Capital Suspense

					N	I	L
--	--	--	--	--	---	---	---

Secured Loans

		2	8	8	6	8	2
--	--	---	---	---	---	---	---

Deferred tax Liability

		1	4	3	1	1	2
--	--	---	---	---	---	---	---

Intangible Assets

			2	9	8	4	0
--	--	--	---	---	---	---	---

Net Current Assets

		3	1	1	8	9	4
--	--	---	---	---	---	---	---

Accumulated Losses

			N	I	L				
--	--	--	---	---	---	--	--	--	--

### IV Performance of Company (Amount in Rs. Thousand)

Turnover

		2	2	7	8	8	0	3
--	--	---	---	---	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

✓			1	9	8	9	8	3
---	--	--	---	---	---	---	---	---

Earning per share (Rs.)\*

				3	.	9	6
--	--	--	--	---	---	---	---

 \* Basic EPS

Total Expenditure

		2	0	7	9	8	2	0
--	--	---	---	---	---	---	---	---

+ / (-) Profit/(Loss) After Tax

✓			2	4	3	4	0	8
---	--	--	---	---	---	---	---	---

Dividend Rate @ %

			N	I	L				
--	--	--	---	---	---	--	--	--	--

### V Generic Names of Principal Products/Services of Company

(As per monetary terms)

Item Code No (ITC Code)

				N	.	A	.
--	--	--	--	---	---	---	---

Product Description

O	P	E	R	A	T	I	N	G		M	U	L	T	I	P	L	E	X	E	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---

Item Code No. (ITC Code)

				N	.	A	.
--	--	--	--	---	---	---	---

Product Description

F	I	L	M	D	I	S	T	R	I	B	U	T	I	O	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---



# INOX INFRASTRUCTURE PRIVATE LIMITED

## 2<sup>ND</sup> ANNUAL REPORT

**2008-2009**

### **BOARD OF DIRECTORS**

<b>Shri Pavan Jain</b>	<i>Director</i>
<b>Shri Vivek Jain</b>	<i>Director</i>
<b>Shri Deepak Asher</b>	<i>Director</i>

### **AUDITORS**

M/s. Patankar & Associates  
Chartered Accountants

### **REGISTERED OFFICE**

Narayan Manzil  
6th Floor,  
Barakhamba Road,  
New Delhi - 110 001



## Directors' Report

To the Members of

### INOX INFRASTRUCTURE PRIVATE LIMITED

Your Directors are pleased to submit their second report on the working of your Company for the year ended on 31<sup>st</sup> March, 2009.

#### 1. FINANCIAL RESULTS:

Particulars	(Rs. In Lacs)	
	2008-2009	2007-2008
Income		
Dividend from Current Investments	70.14	19.07
Interest on Bank Deposits	56.50	-
Liabilities written back	0.10	-
	126.74	19.07
Expenditure		
Legal and Professional Fees	0.23	5.39
Preliminary Expenses	-	38.69
Interest on Bank Overdraft	4.11	-
Miscellaneous Expenses	0.08	0.03
Total Expenditure	4.35	44.11
Profit/ Loss before taxation	122.39	(25.04)
Provision for taxation	18.25	-
Profit for the year	104.14	-
<b>Loss brought forward from previous year</b>	<b>25.04</b>	<b>-</b>
Balance carried to Balance Sheet	79.10	(25.04)

Your Company has invested a sum of Rs. 32 crores (Rs. 30 crores last year) in the shares of Megnasolace City Pvt. Ltd., a Company which is setting up a special economic zone, with the object of participating in the business of the said Company. Besides, your Company has earned an income of Rs. 126.64 lacs during the year by deploying its surplus funds into various investment opportunities.

#### 2. HOLDING COMPANY

Gujarat Fluorochemicals Limited is your Company's holding Company.

#### 3. AUDITORS' REPORT

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

#### 4. AUDITORS

M/s. Patankar & Associates were appointed as first Auditors of the Company by the Board of Directors. They hold office upto the conclusion of this Annual General Meeting. Due notice has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of The Companies Act, 1956.

#### 5. PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the limits prescribed under the amended Section 217(2A) of the Companies Act, 1956, read with the Company's (Particulars of Employees) Rules, 1975.

#### 6. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received.

By Order of the Board of Directors

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

**Vivek Jain**  
Director

**Deepak Asher**  
Director



## Auditors' Report

### TO THE MEMBERS OF INOX INFRASTRUCTURE PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Inox Infrastructure Private Limited** as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2009 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, read together with the notes thereon, 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 31<sup>st</sup> March, 2009;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Patankar & Associates,**  
Chartered Accountants

Place : Pune  
Dated : 22<sup>nd</sup> May, 2009

**(M Y Kulkarni)**  
Partner  
Mem. No. 35524



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF INOX INFRASTRUCTURE PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

In term of the Companies (Auditor's 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. There are no Fixed Assets, hence the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. There is no inventory, hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. The Company has not granted or taken any loan, secured or unsecured, to/from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. There are no transactions of purchase of inventory, fixed assets and sale of goods during the year. Therefore provisions of clause 4(iv) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
5. In our opinion, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under 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 activities of the company.
9. The Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of Income-tax and other material statutory dues applicable to it. No payments were due in respect of Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty and Cess.  
  
No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service-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.  
  
There are no dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom-duty, Excise Duty or Cess which have not been deposited on account of disputes.
10. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 has made investment in shares and units of mutual funds in the course of its investment activities. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the Company in its own name.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.





Inox Infrastructure Private Limited

16. The Company has not availed of any term loans during the year and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. In our opinion, on an overall examination of the Balance Sheet and the Cash Flow Statement, finds raised on short term basis have, prima-facie not been used during the year for long term investment.
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 and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 course of our audit.

**For Patankar & Associates,**  
Chartered Accountants

Place : Pune  
Dated : 22<sup>nd</sup> May, 2009

**(M Y Kulkarni)**  
Partner  
Mem. No. 35524



## Balance Sheet as at 31 st March, 2009

Particulars	Schedule	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
<b>I. SOURCES OF FUNDS :</b>			
<b>Shareholder's Funds</b>			
(a) Capital	A	50,00,00,000	50,00,00,000
(b) Reserves and Surplus	B	79,10,121	-
<b>Total</b>		<b>50,79,10,121</b>	<b>50,00,00,000</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. Investments</b>	C	<b>50,87,00,000</b>	<b>49,71,07,040</b>
<b>2. Current Assets, Loans and Advances</b>	D		
(a) Cash & Bank Balances		1,43,624	4,68,548
		<b>1,43,624</b>	<b>4,68,548</b>
<b>3. Current Liabilities &amp; Provisions</b>			
(a) Current Liabilities	E	22,060	79,759
(b) Provisions	E	9,11,443	-
		<b>9,33,503</b>	<b>79,759</b>
<b>Net Current Assets (2) - (3)</b>		<b>(7,89,879)</b>	<b>3,88,789</b>
<b>4. Profit &amp; Loss Account</b>			
Balance as per annexed account		-	25,04,171
<b>Total</b>		<b>50,79,10,121</b>	<b>50,00,00,000</b>
Notes to Accounts	F		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Infrastructure Private Limited

**VIVEK JAIN**  
Director

**DEEPAK ASHER**  
Director

Place : Noida  
Dated : 22nd May, 2009

## Profit and Loss Account for the year ended 31 st March, 2009

Particulars	Schedule	2008-09 Rs.	2007-08 Rs.
<b>INCOME</b>			
1. Dividend from Current Investments		70,14,151	19,07,040
2. Interest on Bank Deposits		56,50,578	-
3. Liabilities written back		10,000	-
		<b>1,26,74,729</b>	19,07,040
<b>EXPENDITURE</b>			
1. Legal & Professional Fees		23,060	5,39,592
2. Preliminary Expenses written off		-	38,68,890
3. Interest on Bank Overdraft		4,11,492	-
4. Miscellaneous expenses		885	2,729
Total		<b>4,35,437</b>	44,11,211
5. <b>Profit/ (Loss) before taxation</b>		<b>1,22,39,292</b>	(25,04,171)
6. Less : Provision for Income Tax		18,25,000	-
7. <b>Profit/ (Loss) after taxation</b>		<b>1,04,14,292</b>	(25,04,171)
8. Loss brought forward from previous year		(25,04,171)	-
9. <b>Balance Carried to Balance Sheet</b>		<b>79,10,121</b>	(25,04,171)
<b>Basic and Diluted Earnings per share</b>		<b>0.21</b>	(0.31)
Notes to Accounts	F		

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Infrastructure Private Limited

**VIVEK JAIN**  
Director

**DEEPAK ASHER**  
Director

Place : Noida  
Dated : 22nd May, 2009



## Cash Flow Statement for the year ended 31 st March, 2009

Particulars	2008-09 Rs.	2007-2008 Rs.
<b>A Cash flow from operating activities</b>		
Net profit/(loss) before tax	1,22,39,292	(25,04,171)
<b>Adjustments for :</b>		
Dividend received	(70,14,151)	(19,07,040)
Interest received	(56,50,578)	-
Interest paid	4,11,492	-
<i>Operative loss before working capital changes</i>	<b>(13,945)</b>	<b>(44,11,211)</b>
<b>Adjustments for :</b>		
Trade payables	(57,699)	79,759
<i>Cash generated from operations</i>	<b>(71,644)</b>	<b>(43,31,452)</b>
Income Tax Paid	(9,13,557)	-
<b>Net cash used in operating activities</b>	<b>(9,85,201)</b>	<b>(43,31,452)</b>
<b>B Cash flow from investing activities</b>		
Sale of Current investments	40,75,07,973	20,00,000
Purchase of Long-term investments	(20,87,00,000)	(30,00,00,000)
Purchase of Current investments	(21,04,00,933)	(19,91,07,040)
Dividend received	70,14,151	19,07,040
Interest received	56,50,578	-
<b>Net cash generated/ (used) in investment activities</b>	<b>10,71,769</b>	<b>(49,52,00,000)</b>
<b>C Cash flow from financing activities</b>		
Issue of Share Capital	-	50,00,00,000
Interest paid	(4,11,492)	-
<b>Net cash from financing activities</b>	<b>(4,11,492)</b>	<b>50,00,00,000</b>
<b>Net increase in cash and cash equivalent</b>	<b>(3,24,924)</b>	<b>4,68,548</b>
Cash and cash equivalents as at the beginning of the year	4,68,548	-
Cash and cash equivalents as at the end of the year	1,43,624	4,68,548

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Infrastructure Private Limited

**VIVEK JAIN**  
Director

**DEEPAK ASHER**  
Director

Place : Noida  
Dated : 22nd May, 2009

## Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2009

Particulars	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
<b>SCHEDULE "A" : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000	50,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
5,00,00,000 Equity Shares of Rs. 10 each fully paid-up	50,00,00,000	50,00,00,000
All shares are held by the Holding Company, Gujarat Fluorochemicals Limited		
<b>TOTAL</b>	50,00,00,000	50,00,00,000
<b>SCHEDULE "B" : RESERVES &amp; SURPLUS</b>		
<b>Profit and Loss Account</b>		
Balance as per annexed account	79,10,121	-
<b>TOTAL</b>	79,10,121	-
<b>SCHEDULE "C" : INVESTMENTS</b> (Non-trade, at cost, unquoted)		
<b>A) Long Term Investments</b>		
<b>In Equity Shares</b>		
Megnasolance City Private Limited (50,00,000 Equity shares of Rs. 10 each - paid up Rs. 1.50 per share) (Including Rs. 2,00,00,000 advance call money paid ) (Previous Year- Nil)	32,00,00,000	30,00,00,000
<b>In Units of Mutual Funds</b>		
- of Rs. 10 each		
Reliance Income Fund-Retail Plan-Growth Option (Units 12,42,800)	3,75,00,000	
Birla Sun Life Income Plus Growth (Prudent) (Units 9,13,999)	3,75,00,000	
IDFC Super Saver Income Fund-Investment Plan B-Growth (Units 34,67,438)	3,75,00,000	
Kotak Bond (Regular) Growth (Prudent) (Units 14,68,389)	3,75,00,000	
ICICI Prudential Institutional Income Plan-Growth (Prudent) (Units 12,48,469)	3,75,00,000	
- of Rs. 1000 each		
DSP Black Rock Strategic Bond (Units 1066)	12,00,000	



## Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2009

Particulars	As at 31-3-2009 Rs.	As at 31-3-2008 Rs.
<b>B) Current Investments</b>		
<i>In Units of Mutual Funds of Rs. 10 each</i>		
ING Liquid Fund Institutional Plan		19,71,07,040
( Units 1,96,86,883 )		
	<b>50,87,00,000</b>	<b>49,71,07,040</b>
Mutual fund units purchased and redeemed during the year (FV Rs. 10 each)		
Magnum Insta Cash Fund-Daily Dividend Option - Units 1,21,86,121 - Cost - Rs. 20,41,21,191		
ING Liquid Fund Institutional Plan - Units 6,27,215 - Cost - Rs. 62,79,742		
<b>SCHEDULE "D" : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	8,816	9,900
Balance in current accounts with Scheduled Banks	1,34,808	4,58,648
<b>TOTAL</b>	<b>1,43,624</b>	<b>4,68,548</b>
<b>SCHEDULE "E" : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors		
- Dues to Micro and Small Enterprises	-	-
- Others	19,561	19,926
	19,561	19,926
Other Liabilities	2,499	59,833
<b>Total Current Liabilities</b>	<b>22,060</b>	<b>79,759</b>
<b>B) Provisions</b>		
Provision for Taxation (Net of Taxes Paid)	9,11,443	-
<b>Total Provisions</b>	<b>9,11,443</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>9,33,503</b>	<b>79,759</b>

## Schedule F : Notes to Accounts for the year ended 31 st March, 2009

### 1. Significant accounting policies followed are as under :

- a) The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- b) Investments:-  
Long Term investments are carried at cost. Current Investments are carried at lower of the cost and fair value. Income on investment is accounted for on accrual basis.
- c) Taxes on Income:  
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.
2. Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.
3. In the opinion of the Board, the current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary.
4. Particulars of capacity, production, sales and material consumption – Not Applicable
5. Contingent liabilities not provided for – Rs. Nil, (Previous year Rs. Nil)
6. The amount of tax deducted at source on interest received is Rs. 9,13,557 (Previous year Rs. Nil).
7. Uncalled amount payable by the Company in respect of 50,00,000 equity shares of Megnasolace City Private Limited is Rs. 1,68,00,00,000 (Previous year Rs. 1,70,00,00,000) - net of advance call money of Rs. 2,00,00,000 (Previous year Rs. Nil)
8. Value of import calculated on CIF basis – Rs. Nil (Previous year Rs. Nil).
9. Expenditure in foreign currency – Rs. Nil (Previous year Rs. Nil).
10. Earning in foreign exchange – Rs. Nil (Previous year Rs. Nil).
11. Related Party Disclosures –
  - (i) Where Control Exists  
Holding Company – Gujarat Fluorochemicals Limited
  - (ii) Other related parties with whom there are transactions during the year:  
Associate – Megnasolace City Private Limited

(Amount in Rs.)

Particulars	Holding Company	Associate Company	Total
<b>A) Transactions During the Year</b>			
<b>Issue of Equity Shares</b>			
Gujarat Fluorochemicals Limited	– (49,99,30,000)		– (49,99,30,000)
<b>Investment in Equity Shares</b>			
Megnasolace City Private Limited		– (30,00,00,000)	– (30,00,00,000)
<b>Advance Call Money</b>			
Megnasolace City Private Limited		<b>2,00,00,000</b> (-)	<b>2,00,00,000</b> (-)
<b>B) Amount Outstanding</b>			
<b>Investment in Equity Shares</b>			
Megnasolace City Private Limited		<b>30,00,00,000</b> (30,00,00,000)	<b>30,00,00,000</b> (30,00,00,000)
<b>Advance Call Money</b>			
Megnasolace City Private Limited		<b>2,00,00,000</b> (-)	<b>2,00,00,000</b> (-)

(Figures in bracket are for previous year)



## Notes to Accounts for the year ended 31 st March, 2009

### 12. Particulars of Payments to Auditor's-

(Amount in Rs.)

Particulars	2008-2009	2007-2008
Statutory Audit Fees	20,000	20,000
Service Tax	2,060	2,472
Total	22,060	22,472

### 13. Calculation of Earning Per Share (EPS)

Particulars	2008-2009	2007-2008
Net Profit/(Loss) as per Profit & Loss Account (Numerator) (Rs.)	1,04,14,292	(25,04,171)
No. of Equity Shares outstanding at the beginning of the year	5,00,00,000	
No. Equity shares issued during the year		5,00,00,000
No. of Equity Shares outstanding at the end of the year	5,00,00,000	
Weighted number of equity shares (Denominator)	5,00,00,000	80,28,446
Nominal value per share (Rs.)	10	10
Basic and Diluted EPS (Rs.)	0.21	(0.31)

### 14. Balance Sheet Abstract and Company's General Business Profit as required by Part IV of Schedule VI to the Companies Act, 1956, is as per annexure.

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Infrastructure Private Limited

**VIVEK JAIN**  
Director

**DEEPAK ASHER**  
Director

Place : Noida  
Dated : 22nd May, 2009



## 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 

U	4	5	2	0	0	D	L	2	0	0	7	P	T	C	1	5	7	9	6
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code 

0	4
---	---

Balance Sheet Date 

3	1	0	3	0	9
---	---	---	---	---	---

Date Month Year

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

Public Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Bonus Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Right Issue

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Private Placement

			N	I	L				
--	--	--	---	---	---	--	--	--	--

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

Total Liabilities

			5	0	8	8	4	4
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			5	0	0	0	0	0
--	--	--	---	---	---	---	---	---

Secured Loans

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Total Assets

			5	0	8	8	4	4
--	--	--	---	---	---	---	---	---

Reserves & Surplus

						7	9	1	0
--	--	--	--	--	--	---	---	---	---

Unsecured Loans

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Application of Funds

Net Fixed Assets

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Net Current Assets

						-	7	9	0
--	--	--	--	--	--	---	---	---	---

Accumulated Losses

			N	I	L				
--	--	--	---	---	---	--	--	--	--

Investments

			5	0	8	7	0	0
--	--	--	---	---	---	---	---	---

Misc. Expenditure

			N	I	L				
--	--	--	---	---	---	--	--	--	--

#### IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover

				1	2	6	7	4
--	--	--	--	---	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

				1	2	2	3	9
--	--	--	--	---	---	---	---	---

Earning per share (Rs.)

				0	.	2	1
--	--	--	--	---	---	---	---

Total Expenditure

						4	3	5
--	--	--	--	--	--	---	---	---

+ - Profit/(Loss) After Tax

				1	0	4	1	4
--	--	--	--	---	---	---	---	---

Dividend Rate @ %

						N	I	L
--	--	--	--	--	--	---	---	---

#### V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

N	A
---	---

Product Description

N	A
---	---





# INOX MOTION PICTURES LIMITED

## 1<sup>ST</sup> ANNUAL REPORT

**2008-2009**

### **BOARD OF DIRECTORS**

<b>Shri Deepak Asher</b>	<i>Director</i>
<b>Shri Devansh Jain</b>	<i>Director</i>
<b>Shri Alok Tandon</b>	<i>Director</i>

### **AUDITORS**

M/s. Patankar & Associates  
Chartered Accountants

### **REGISTERED OFFICE**

Viraj Towers, 5<sup>th</sup> Floor,  
Next to Andheri Flyover,  
Western Express Highway,  
Andheri (East),  
Mumbai - 400 069.



## Directors' Report

To the Members of

### INOX MOTION PICTURES LIMITED

Dear Members, Your Directors have pleasure in presenting the First Annual Report on the operations of the Company together with the audited accounts for the period ended 31<sup>st</sup> March, 2009.

#### 1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	For the period 31 <sup>st</sup> March, 2009
Sales and other Income	NIL
Profit / (Loss) before Tax	(833120)
Less: Provision for Taxation	NIL
Profit / (Loss) after Tax	(833120)
Add: Profit brought forward from previous year	N.A.
Balance carried to Balance Sheet	(833120)

#### OPERATION:

The Company received the Certificate of incorporation on 1<sup>st</sup> October, 2008 and it received the certificate for commencement of Business on 8<sup>th</sup> October, 2008.

During the period ended 31<sup>st</sup> March, 2009, the company registered a net loss of Rs. 833,120/-.

Your Company is optimistic about its growth prospects for the current financial year.

#### DIVIDEND:

Your Directors have not recommended payment of dividend for the period under review in view of losses incurred by the Company.

#### DIRECTORS RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- That in the preparation of the annual accounts, the applicable standards had been followed alongwith proper explanations relating to material departures.
- That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- That the Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the Annual Accounts on a going concern basis.

#### AUDITOR:

M/s. Patankar & Associates, Chartered Accountants, Auditors of the Company retire at the Annual General Meeting and being eligible, offer themselves for re-appointment.

#### AUDITORS' REPORT:

Observation made in the Auditor Report are self explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.



### PERSONNEL:

The Company does not have any employees. Hence, no particulars as specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended have been furnished in this regard.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given hereinbelow :

#### 1. Conservation of Energy

The Operations of the Company are not energy-intensive. A conscious effort is being made by the Company in reducing scarce energy resources.

#### 2. Research & Development

- |  |   |      |
|--|---|------|
| a. Specific areas in which R&D is carried out by the Company | : | None |
| b. Benefits derived as a result of above R&D                 | : | N.A. |
| c. Future plan of action                                     | : | N.A. |
| d. Expenditure in Foreign Currency                           | : | N.A. |

#### 3. Technology Absorption, Adaptation and Innovation

The Company has not absorbed, adapted or innovated any new technology during the period ended 31<sup>st</sup> March, 2009.

#### 4. Foreign Exchange Earning & Outgo

The foreign exchange earning and outgo during the period ended 31<sup>st</sup> March, 2009 was nil.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai  
Dated: 22<sup>nd</sup> May, 2009

Deepak Asher  
Director

Devansh Jain  
Director



## Auditors' Report

### TO THE MEMBERS OF

### INOX MOTION PICTURES LIMITED

1. We have audited the attached Balance Sheet of **Inox Motion Pictures Limited** as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2009 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, read together with the notes thereon, 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 31<sup>st</sup> March, 2009;
    - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date.
    - c) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

**For Patankar & Associates,**  
Chartered Accountants

Place : Pune  
Dated : 22<sup>nd</sup> May, 2009

(M Y Kulkarni)  
Partner  
Mem. No. 35524



**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF INOX MOTION PICTURES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

In term of the Companies (Auditor's 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. There are no Fixed Assets, hence the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. There is no inventory, hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. The Company has not granted or taken any loan, secured or unsecured, to/from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. There are no transactions of purchase of inventory, fixed assets and sale of goods during the year. Therefore provisions of clause 4(iv) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
5. In our opinion, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. The provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 in respect of internal audit system are not applicable to the Company.
8. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for activities of the Company.
9. According to information given to us, no payments were due in respect of Provident Fund, Investor Education & Protection Fund, Employee's state insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess.
10. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
11. The Company has not taken any loans from banks, financial institutions and by way of debentures.
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 not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not availed of any term loans during the year and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. The Company has not raised any funds on short term basis and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 course of our audit.

**For Patankar & Associates,**  
Chartered Accountants

Place : Pune  
Dated : 22<sup>nd</sup> May, 2009

(M Y Kulkarni)  
Partner  
Mem. No. 35524



## Balance Sheet as at 31 st March, 2009

Particulars	Schedule	As at 31-3-2009 Rs.
<b>SOURCES OF FUNDS :</b>		
<b>Shareholders' Funds</b>		
Capital	A	5,00,000
Total		5,00,000
<b>APPLICATION OF FUNDS :</b>		
<b>Current Assets, Loans and Advances</b>		
Cash & Bank Balances	B	4,92,003
		4,92,003
<b>Less: Current Liabilities &amp; Provisions</b>		
Current Liabilities	C	8,25,123
<b>Net Current Assets</b>		(3,33,120)
<b>Profit &amp; Loss Account</b>		
Balance as per annexed account		8,33,120
<b>Total</b>		5,00,000
Notes to Accounts	D	

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Motion Pictures Limited

**DEEPAK ASHER**  
Director

**DEVANSH JAIN**  
Director

Place : Noida  
Dated : 22nd May, 2009





## Profit and Loss Account for the year ended 31 st March, 2009

Particulars	Schedule	2008-09 Rs.
<b>INCOME</b>		Nil
<b>EXPENDITURE</b>		
Preliminary Expenses written off		8,17,093
Audit Fees		11,030
Miscellaneous expenses		4,997
Total		8,33,120
<b>Loss for the period</b>		(8,33,120)
<b>Loss Carried to balance sheet</b>		(8,33,120)
<b>Basic and Diluted Earnings per share</b>		(16.66)
Notes to Accounts	D	

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**M. Y. KULKARNI**  
Partner

Place : Pune  
Dated : 22nd May, 2009

For Inox Motion Pictures Limited

**DEEPAK ASHER**  
Director

Place : Noida  
Dated : 22nd May, 2009

**DEVANSH JAIN**  
Director



## Cash Flow Statement for the year ended 31 st March, 2009

### Particulars

#### A Cash flow from operating activities

Net loss before tax

(8,33,120)

Operative loss before working capital changes

(8,33,120)

#### Adjustments for :

Trade payables

8,25,123

#### Net cash used in operating activities

(7,997)

#### B Cash flow from financing activities

Issue of share capital

5,00,000

#### Net cash from financing activities

5,00,000

#### Net increase in cash and cash equivalent

4,92,003

Cash and cash equivalents as at the beginning of the period

-

Cash and cash equivalents as at the end of the period

4,92,003

As per our report of even date attached

#### For PATANKAR & ASSOCIATES

Chartered Accountants

#### M. Y. KULKARNI

Partner

Place : Pune

Dated : 22nd May, 2009

For Inox Motion Pictures Limited

#### DEEPAK ASHER

Director

Place : Noida

Dated : 22nd May, 2009

#### DEVANSH JAIN

Director



## Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2009

Particulars	Schedule	As at 31-3-2009 Rs.
<b>SCHEDULE "A" : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
1,00,00,000 Equity Shares of Rs. 10 each		10,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
50,000 Equity Shares of Rs. 10 each fully paid-up		5,00,000
All shares are held by the Holding Company, Gujarat Fluorochemicals Limited		
<b>TOTAL</b>		5,00,000
<b>SCHEDULE "B" : CASH &amp; BANK BALANCES</b>		
Cash in hand		4,460
Balance in current account with Scheduled Bank		4,87,543
<b>TOTAL</b>		4,92,003
<b>SCHEDULE "C" : CURRENT LIABILITIES</b>		
Sundry Creditors		
- Dues to Micro and Small Enterprises		-
- Dues to Holding Company - Gujarat Fluorochemicals Limited		8,14,093
- Dues to others		11,030
		8,25,123



## Schedule D : Notes to Accounts for the year ended 31 st March, 2009

1. The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
2. The Company was incorporated on 1<sup>st</sup> October, 2008 and this is the first accounting year of the Company. Hence there are no previous year figures.
3. In the opinion of the Board, the current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary.
4. Particulars of capacity, production, sales and material consumption – Not Applicable
5. Contingent liabilities not provided for – Rs. Nil
6. Value of import calculated on CIF basis – Rs. Nil
7. Expenditure in foreign currency – Rs. Nil
8. Earning in foreign exchange – Rs. Nil
9. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31<sup>st</sup> March, 2009. Further no interest is paid / payable in the terms of section 16 of the said Act. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 10. Particulars of Payments to Auditor's -

#### Particulars

Statutory Audit Fees

Service Tax

#### Total

#### Amounts (Rs.)

10,000

1,030

**11,030**

### 11. Related Party Disclosures -

- (i) Where Control Exists  
Holding Company – Gujarat Fluorochemicals Limited
- (ii) Particulars of transaction during the year –  
Issue of Equity Shares – Rs. 500,000  
Reimbursement of expenses paid – Rs. 814,093
- (iii) Amounts outstanding  
Amount payable – Rs. 814,093

### 12. Calculation of Earning Per Share (EPS)

#### Particulars

Net loss as per Profit & Loss Account (Numerator) (Rs.)

No. Equity shares issued during the period and outstanding at the end of the year

Weighted average number of equity shares (Denominator)

Nominal value per share (Rs.)

Basic and Diluted EPS (Rs.)

#### 2008-2009

8,33,120

50,000

50,000

10

(16.66)

13. Balance Sheet Abstract and Company's General Business Profit as required by Part IV of Schedule VI to the Companies Act, 1956, is as per annexure.

As per our report of even date attached

#### For PATANKAR & ASSOCIATES

Chartered Accountants

For Inox Motion Pictures Limited

#### M. Y. KULKARNI

Partner

#### DEEPAK ASHER

Director

#### DEVANSH JAIN

Director

Place : Pune

Dated : 22nd May, 2009

Place : Noida

Dated : 22nd May, 2009

# 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 

U	9	2	1	2	0	M	H	2	0	0	8	P	L	C	1	8	7	2	3	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code 

0	4
---	---

Balance Sheet Date 

3	1	0	3	0	9
---	---	---	---	---	---

Date    Month    Year

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

Public Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Bonus Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Right Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Private Placement

						5	0	0
--	--	--	--	--	--	---	---	---

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

Total Liabilities

						5	0	0
--	--	--	--	--	--	---	---	---

**Sources of Funds**

Paid-up Capital

						5	0	0
--	--	--	--	--	--	---	---	---

Secured Loans

			N	I	L			
--	--	--	---	---	---	--	--	--

Total Assets

						5	0	0
--	--	--	--	--	--	---	---	---

Reserves &amp; Surplus

			N	I	L			
--	--	--	---	---	---	--	--	--

Unsecured Loans

			N	I	L			
--	--	--	---	---	---	--	--	--

**Application of Funds**

Net Fixed Assets

			N	I	L			
--	--	--	---	---	---	--	--	--

Net Current Assets

						(-)	3	3	3
--	--	--	--	--	--	-----	---	---	---

Accumulated Losses

						8	3	3
--	--	--	--	--	--	---	---	---

Investments

			N	I	L			
--	--	--	---	---	---	--	--	--

Misc. Expenditure

			N	I	L			
--	--	--	---	---	---	--	--	--

### IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

						N	I	L
--	--	--	--	--	--	---	---	---

+ / (-) Profit/(Loss) Before Tax

						(-)	8	3	3
--	--	--	--	--	--	-----	---	---	---

Earning per share (Rs.)

			(-)	1	6	.	6	6
--	--	--	-----	---	---	---	---	---

Total Expenditure

						8	3	3
--	--	--	--	--	--	---	---	---

+ - Profit/(Loss) After Tax

						(-)	8	3	3
--	--	--	--	--	--	-----	---	---	---

Dividend Rate @ %

						N	I	L
--	--	--	--	--	--	---	---	---

### V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

N	A
---	---

Product Description

N	A
---	---



Gujarat Fluorochemicals Limited

# **GUJARAT FLUOROCHEMICALS LIMITED**

## **CONSOLIDATED ANNUAL ACCOUNTS**

**2008 – 2009**

## Auditor's Report on Consolidated Financial Statements

### AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GUJARAT FLUOROchemicals LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT FLUOROchemicals LIMITED AND ITS SUBSIDIARIES.

We have audited the attached consolidated balance sheet of Gujarat Fluorochemicals Limited Group (the "Group") as at 31<sup>st</sup> March 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Management of Gujarat Fluorochemicals Limited (the "Company") and have been prepared by the Management on the basis of separate financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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.

We did not audit the financial statements of an associate of the Company's subsidiary whose financial statements reflect the Group's share of profit upto 31<sup>st</sup> March 2009 of Rs.1.18 lacs and Group's share of loss for the year ended 31<sup>st</sup> March 2009 of Rs. 2.46 lacs. The Group's share of loss for the year has been included in the consolidated financial statements on the basis of unaudited management accounts.

We report that the consolidated financial statements have been prepared by the Management of Gujarat Fluorochemicals Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated financial statements and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

Based on our audit and on consideration of reports of other auditors on separate financial statements and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31<sup>st</sup> March 2009;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**For Patankar & Associates**  
Chartered Accountants

**M.Y. Kulkarni**  
Partner  
Mem. No. 35524

Place : Pune  
Dated : 22<sup>nd</sup> May 2009



Gujarat Fluorochemicals Limited

## Consolidated Balance Sheet of Gujarat Fluorochemicals Limited and its Subsidiary Companies as at 31 st March, 2009

	Schedule Number	As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
<b>I SOURCES OF FUNDS</b>			
1 <b>Shareholders' Funds</b>			
(a) Capital	1	1098.50	1157.80
(b) Reserves and Surplus	2	136283.17	110928.24
		137381.67	112086.04
Minority Interest		10278.16	9450.17
2 <b>Loan Funds</b>			
(a) Secured Loans	3	58419.97	49286.13
(b) Unsecured Loans	4	13877.71	3000.00
		72297.68	52286.13
3 <b>Deferred Tax Liability (Net)</b>		10555.67	9481.71
<b>Total</b>		<b>230513.17</b>	<b>183304.05</b>
<b>II APPLICATION OF FUNDS</b>			
1 <b>Fixed Assets</b>	5		
(a) Gross Block		124639.51	110328.95
(b) Less : Depreciation		17122.89	11244.37
(c) Net Block		107516.61	99084.58
(d) Capital Work-in-progress		19895.86	5912.16
(e) Advances on Capital Account		4376.00	7156.12
(f) Pre-operative expenditure pending allocation	6	1049.84	922.92
		132838.32	113075.78
2 <b>Intangible Assets</b>	7	298.40	268.17
3 <b>Investments</b>	8	46750.97	53915.84
4 (i) <b>Current Assets, Loans and Advances</b>	9		
(a) Inventories		19383.85	10138.59
(b) Sundry Debtors		22866.16	15261.16
(c) Cash and Bank Balances		20587.56	3228.57
(d) Other Current Assets		820.27	501.48
(e) Loans and Advances		18920.39	16301.45
<b>Sub-Total (i)</b>		<b>82578.24</b>	<b>45431.25</b>
(ii) <b>Less : Current Liabilities and Provisions</b>	10		
(a) Liabilities		26692.34	25617.07
(b) Provisions		5260.42	3769.92
<b>Sub-Total (ii)</b>		<b>31952.76</b>	<b>29386.99</b>
Net Current Assets (i) - (ii)		50625.48	16044.26
<b>Total</b>		<b>230513.17</b>	<b>183304.05</b>
Notes forming part of Accounts	18	0.00	0.00

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**VIVEK JAIN**  
Managing Director

**D. K. JAIN**  
Chairman

**V. P. MITTAL**  
Director

**M. Y. KULKARNI**  
Partner

**DEEPAK ASHER**  
Director

**B. V. DESAI**  
Company Secretary

**DR. S. RAMA IYER**  
Director

Place : Pune  
Dated : 22nd May 2009

Place : Noida  
Dated : 22nd May 2009



## Consolidated Profit and Loss Account of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2009

	Schedule Number	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
<b>INCOME</b>			
1 Sales and Services - Gross		<b>129682.33</b>	94875.10
Less: Excise Duty		<b>2669.14</b>	1929.66
Sales and Services - Net	11	<b>127013.19</b>	92945.44
2 Other Income	12	<b>3193.98</b>	12915.44
		<b>130207.17</b>	105860.88
<b>EXPENDITURE</b>			
1 (Increase) / Decrease in Stocks	13	<b>(4483.50)</b>	(965.04)
2 Materials Consumed and Purchase of Goods	14	<b>20832.98</b>	17554.74
3 Manufacturing, Operating and other Expenses	15	<b>46204.71</b>	29913.53
4 Salaries and Benefits	16	<b>6917.13</b>	5551.01
5 Provision for diminution in value of investments	8	<b>268.09</b>	423.73
6 Interest	17	<b>5335.16</b>	3197.37
7 Depreciation & Amortization (Net) - (Ref. Note No.7)	5	<b>5983.74</b>	2314.40
		<b>81058.31</b>	57989.74
Less : Capitalized during the year		<b>0.00</b>	(378.24)
<b>Total Expenditure</b>		<b>81058.31</b>	57611.50
8 Profit before Taxation		<b>49148.86</b>	48249.38
9 Provision for Taxation			
Current tax		<b>12343.25</b>	9095.00
Deferred tax		<b>1621.58</b>	4102.87
Fringe benefit tax		<b>80.00</b>	105.00
		<b>14044.83</b>	13302.87
10 Profit after taxation for the year		<b>35104.03</b>	34946.51
11 Add: Taxation pertaining to earlier years ( Ref. Note No. 11 )		<b>1043.48</b>	42.22
12 Add: Profit of erstwhile CCPL for the year ended 31.03.2007 on Amalgamation - (Ref. Note No.8)		<b>0.00</b>	0.46
		<b>36147.51</b>	34989.19
13 Less: Minority Interest		<b>(876.76)</b>	(551.28)
14 (Less)/Add : Share in (Loss)/Profit of Associate		<b>(2.46)</b>	3.64
		<b>35268.30</b>	34441.55
15 Profit brought forward from previous year		<b>41.82</b>	144.40
16 Balance in profit and loss account of erstwhile CCPL as on 31.03.2006 on amalgamation (Ref. Note No.8)		<b>0.00</b>	19.50
		<b>35310.11</b>	34605.45
17 Profit available for appropriation			
18 Less : Appropriations			
Capital Redemption Reserve		<b>59.30</b>	0.00
Dividend on shares bought back - (Ref. Note No.6)		<b>(4.88)</b>	0.00
Transfer to General Reserve		<b>29372.39</b>	29494.49
Interim Dividend		<b>0.00</b>	2894.50
Proposed Dividend		<b>3844.75</b>	1380.76
Tax on Dividend		<b>653.42</b>	793.88
		<b>33924.98</b>	34563.63
19 Balance carried to Balance Sheet		<b>1385.13</b>	41.82
Basic and diluted Earnings per Share of Re 1 each Notes forming part of Accounts	18	<b>31.02</b>	29.75

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**VIVEK JAIN**

Managing Director

**D. K. JAIN**

Chairman

**V. P. MITTAL**

Director

**M. Y. KULKARNI**

Partner

**DEEPAK ASHER**

Director

**B. V. DESAI**

Company Secretary

**DR. S. RAMA IYER**

Director

Place : Pune

Dated : 22nd May 2009

Place : Noida

Dated : 22nd May 2009



**Gujarat Fluorochemicals Limited**

## Consolidated Cash Flow Statement of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2009

	Amount (Rs. in lacs)	
	2008-2009	2007-2008
<b>A Cash flow from operating activities</b>		
Net profit before tax	49548.87	47919.06
<b>Adjustments for :</b>		
Depreciation and Amortisation	5983.74	2314.40
Provision for diminution in value of investments	268.09	1019.62
Film Distribution Rights & Print Cost Amortisation	384.95	541.90
Loss on assets sold/written off (Net)	104.81	13.80
Amortization of Value of Stock Option	(25.75)	197.06
Income in respect of Investments (Net)	(1784.92)	(8582.03)
Interest	5456.17	3362.85
	10387.09	(1132.40)
Operative profit before working capital changes	59935.96	46786.66
<b>Adjustments for :</b>		
Trade and other receivables	(12627.18)	(12588.06)
Inventories	(9245.26)	(4710.05)
Trade payables	706.21	(838.17)
	(21166.23)	(18136.28)
Cash generated from operations	38769.73	28650.38
Direct taxes paid (Net)	(12010.74)	(9708.64)
<b>Net cash from operating activities</b>	26758.99	18941.74
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including change in capital wip, capital advances and pre-operative expenses)	(25981.17)	(26561.20)
Sale of fixed assets	147.42	12.51
Acquisition of intangible assets (Including advances)	(125.18)	(586.55)
Purchase of investments	(89164.80)	(133352.06)
Redemption/Sale of Investments	98801.00	150226.90
Inter corporate and other loans (Net)	(639.09)	(6785.22)
Income from film production financing	0.00	2.11
Interest , Dividend received and others (Net of expenses)	862.79	1765.93
Adjustment for receivables on investment account	182.25	(624.26)
<b>Net cash used in investment activities</b>	(15916.78)	(15901.84)
<b>C Cash flow from financing activities</b>		
Share issue under ESOP	4.27	6.35
Proceeds from/Repayment of Long Term Loan (Net)	21514.90	(302.75)
Repayment of /Proceeds from Short Term Loan (Net)	(1503.36)	3000.00
Interest paid	(5174.17)	(3188.33)
Dividend paid (Including Tax on Dividend)	(2818.19)	(2216.19)
Amount paid towards Buy Back of Shares	(6136.31)	0.00
<b>Net cash used in financing activities</b>	5887.14	(2700.92)
<b>D Capital receipts</b>	629.64	706.92
(Please Refer to Note No. 9 of Note to Accounts)		
<b>Net increase in cash and cash equivalent</b>	17358.99	1045.90
Cash and cash equivalents as at 1st April, 2008 (Opening balance)	3228.57	2170.37
Add: On amalgamation	0.00	12.30
Cash and cash equivalents as at 31st March, 2009 (Closing balance)	20587.56	3228.57

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**VIVEK JAIN**

Managing Director

**D. K. JAIN**

Chairman

**V. P. MITTAL**

Director

**M. Y. KULKARNI**

Partner

**DEEPAK ASHER**

Director

**B. V. DESAI**

Company Secretary

**DR. S. RAMA IYER**

Director

Place : Pune

Dated : 22nd May 2009

Place : Noida

Dated : 22nd May 2009

## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 1 : CAPITAL

#### Authorised

20,00,00,000 Equity Shares of Re 1 each

#### Issued, Subscribed and Paid Up

10,98,50,000 Equity Shares (Previous Year 11,57,80,000) of Re 1 each  
- (Refer Note No. 6)

(Out of above 5,77,15,310 shares are held by the Holding Co.)

#### Total

### SCHEDULE 2 : RESERVES AND SURPLUS

#### Capital Reserves

As per last Balance Sheet

Addition during the year (Refer Note No. 9)

#### Share Premium Account

As per last Balance Sheet

Less: Adjusted on Buyback of shares (Refer Note No. 6)

Add/Less: Adjustment on account of increase in minority interest  
and grant of stock options to employees in subsidiary company

#### Capital Redumption Reserve

Transfer from Profit &amp; Loss Account (Refer Note No. 6)

#### General Reserve

As per last Balance Sheet

Less: Adjustment on adoption of AS-15 Employee Benefits

Less: Adjusted on Buyback of shares (Refer Note No. 6)

Add: Transfer from Profit and Loss Account

#### Amalgamation Reserve

As per last Balance Sheet

Addition during the year (Refer Note No. 8)

#### Profit and Loss Account

Balance as per Annexed Account

#### Total

### SCHEDULE 3 : SECURED LOANS

#### From Banks

##### Rupee Loan

- Term Loans  
(amount payable within one year Rs. 10593.80 Lacs,  
Previous year Rs. 11009.76 Lacs)

##### Foreign Currency Loans

- Term Loans  
(amount payable within one year Rs. 6246.82 Lacs,  
Previous year Rs.2012.80 Lacs)

##### From Financial Institutions

- Term Loan  
(amount payable within one year Rs. Nil, Previous year Rs. 1.00 Lacs)

#### Total

### SCHEDULE 4 : UN SECURED LOANS

#### From Banks

##### Rupee Loan

- Term Loans  
(amount payable within one year Rs.Nil, Previous year Rs.3000 Lacs)

##### Foreign Currency Loans

- Term Loans  
(amount payable within one year Rs. 2944.35 Lacs, Previous year Rs.Nil)

As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
2000.00	2000.00
1098.50	1157.80
1098.50	1157.80
10426.19	9719.27
629.64	706.92
11055.83	10426.19
8212.05	8429.31
(4.62)	
27.29	(217.26)
8234.72	8212.05
59.30	0.00
92000.00	62600.00
0.00	(94.49)
(6072.39)	0.00
29372.39	29494.49
115300.00	92000.00
248.18	0.00
0.00	248.18
248.18	248.18
1385.13	41.82
136283.17	110928.24
41987.45	37298.79
16432.52	11986.34
0.00	1.00
58419.97	49286.13
0.00	3000.00
13877.71	0.00
13877.71	3000.00

## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 5 – FIXED ASSETS

Amount (Rs. in lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 1-Apr-08	Additions	Deductions	As at 31-Mar-09	As at 1-Apr-08	For the year	Deductions	As at 31-Mar-09	As at 31-Mar-09	As at 1-Apr-08
<b>(a) Tangible Assets</b>										
Land										
- Freehold Land	2250.56			<b>2250.56</b>					<b>2250.56</b>	2250.56
- Leasehold Land	1960.04	8.00	42.11	<b>1925.93</b>	85.14	20.80		<b>105.94</b>	<b>1819.99</b>	1874.90
Buildings and Roads	24417.80	2521.19	24.06	<b>26914.93</b>	1335.45	715.63		<b>2051.08</b>	<b>24863.85</b>	23082.35
Plant and Machinery	55851.21	3647.98	91.08	<b>59408.11</b>	7204.41	3198.94	22.80	<b>10380.55</b>	<b>49027.56</b>	48646.80
Wind Mills	16920.91	7077.20		<b>23998.11</b>	919.35	1267.10		<b>2186.45</b>	<b>21811.66</b>	16001.56
Electrical Installations	3824.48	138.27	26.41	<b>3936.34</b>	399.55	202.67	19.37	<b>582.85</b>	<b>3353.49</b>	3424.93
Manufacturing and other Equipments	1591.30	396.74	30.89	<b>1957.15</b>	565.78	187.14	21.60	<b>731.32</b>	<b>1225.83</b>	1025.52
Furniture and Fixtures	1980.26	743.08	86.08	<b>2637.26</b>	479.80	214.95	18.48	<b>676.27</b>	<b>1960.99</b>	1500.46
Vehicles	373.77	58.50	34.78	<b>397.49</b>	119.68	35.22	22.97	<b>131.93</b>	<b>265.56</b>	254.09
<b>Total (a)</b>	<b>109170.33</b>	<b>14590.96</b>	<b>335.41</b>	<b>123425.88</b>	<b>11109.16</b>	<b>5842.45</b>	<b>105.22</b>	<b>16846.39</b>	<b>106579.49</b>	<b>98061.17</b>
<b>(b) Intangible Assets</b>										
Technical Know How	804.22			<b>804.22</b>	35.19	80.42		<b>115.61</b>	<b>688.61</b>	769.03
Softwares	354.40	55.01		<b>409.41</b>	100.02	60.87		<b>160.89</b>	<b>248.52</b>	254.38
<b>Total (b)</b>	<b>1158.62</b>	<b>55.01</b>		<b>1213.63</b>	<b>135.21</b>	<b>141.29</b>		<b>276.50</b>	<b>937.13</b>	<b>1023.41</b>
<b>Grand Total ( a + b )</b>	<b>110328.95</b>	<b>14645.97</b>	<b>335.41</b>	<b>124639.51</b>	<b>11244.37</b>	<b>5983.74</b>	<b>105.22</b>	<b>17122.89</b>	<b>107516.61</b>	<b>99084.58</b>
Previous year	66832.19	43555.80	59.04	<b>110328.95</b>	8795.30	2481.80*	32.73	<b>11244.37</b>		

\* Refer Note No. 7 in Notes to Accounts

**Rs. in lacs**

Depreciation & Amortization for the previous year

**4527.43**

Less: Surplus on change of Depreciation method

**(2045.63)**

Net Depreciation & Amortization charged to the Profit and Loss Account

**2481.80**

## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

	As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
<b>Opening balance</b>	<b>922.92</b>	<b>4509.96</b>
<b>Add: Expenses incurred during the year</b>		
Salaries, Wages, Allowances and benefits	196.88	454.75
Contribution to Provident and other funds	10.97	22.02
Legal, Professional and Consultancy charges	481.38	912.33
Travelling and Conveyance	102.50	266.01
Rent	15.86	66.00
Insurance	10.46	34.29
Electricity charges	31.10	175.04
Communication expenses	13.99	34.13
Rates and Taxes	5.87	1.59
Launch Expenses	83.57	56.59
Interest on fixed loans	47.92	670.45
Lease Rentals	0.00	4.38
Repairs & Maintenance	0.00	0.00
- Machinery	0.00	122.06
Foreign exchange fluctuation loss (Net )	0.00	1.49
Miscellaneous expenses	209.08	324.67
Bank charges	0.00	8.21
Raw Materials	0.00	264.13
	<b>1209.59</b>	<b>3418.14</b>
<b>Less:</b>		
Interest on Bank Deposits	0.00	3.58
(tax deducted at source of Rs. Nil , previous year Rs. 0.56 Lacs)		
Miscellaneous income	4.06	40.79
	<b>4.06</b>	<b>44.37</b>
	<b>1205.53</b>	<b>3373.77</b>
	<b>2128.45</b>	<b>7883.73</b>
Less: Capitalized/Transferred to capital work in progress	<b>1078.61</b>	<b>6960.81</b>
Closing Balance	<b>1049.84</b>	<b>922.92</b>

### SCHEDULE 7 : INTANGIBLE ASSETS

Amount (Rs. in lacs)

PARTICULARS	TOTAL COST				AMORTIZATION				NET BLOCK	
	As at 1st April 2008	Additions during the Year	Deductions during the Year	As at 31st March 2009	As at 1st April 2008	Additions during the Year	Deductions during the Year	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Film Distribution Rights & Prints Cost	2295.54	125.18	738.88	1681.84	2027.37	384.95	738.88	1673.44	8.40	268.17
Expenditure on Film Under Production	0.00	290.00		290.00	0.00	0.00	0.00	0.00	290.00	0.00
<b>TOTAL</b>	<b>2295.54</b>	<b>415.18</b>	<b>738.88</b>	<b>1971.84</b>	<b>2027.37</b>	<b>384.95</b>	<b>738.88</b>	<b>1673.44</b>	<b>298.40</b>	<b>268.17</b>
<b>Previous Year</b>	<b>1769.99</b>	<b>586.55</b>	<b>61.00</b>	<b>2295.54</b>	<b>1546.47</b>	<b>541.90</b>	<b>61.00</b>	<b>2027.37</b>		



## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 8 : INVESTMENTS

(Long term, non-trade, at cost, unless otherwise stated)

#### A] UNQUOTED

##### i) In Bonds

5.42% - Nabard Capital Gain Bonds	10000	0	8000	0.00	800.00
5.52% - Nabard Capital Gain Bonds	10000	0	30000	0.00	3000.00
5.50% - National Housing Bank Capital Gain Bonds	10000	0	10000	0.00	1000.00
5.50% - National Highway Authority of India	10000	0	11000	0.00	1100.00

##### ii) National Savings Certificates

(Held in the name of Directors/Employees and certificates worth Rs. 22.91 lacs (previous year Rs.22.91 lacs) are pledged with Government Authorities)

##### iii) In Venture Capital Fund

Indiareit Fund Scheme III	100000	1000	800	1000.00	800.00
Kshitij Venture Capital Fund	1000	250000	250000	2500.00	1825.00

(Paidup Rs.1000 per unit-Previous year Rs.730 per unit)

##### iv) In Fully Paid-up Equity Shares

Humsay i Global Services Limited					
(Formerly known as Inox Global Services Limited)	10	2392500	2392500	239.25	239.25
Future Ventures India Limited	10	15000000	0	1500.00	0.00
Megnasolance City Private Limited	10	5000000	5000000	3201.18	3003.64
(Formerly known as Megnasolance Star SEZ Private Limited)					
(Paid up Rs. 1.50 per share) (Including Rs. 2,00,00,000 advance call money paid ) (Previous Year- Nil)					
The Ratnakar Bank Limited	100	221919	221919	998.64	998.64
Kaleidoscope Entertainment Private Limited	1	562500	562500	60.75	60.75

##### v) In Cumulative, Non-convertible, Redeemable Preference Shares (fully paid-up)

1% - Humsay i Global Services Limited					
(Formerly known as Inox Global Services Limited)	64	1638210	1638210	1048.45	1048.45

##### vi) In Redeemable Non Convertible Debentures

###### i) Citicorp Finance (India) limited

Redeemable NCD Issue Series 173	1000000	150	150	1500.00	1500.00
Redeemable NCD Issue Series 184	1000000	100	100	1000.00	1000.00
Redeemable NCD Issue Series 200	1000000	100	100	1000.00	1000.00

###### ii) Citifinancial Consumer Financial India

Redeemable NCD Issue Series 355	100000	1000	0	1000.00	0.00
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###### iii) DSP Merrill Lynch Capital Ltd (current investment)

	100000	0	2000	0.00	2000.00
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##### vii) In Units of Mutual Funds- Long Term Investment

ABN AMRO Fixed Term Plan series1-Regular Growth	10	0	5000000	0.00	500.00
Birla FTP-Institutional-Series U-Growth	10	0	10000000	0.00	1000.00
Birla Sunlife Income Plus-Growth	10	2437330	0	2000.00	0.00
DWS Fixed Term Fund series 24-Institutional Plan	10	0	10000000	0.00	1000.00
HDFC Top 200 Fund-Dividend	10	0	1188780	0.00	510.39

## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 8 : INVESTMENTS (Contd.)

	Face Value Rs.	Nos. As at 31st March, 2009	Nos. As at 31st March, 2008	As at 31st March 2009 Amount (Rs. in lacs)	As at 31st March 2008 Amount (Rs. in lacs)
<b>SCHEDULE 8 : INVESTMENTS (Contd.)</b>					
ICICI Prudential Institutional Income-Growth	10	6806228	0	2000.00	0.00
IDFC Super Saver Income Fund Investment Plan B - Growth	10	14099505	0	1500.00	0.00
IDFC Dynamic Bond Fund Plan B-Growth	10	9748489	0	1000.00	0.00
Kotak Bond-Regular-Growth	10	5935464	0	1500.00	0.00
Lotus India FMP 375 Series III - Institutional Growth	10	0	5000000	0.00	500.00
Principal PNB FMP-Series IV(FMP-37)385 Days	10	0	10000000	0.00	1000.00
Pru ICICI Institutional Liquid-Super Insti.Plan-Dividend	10	0	350069	0.00	35.06
Pru ICICI FMP Series 34-18 Mp Institutional Growth	10	0	10000000	0.00	1000.00
Reliance Income Fund Retail Plan Growth Plan-Growth	10	6747468	0	2000.00	0.00
Reliance Fixed Horizon Fund II-AP Series II	10	0	5000000	0.00	500.00
Reliance Medium Term Fund - Retail Plan - Growth	10	3470176	0	621.24	0.00
Std Chartered FM-6Th Plan-Growth	10	0	5000000	0.00	500.00
Std Chartered FMP-Yearly Series 5-Growth	10	0	15000000	0.00	1500.00
Reliance Income Fund-Retail Plan-Growth Option	10	1242800	0	375.00	0.00
Birla Sun Life Income Plus Growth (Prudent)	10	913999	0	375.00	0.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	3467438	0	375.00	0.00
Kotak Bond (Regular) Growth (Prudent)	10	1468389	0	375.00	0.00
ICICI Prudential Institutional Income Plan-Growth (Prudent)	10	1248469	0	375.00	0.00
DSP Black Rock Strategic Bond	1000	1066	0	12.00	0.00
<b>viii) In Units of Mutual Funds- Short Term Investment</b>					
HDFC Cash Management Fund	10	0	128964	0.00	12.92
Templeton India Treasury Management Account	1000	0	3655	0.00	45.49
Templeton Floating Rate Income Fund	10	0	456384	0.00	45.70
ICICI Prudential Liquid Plan	10	0	230737	0.00	27.30
ICICI Prudential Short Term Plan	10	0	509636	0.00	55.04
IDFC Liquidity Manager Plus	1000	0	1181	0.00	11.82
Lotus India FMP - 375 Days - Series I - Inst. Growth	10	0	5000000	0.00	500.00
Standard Chartered Fixed Maturity Plan - Yearly Series 11 - Plan B - Growth	10	0	5000000	0.00	500.00
ING Liquid Fund Institutional Plan	10	0	19686883	0.00	1971.07
				12508.24	11214.79
<b>Total (i to viii)</b>				27611.45	30645.46
Less: Provision for diminution in value of Investment				1287.70	1019.62
<b>Total Unquoted</b>				26323.74	29625.84
<b>B] Quoted</b>					
<b>(a) In Units of Mutual Funds</b>					
Benchmark Asset Management Company	10	0	22656	0.00	226.61
				0.00	226.61
<b>(b) Fully Paid Equity shares</b>					
ABG Shipyard Limited	10	0	10000	0.00	78.97
Adlabs Films Limited	10	0	5000	0.00	47.84
Advanta India Limited	10	48590	48590	598.39	598.39
Balrampur Chini Mills Limited	1	270000	375000	319.12	443.14
BF Utilities Limited	5	0	1650	0.00	37.38
Borosil Glass Works Limited	10	63512	63512	366.48	366.48
Brandhouse Retails Limited	10	13040	0	0.00	0.00
Dalmia Cement Bharat Limited	2	491881	240000	1652.64	994.40
Dewan Housing Finance Corporation Limited	10	496832	485666	958.29	945.11
Deepak Fertilisers & Petrochemicals Limited	10	600531	600531	996.90	996.90
Deepak Fertilisers & Petrochemicals Limited	10	0	47957	0.00	59.08
Diamond Power Infrastructure Limited.	1	0	14728	0.00	17.44



## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 8 : INVESTMENTS (Contd.)

	Face Value Rs.	Nos. As at 31st March, 2009	Nos. As at 31st March, 2008	As at 31st March 2009 Amount (Rs. in lacs)	As at 31st March 2008 Amount (Rs. in lacs)
Dynumatic Technologies Limited	10	0	4227	0.00	52.18
TCS E-Serve Ltd.	10	200	200	1.93	1.93
EIH Limited	2	439950	449950	963.28	985.17
GAIL India Limited	10	137781	191854	501.49	1016.74
Garware Wall Ropes Limited	10	441308	441308	729.88	729.88
Genus Power Infrastructure Limited	10	0	5846	0.00	26.34
Glenmark Pharmaceuticals Limited	1	0	14900	0.00	56.46
Gujarat NRE Coke Limited	10	266000	260456	264.44	362.04
Gujarat Mineral Development Corporation Limited	2	0	20863	0.00	24.63
Gwalior Chemical Industries Limited	10	0	1092	0.00	1.13
Housing Development & Infrastructure Limited	10	156556	126766	1176.01	1251.44
HEG Limited	10	116000	116000	500.91	500.91
Jaiprakash Associates Limited	10	0	57965	0.00	180.51
Jindal Saw Limited	10	143559	143559	1612.51	1612.51
K S Oil Limited	1	621081	621081	552.01	552.01
Kesoram Textile Mills Limited(Received pursuant to A scheme of Arrangement)	10	131893	131893	0.00	0.00
Maxwell Industries Limited	2	0	77075	0.00	26.21
Mcnally Bharat	10	0	65000	0.00	104.34
Mount Everest Mineral water Limited	10	2335592	2360592	2613.06	2632.28
NTPC Limited	10	0	25000	0.00	64.21
Navin Flourine Limited	10	4495	56798	16.72	209.10
Northgate Technologies Limited	10	0	8600	0.00	42.00
Orbit Corporation Limited	10	245000	250000	219.50	225.00
Praj Industries Limited	2	993630	1029839	2461.04	2480.11
Prime Focus Limited	10	77256	85947	989.21	1082.97
Poddar Pigments Limited	10	0	1260000	0.00	706.50
Rain Commodities Limited	10	0	31200	0.00	83.21
Redington India Limited	10	0	27006	0.00	55.65
Reliance Communication Limited	5	56981	87583	362.76	641.00
Reliance Industires Limited	10	0	5487	0.00	141.92
Reliance Petroleum Limited	10	70000	0	118.76	0.00
RSWM Limited	10	347695	347695	431.30	431.30
Soletron Centum Electronics Limited	10	0	2496	0.00	5.27
Soletron EMS Limited	10	0	2490	0.00	5.25
S.Kumar Nationwide Limited	10	0	65202	0.00	108.17
Taneja Aerospace & Aviation Limited	5	365559	370212	738.06	746.11
Tantia Construction Limited	10	472287	472287	663.80	663.80
Texmaco Limited	10	0	3099	0.00	51.88
Trent Limited	10	2073	19523	14.53	136.24
United Phosphorus Limited	2	321326	160663	604.20	615.81
Union Bank of India	10	0	357576	0.00	739.79
Venus Remedies Limited	10	0	25000	0.00	107.68
Zenith Infotech Limited	10	0	9221	0.00	18.59
<b>Total Equity shares</b>				<b>20427.22</b>	24063.39
<b>Total Quoted</b>				<b>20427.22</b>	24290.00
<b>Total Investments</b>				<b>46750.96</b>	53915.83
<b>Market value of quoted investments</b>				<b>5983.54</b>	18470.22

Note: Uncalled amount payable by Company in respect of 250000 units of Kshitij Venture Capital fund is Rs. Nil (Previous year Rs.675 Lacs)



## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 9 : CURRENT ASSETS, LOANS AND ADVANCES

#### A Current Assets

##### 1 Inventories

- Stores and Spares
- Packing Materials
- Finished Goods
- Manufactured Goods
- Traded Goods

- By-products
- Material in process
- Food and Beverages
- Raw Materials
- Carbon Credits

##### 2 Sundry Debtors (Unsecured)

###### Considered good

- Exceeding 6 months
- Others

###### Considered Doubtful

- Exceeding 6 months
- Others

Less : Provision for Doubtful Debts

##### 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

##### 4 Other Current Assets

- Interest accrued

#### 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

Less: Provision for Doubtful Advances

##### 2 Deposits

##### 3 Current investments - Inter-corporate deposits

- Considered Good
- Considered Doubtful

Less: Provision for Doubtful Inter-corporate deposits

##### 4 Share Application Money

##### 5 Balances in Excise, Service Tax and VAT Accounts

##### 6 Entertainment Tax Refund Claimed

##### 7 Income Tax paid (Net of provisions)

#### Total

As at 31st March, 2009 Amount (Rs. in lacs)	As at 31st March, 2008 Amount (Rs. in lacs)
<b>2981.17</b>	1671.87
<b>191.44</b>	302.11
<b>6718.50</b>	2918.61
<b>51.31</b>	266.29
<b>6769.81</b>	3184.90
<b>1.41</b>	2.60
<b>1048.05</b>	281.76
<b>87.21</b>	66.25
<b>8205.73</b>	4574.80
<b>99.03</b>	54.30
<b>19383.85</b>	10138.59
<b>189.72</b>	112.76
<b>22676.44</b>	15148.40
<b>22866.16</b>	15261.16
<b>21.78</b>	61.93
<b>0.00</b>	0.51
<b>21.78</b>	62.44
<b>22887.94</b>	15323.60
<b>21.78</b>	62.44
<b>22866.16</b>	15261.16
<b>70.73</b>	84.67
<b>2448.36</b>	3072.45
<b>308.90</b>	12.00
<b>17759.57</b>	59.45
<b>20587.56</b>	3228.57
<b>820.27</b>	501.48
<b>4868.77</b>	2832.02
<b>45.29</b>	15.19
<b>4914.07</b>	2847.21
<b>45.29</b>	15.19
<b>4868.77</b>	2832.02
<b>3290.19</b>	2545.48
<b>3523.59</b>	2884.50
<b>144.51</b>	144.51
<b>3668.10</b>	3029.01
<b>144.51</b>	144.51
<b>3523.59</b>	2884.50
<b>1151.34</b>	2651.34
<b>3588.42</b>	2980.05
<b>686.25</b>	473.56
<b>1811.83</b>	1934.50
<b>18920.39</b>	16301.45
<b>82578.24</b>	45431.25



## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 10 : CURRENT LIABILITIES AND PROVISIONS

#### A Current Liabilities

- 1 Sundry Creditors
  - dues to Micro and Small Enterprises
  - others
- 2 Trade Deposits
- 3 Investor Education and Protection Fund shall be credited by the following amounts namely:
  - Unclaimed dividends
- 4 Advances from Customers
- 5 Other Liabilities
- 6 Interest accrued but not due

As at 31st March, 2009  
Amount (Rs. in lacs)

66.58

14911.31

14977.89

687.13

110.92

10283.81

426.64

205.95

26692.34

#### B Provisions

- 1 For Income Tax ( Net of Payment)
- 2 For Fringe Benefit Tax ( Net of Payment)
- 3 Proposed Dividend
- 4 Tax on Proposed Dividend
- 5 Interim Dividend
- 6 For Gratuity & Leave Encashment
- 7 For Expenses

9.11

36.68

3844.75

653.42

0.00

605.25

111.20

5260.42

31952.76

**Total**

As at 31st March, 2008  
Amount (Rs. in lacs)

1.32

11907.22

11908.54

581.14

95.14

12648.53

502.95

40.74

25777.04

223.66

25.45

1380.76

301.96

1157.80

431.92

88.40

3609.95

29386.99

## Schedules Forming part of Consolidated Profit and Loss Account

### SCHEDULE 11: SALES AND SERVICES

- Sales - Gross
- Less: Excise Duty
- Sales (Net)
- Box Office Revenues
- Food and Beverages Revenues
- Film Distribution Revenue
- Conducting Fees
- Advertising Income
- Management Fees
- Parking charges
- Other Operating Income

2008-2009  
Amount (Rs. in lacs)

107170.90

2669.14

104501.76

16624.69

3523.67

70.16

714.27

1351.27

46.66

88.81

91.90

127013.19

**Total**

2007-2008  
Amount (Rs. in lacs)

74251.22

1929.66

72321.56

15360.89

3148.75

192.37

645.62

1090.51

21.63

88.01

76.10

92945.44

## Schedules Forming part of Consolidated Profit and Loss Account

### SCHEDULE 12: OTHER INCOME

	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
Interest		
- On long term investments	320.63	380.17
- On current investments	249.12	148.78
- From banks	965.81	10.20
- On Income-tax refunds	0.11	63.83
- Others	78.65	3.83
	<b>1614.32</b>	606.81
Dividend		
- On long term investments	339.33	656.48
- On current Investments	72.42	347.03
	<b>411.75</b>	1003.51
Profit on sale of investments (Net)		
- On long term investments	0.00	6118.37
- On current Investments	101.57	743.98
	<b>101.57</b>	6862.35
Liabilities written back	82.20	41.11
Foreign Exchange Gain (Net)	0.00	3899.02
Profit on assets sold/discarded (Net)	0.00	1.75
Lease Rent	727.08	320.46
Miscellaneous Income	257.05	180.43
<b>Total</b>	<b>3193.98</b>	12915.44

### SCHEDULE 13: (INCREASE)/DECREASE IN STOCKS

Opening Stock		
Finished Goods	3184.90	2224.03
Material in Process	281.76	3.20
By-products	2.60	6.32
Carbon Credits	54.30	94.78
	<b>3523.56</b>	2328.33
Less: Closing Stock		
Finished Goods	6769.81	3184.90
Material in Process	1048.05	281.76
By-products	1.41	2.60
Carbon Credits	99.03	54.30
	<b>7918.30</b>	3523.56
Excise Duty on Stock of Finished Goods (Net)	(88.76)	230.19
(Increase)/Decrease in Stocks	<b>(4483.50)</b>	(965.04)

### SCHEDULE 14: MATERIALS CONSUMED AND PURCHASE OF FINISHED GOODS

Raw Materials consumed	15266.25	13537.33
Packing Materials consumed	4305.61	2658.03
Purchase of Finished Goods	51.52	301.79
Cost of Food and Beverages	1209.60	1057.59
<b>Total</b>	<b>20832.98</b>	17554.74



## Schedules Forming part of Consolidated Profit and Loss Account

### SCHEDULE 15: MANUFACTURING , OPERATING AND OTHER EXPENSES

	2008-2009 Amount (Rs. in lacs)	2007-2008 Amount (Rs. in lacs)
Stores and Spare parts Consumed	1769.74	1860.07
Power and Fuel	12236.31	8006.97
Entertainment tax	2838.01	2157.33
Film Distributors share	5308.43	4495.83
Film Distribution Rights & Print Cost Amortized	384.95	541.90
Advertisement and Sales Promotion	432.13	520.81
Freight and Octroi	1671.45	1670.29
Insurance	329.38	207.05
Excise duty, Custom Duty, Sales tax and Service tax	250.89	83.98
Production Labour Charges & Outsourced Personnel Cost	648.85	609.34
Processing Charges	218.94	174.00
Factory Expenses	174.92	28.15
Repairs to		
- Buildings	187.99	106.77
- Machinery	1420.39	1229.98
- Others	244.63	122.47
	1853.02	1459.22
Directors' Sitting Fees	5.20	5.55
Rent and Conducting fees	2744.74	1974.87
Rates and Taxes	240.15	645.25
Travelling and Conveyance	750.33	650.43
Communication Expenses	309.16	265.82
Common Facility charges	618.56	448.45
Legal and Professional Fees and Expenses	1668.18	1114.18
Lease Rentals and Hire Charges	407.17	386.56
Discount	48.05	0.00
Loss on assets sold/scrapped (Net)	82.76	15.55
Bank Charges	222.26	79.77
Foreign exchange fluctuation loss (Net)	7173.44	0.00
Provision for doubtful debts	21.78	0.00
Provision for doubtful advance	30.10	18.01
Bad debts and remissions	64.24	29.11
Less : Provision for Doubtful debts adjusted	(62.44)	(28.21)
Commission	293.89	163.03
Royalty	192.23	50.39
Expenditure for Sustainable Development Plan	69.93	57.85
Miscellaneous Expenses	2787.52	2183.29
Preliminary Expenses written off	8.17	38.69
Loss on Sale of long term Investments (Net)	733.51	0.00
	46525.93	
	(321.22)	
<b>Total</b>	<b>46204.71</b>	<b>29913.53</b>

### SCHEDULE 16: SALARIES AND BENEFITS

Salaries, Wages, Allowances and Benefits	6444.06	5107.97
Contribution to Provident and other funds	252.17	208.36
Gratuity	101.92	111.74
Staff Welfare expenses	118.98	122.94
<b>Total</b>	<b>6917.13</b>	<b>5551.01</b>

### SCHEDULE 17: INTEREST

Interest on fixed loans	5172.27	3105.17
(Net of interest capitalised Rs.422.52 Lacs, previous year Rs.660.61 Lacs)	162.89	92.20
Other Interest		
<b>Total</b>	<b>5335.16</b>	<b>3197.37</b>

**SCHEDULE 18: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2009**
**1. Principles of Consolidation**

The Consolidated Financial Statements relate to Gujarat Fluorochemicals Limited ('the Company'), its subsidiary companies and an 'associate' of a subsidiary company. The Consolidated Financial Statements have been prepared on the following basis.

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions are fully eliminated.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statement.
- Investment in Associate is dealt with in accordance with Accounting Standard (AS 23), Accounting for Investment in the Associates in Consolidated Financial Statements.
- The financial statements of the subsidiary companies and associate used in the consolidation are drawn up to the same reporting date as that of the Company viz. year ended 31.3.2009.

**2. Other Significant Accounting Policies**

These are set out in the notes to the accounts under "Significant Accounting Policies" of the financial statements of the Company, Inox Leisure Limited and Inox Infrastructure Private Limited.

**3. The Subsidiary companies considered in the financial statements are:**

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 <sup>st</sup> March 2009	As at 31 <sup>st</sup> March 2008
Inox Leisure Limited	India	63.98%	63.98%
Inox Infrastructure Private Limited	India	100%	100%
Inox Motion Pictures Limited	India	100%	*

\* Subsidiary w.e.f. 1<sup>st</sup> October 2008.

**4. Investment in Associates:**

Inox Infrastructure Private Limited (IIPL), a wholly owned subsidiary of the Company, holds 50% of the total equity capital of Megnasolace City Private Limited (Megnasolace). Megnasolace is treated as an 'Associate Company' and the investment is accounted under the equity method in accordance with AS 23 - 'Accounting for Investments in Associates'. The Group's share of the post acquisition profits is included in the carrying cost of the investment as under:-

		Amount (Rs. in lacs)	
S.No.	Particulars	2008-09	2007-08
1	Book value of Investment on acquisition	3000.00	3000.00
2	Share of Profit - Up to Previous Year	3.64	0.00
3	Share of (Loss)/Profit - Current Year	(2.46)	3.64
4	Carrying amount	3001.18	3003.64

Capital commitment towards partly paid shares of Megnasolace is Rs. 16800 lacs (Previous year Rs. 17000 lacs) - net of Advance Call Money paid Rs. 200 lacs(previous year Rs. Nil).

**5. Investment in proposed joint venture**

During the last year, the Company has entered into an agreement for formation of a Joint Venture Company ("JVC") in the People's Republic of China. The JVC will be engaged in the business of manufacture of anhydrous hydrogen fluoride and allied activities. As per the terms of the agreement, the Company will own 33.77% share in the equity of the JVC. Up to 31<sup>st</sup> March 2009, the Company has paid an amount of Rs. 1151.34 lacs (Previous year Rs. 1151.34 lacs) equivalent to US\$ 2.93 million as share application money towards investment in the JVC. Pending allotment of shares as on 31<sup>st</sup> March 2009, the amount of share application money paid is included under 'Loans and Advances' in Schedule 9 to the Balance Sheet. Capital commitment towards further equity contribution in the JVC is US\$ 0.19 million.

**6. Share Buyback**

In accordance with applicable statutory approvals, during the year company has bought back and extinguished 5930000 equity shares of Re. 1 each at an average price of Rs. 103.48 per share from the open market, and accordingly:

- a) The face value of Re. 1 per share is reduced from the paid up Equity Share Capital and correspondingly the amount of Rs. 59.30 lacs is transferred to Capital Redemption Reserve from profit and loss account.



## Gujarat Fluorochemicals Limited

- b) The balance price of Rs 102.48/-per share paid on these shares aggregating to Rs 6077.01 Lacs is adjusted against the following :-
  - (i) Share premium account Rs 4.62 Lacs.
  - (ii) General Reserve Rs 6072.39 Lacs.
- c) Consequent to the buyback of shares during the year, the Company has become a subsidiary of Inox Leasing and Finance Limited, which holds 52.54 % shares after the buyback. (49.85 % before the buyback).
- d) Dividend of Rs. 4.88 Lacs pertaining to shares bought back during the year is credited to profit and loss accounts as "Dividend on shares bought back" in the appropriations.
7. Depreciation for the current year is not comparable with that of immediate previous year, due to change in accounting policy of Gujarat Fluorochemicals Limited for providing depreciation, effected in last year leading to a write back of depreciation of Rs. 2045.63 Lacs in the previous year due to retrospective re-computation
8. Amalgamations during the last year in Inox Leisure Limited
  - (a) Amalgamation of Calcutta Cine Private Limited during the year ended 31<sup>st</sup> March 2008
 

Pursuant to the Scheme of Amalgamation ('Scheme') of Calcutta Cine Private Limited (CCPL) with Inox Leisure Limited (ILL), as approved by the High Courts of Gujarat and Calcutta, all assets, liabilities and reserves of erstwhile CCPL were transferred to and vested in ILL w.e.f. the "appointed date" viz. 1st April 2006. The erstwhile CCPL was engaged in the business of operating and managing multiplexes. The Scheme had become effective on 18th July 2007 and accordingly effect was given in the accounts for the year ended 31<sup>st</sup> March 2008. The amalgamation was accounted for under 'Pooling of Interest' method as prescribed by the Accounting Standard (AS-14) – Accounting for Amalgamations. Accordingly, the assets, liabilities and reserves of erstwhile CCPL, as at 1<sup>st</sup> April 2006 were recorded at their book values.

Pursuant to the Scheme, the shareholders of the erstwhile CCPL were entitled to 33 (thirty-three) fully paid equity shares of Rs. 10 each of ILL for every 1 (one) fully paid equity share of Rs. 1,000 each held in the erstwhile CCPL. The Scheme also provided for adjustment in swap ratio on occurrence of Dilutive Event. During the last year ended, ILL had issued 1,667,800 fully paid equity shares of Rs. 10 each to the shareholders of the erstwhile CCPL (including 12,800 equity shares consequent to dilution event viz. declaration of dividend by the Company for the financial year 2006-2007). Further, as per the Scheme, 227,748 fully paid equity shares of Rs. 10 each of ILL (including 1,748 fully paid equity shares consequent to dilution event) were to be issued to the shareholders of the erstwhile CCPL, which were issued by ILL in the current year.

The difference of Rs. 380.44 lacs between the face value of equity shares issued to the shareholders of the erstwhile CCPL and the net book value of assets and liabilities of erstwhile CCPL was credited to Amalgamation Reserve.

The net profit of erstwhile CCPL for the period from 1st April 2006 to 31st March 2007 of Rs. 0.46 lacs was shown separately in the Profit and Loss Account .
  - (b) Amalgamation of Prime Skyline Developers Private Limited
 

The Scheme of Amalgamation of Prime Skyline Developers Private Limited (PSDPL) with Inox Lesiure Limited (ILL), as approved by the High Court of Judicature at Bombay vide its order dated 7th March, 2008, had became effective on 21st March, 2008. The erstwhile PSDPL had not commenced business activities. All assets & liabilities of erstwhile PSDPL were transferred to and vested in ILL with effect from the "appointed date" i.e. 1st May, 2007 and was recorded at their respective fair values, on the basis of valuation by approved valuer, under the purchase method of accounting for amalgamation as prescribed by the Accounting Standard (AS-14) – Accounting for Amalgamations. PSDPL was a wholly owned subsidiary of ILL and hence, no shares were allotted to the shareholders of PSDPL. The difference of Rs. 7.46 lacs between the book value of shares of PSDPL held by ILL and the net value of assets and liabilities of erstwhile PSDPL taken over was credited to Amalgamation Reserve.
9. 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.
10. In respect of service tax matters of Inox Leisure Limited
  - (a) In respect of service-tax, upto last year, as per the then prevailing regulations, the Company was claiming service tax set-off in respect of service tax paid, to the extent of 20% of service tax collected, and the balance amount of service tax paid was charged to the Profit and Loss Account. During the current year, the Central Board of Excise and Customs, vide Circular No CBEC No. 137/72/2008-CX dated 21st November, 2008, has clarified that such unutilized accumulated amount of service-tax as on 31st March 2008 can be utilized for payment of service tax after 1st April 2008. Accordingly, the Company has taken credit for such unutilized accumulated amount of service tax of Rs. 321.22 lacs and the same is shown separately in the Schedule 12: Other Income.

- (b) Further, the Honorable Delhi Court, vide judgment dated 18th April 2009 in the case of Home Solution Retail India Ltd. & Others v. Union of India, has held that renting of immovable property by itself is not a service and accordingly the levy of service tax on activity of renting immovable property is 'ultra vires' the Finance Act, 1994. In view of this judgment, the service tax paid on rentals during the year can be claimed as refund by the Company. Accordingly, the Company has considered the amount of such service tax paid during the year as refundable. Consequently, service tax of Rs. 318.84 lacs (including Rs. 83.34 lacs claimed as refund) is not charged to the Profit and Loss Account.
11. In respect of income-tax matters of Inox Leisure Limited
- The Company is entitled to exemption from payment of entertainment tax in respect of some of its multiplexes, in accordance with the Schemes of the respective State Governments. In the appellate proceedings before the Commissioner of Income-tax (Appeals) for the Assessment Year 2003-04, 2004-05 and 2005-06, the Company's contention, that the amount of entertainment tax exemption is a capital receipt, has been accepted. Accordingly, treating the amount of entertainment tax exemption amounts as a capital receipt in respect of multiplexes in those States covered by the above orders, the Company has recomputed its current tax liability and deferred tax liability, and credited an amount of Rs. 475.00 lacs and Rs 547.62 lacs respectively in the Profit and Loss Account as 'Taxation in respect of Earlier Years'. Provision for tax for the current year is also made on the same basis. Provision for current taxation is made for Minimum Alternate Tax payable on book profit.
12. In respect of Entertainment Tax liability of Inox Leisure Limited and its treatment in these accounts: -
- The exemption from payment of Entertainment Tax in respect of Multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective Government policies issued in this regard.
  - The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs 408.91 lacs (Previous Year Rs. 288.62 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to profit & loss account. Cumulative amount as on 31<sup>st</sup> March 2009 - Rs. 2,119.94 lacs (as on 31<sup>st</sup> March 2008 - Rs. 1711.03 lacs).
  - The Entertainment Tax Department has disputed the method of calculation of the Entertainment Tax exemption availed in respect of one of the Multiplexes of the Company and the matter is pending before the High Court. The amount involved as on 31<sup>st</sup> March 2009 - Rs. 1768.82 lacs (as on 31<sup>st</sup> March 2008 - Rs. 1632.77lacs).
13. Contingent liabilities not provided for in respect of:

Particulars	Amount (Rs. in lacs)	
	2008-2009	2007-2008
Sales Tax	27.32	25.69
Income Tax	29.14	1708.45
Service Tax	88.55	37.03
Bills discounted	59.61	22.60
Bank Guarantees	5882.44	1298.33
Claims against the Company not acknowledged as debts	19.30	39.18
Municipal Tax	1346.11	1088.04
Entertainment Tax	53.06	53.06
N.A. Land Demand	0.00	0.98
Claims in respect of labour matters	<b>Amount is not ascertainable</b>	

Note: (a) Amount of Rs. 30.34 Lacs (previous year Rs. 995.29 Lacs) has been paid in respect of above Sales Tax, Income Tax and Service Tax demands and not charged to the Profit and Loss Account.

- (b) 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 31st 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 up to US \$ 5.73 respectively, and supplies under this new agreement have commenced during the month of December 2008.





## Gujarat Fluorochemicals Limited

14. Estimated amount of contract remaining to be executed on Capital Account and not provided for, net of advances Rs. 3582.12 lacs (previous year Rs. 13159.34 lacs)

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

S.No. Particulars

Amount (Rs. In lacs)

(A) **Deferred Tax Liabilities**

(i)	Depreciation (Net)	
(ii)	Amortization of Film Distribution Rights and Prints cost	
	Total	

2008-2009	2007-2008
<b>10856.43</b>	9723.10
<b>2.85</b>	45.19
<b>10859.28</b>	9768.29

(B) **Deferred Tax Assets**

(i)	Expenditure allowable on payment basis	
(ii)	Doubtful debts	
(iii)	Others	
	Total	

**Net Deferred Tax Liability (A-B)**

<b>250.92</b>	236.12
<b>0.00</b>	21.22
<b>52.69</b>	29.24
<b>303.61</b>	286.58
<b>10555.67</b>	9481.71

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

a) In respect of Assets given on Operating Lease :

Assets given on operating lease are Office Premises. The non-cancellable initial lease tenure is for five to nine years, which can be further extended at the mutual option of both the parties. The details of carrying amount of assets given on lease and the future minimum lease payments are as under

Particulars

Amount (Rs. in lacs)

(i)	Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets.	
(ii)	Accumulated Depreciation as at the end of the year	
(iii)	Depreciation for the year	
(iv)	Future minimum lease payments -	
	(a) Not later than one year	
	(b) Later than one year and not later than five years	
	(c) Later than five years	

2008-09	2007-08
<b>914.52</b>	914.52
<b>38.56</b>	23.65
<b>14.90</b>	13.99
<b>737.39</b>	726.36
<b>2941.24</b>	2743.74
<b>2117.12</b>	2911.04

b) In respect of plant taken on operating lease:

The lease is for an initial non-cancellable period of ten years, which can be further extended at the mutual option of both parties. The lease rentals are included in Rent and Conducting Fees in Schedule 15 to the Profit and Loss Account. The future minimum lease payments under this lease arrangement are as under:-

Particulars

Amount (Rs. in lacs)

a)	Not later than one year	
b)	Later than one year and not later than five years	
c)	Later than five years	

2008-09	2007-08
<b>35.28</b>	35.28
<b>141.12</b>	141.12
<b>97.02</b>	132.30

c) Operating leases for some of the multiplexes of Inox Leisure Limited –

The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs. 2633.07 lacs (Previous Year Rs. 1829.65 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 15 to the Profit and Loss Account



The future minimum lease / conducting fees payments under these arrangements are as under:

Particulars	Amount (Rs. in lacs)	
	2008-09	2007-08
Not later than one year	<b>2932.47</b>	2036.96
Later than one year and not later than five years	<b>12300.09</b>	8803.23
Later than five years	<b>46870.07</b>	34331.59
Total	<b>62102.63</b>	45171.78

- d) Other significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations) taken on lease. Generally, these lease arrangements are non-cancellable, range between 11 months to 5 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent and Conducting Fees" in Schedule 15 to the Profit and Loss Account and Schedule 6 : Pre-operative Expenditure Pending Allocation.
17. Inox Leisure has recognised provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under :-

Particulars	Amount (Rs. in lacs)	
	2008-09	2007-08
Opening Balance	<b>88.40</b>	65.60
Provided during the year	<b>52.80</b>	52.80
Paid during the year	<b>30.00</b>	30.00
Closing balance	<b>111.20</b>	88.40

18. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Holding Company - Inox Leasing & Finance Limited (w.e.f. 18<sup>th</sup> September 2008 – see note (a))

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

Associates

Mesgnasolace City Private Limited (formerly known as Mesgnasolace Star SEZ Private Limited)

Humsay i Global Services Ltd. (formerly known as Inox Global Services Limited (Upto 1<sup>st</sup> February 2008 - see note (b))

Key Management Personnel

Shri V K Jain (Managing Director)

Shri D K Sachdeva (Whole Time Director)

Shri J S Bedi (Whole Time Director )

Shri Alok Tondon (Manager w.e.f. 18<sup>th</sup> June, 2007)

Relatives of Key Management Personnel

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

Shri P K Jain (Brother of Shri V K Jain)

Shri Devansh Jain (Son of Shri V.K. Jain)

(Appointed as member - Corporate Management Group w.e.f. 21<sup>st</sup> March 2008)

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

Devansh Gases Private Limited

Devansh Trading and Finance Private Limited

Inox India Limited

Inox Air Products Limited

Inox Leasing & Finance Limited- ( up to 17<sup>th</sup> September, 2008 – see note (a))

Inox Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited



## Gujarat Fluorochemicals Limited

(ii) Particulars of transactions: -

Amount (Rs. in lacs)

Particulars	Holding Company		Associate Company		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>A) Transactions during the year</b>												
<b>Sales of Goods</b>												
Inox Air Products Limited									7.25	22.55	7.25	22.55
Others									0.12	0.00	0.12	0.00
<b>Total</b>									7.37	22.55	7.37	22.55
<b>Purchase of Assets</b>												
Humsay i Global Services Ltd			0.00	7.00							0.00	7.00
Inox Air Products Limited									0.00	2.50	0.00	2.50
<b>Total</b>			0.00	7.00					0.00	2.50	0.00	9.50
<b>Purchase of Goods</b>												
Inox Air Products Limited									104.74	43.97	104.74	43.97
Inox India Limited									3145.26	2142.56	3145.26	2142.56
Others									0.46	0.14	0.46	0.14
<b>Total</b>									3250.45	2186.67	3250.45	2186.67
<b>Inter-corporate Deposits given</b>												
Inox Air Products Limited									0.00	1000.00	0.00	1000.00
Inox Leasing & Finance Limited									0.00	200.00	0.00	200.00
<b>Total</b>									0.00	1200.00	0.00	1200.00
<b>Inter-corporate Deposits received back</b>												
Inox Air Products Limited									0.00	1000.00	0.00	1000.00
Inox Leasing & Finance Limited									0.00	200.00	0.00	200.00
<b>Total</b>									0.00	1200.00	0.00	1200.00
<b>Preference shares Redemption</b>												
Humsay i Global Services Ltd			0.00	677.88							0.00	677.88
<b>Total</b>			0.00	677.88							0.00	677.88
<b>Equity shares Subscribed</b>												
Megnasolace City Private Limited			0.00	3000.00							0.00	3000.00
<b>Total</b>			0.00	3000.00							0.00	3000.00
<b>Advance Call Money</b>												
Megnasolace City Private Limited			200.00	0.00							200.00	0.00
<b>Total</b>			200.00	0.00							200.00	0.00
<b>Interest received</b>												
Inox Air Products Limited									0.00	7.89	0.00	7.89
Inox Leasing & Finance Limited									0.00	1.19	0.00	1.19
<b>Total</b>									0.00	9.08	0.00	9.08
<b>Expenses (Repairs)</b>												
Inox India Limited									4.25	6.96	4.25	6.96
Refron Valves Limited									1.69	0.03	1.69	0.03
<b>Total</b>									5.94	6.99	5.94	6.99
<b>Reimbursement of expenses (paid)</b>												
Inox Air Products Limited									4.30	4.69	4.30	4.69
Inox Leasing & Finance Limited									0.80	0.68	0.80	0.68
<b>Total</b>									5.10	5.37	5.10	5.37

Amount (Rs. in lacs)

Particulars	Holding Company		Associate Company		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>Reimbursement of expenses (received)</b>												
Inox India Limited									6.12	0.86	6.12	0.86
Others									0.39	0.42	0.39	0.42
<b>Total</b>									6.51	1.28	6.51	1.28
<b>Rent Received</b>												
Inox Air Products Limited			0.00	0.09					126.00	126.00	126.00	126.00
Others									0.72	0.72	0.72	0.81
<b>Total</b>			0.00	0.09					126.72	126.72	126.72	126.81
<b>Rent &amp; Lease Rentals paid</b>												
Inox Air Products Limited									46.94	44.04	46.94	44.04
Devansh Gases Private Limited									18.00	18.00	18.00	18.00
Inox Leasing & Finance Limited	18.00	0.00							18.00	36.00	36.00	36.00
Others					1.20	1.20			1.20		1.20	1.20
<b>Total</b>	18.00	0.00			1.20	1.20			82.94	98.04	102.14	99.24
<b>O&amp;M Charges paid in respect of leased plant</b>												
Inox Air Products Limited									57.67	58.67	57.67	58.67
<b>Total</b>									57.67	58.67	57.67	58.67
<b>Remuneration paid</b>												
Shri V K Jain					2073.31	1687.55					2073.31	1687.55
Others					103.75	96.14	4.80	0.16			108.55	96.30
<b>Total</b>					2177.06	1783.69	4.80	0.16			2181.86	1783.85
<b>Sitting Fees</b>												
Shri D K Jain							0.80	1.25			0.80	1.25
Shri P K Jain							0.05	0.05			0.05	0.05
<b>Total</b>							0.85	1.30			0.85	1.30
<b>Purchase of Shares</b>												
Shri V K Jain					0.00	0.30					0.00	0.30
Shri P K Jain							0.00	0.30			0.00	0.30
<b>Total</b>					0.00	0.30	0.00	0.30			0.00	0.60
<b>B) Amounts outstanding</b>												
<b>Investment in Shares</b>												
<b>Humsay i Global Services Ltd</b>												
Equity shares			239.25	239.25							239.25	239.25
Preference shares			1048.45	1048.45							1048.45	1048.45
<b>Megnasolace City Private Limited</b>												
Equity shares			3000.00	3000.00							3000.00	3000.00
<b>Total</b>			4287.70	4287.70							4287.70	4287.70
<b>Megnasolace City Private Limited</b>												
Advance Call Money			200.00	0.00							200.00	0.00
<b>Total</b>			200.00	0.00							200.00	0.00
<b>Amount payable</b>												
Shri V K Jain					2022.49	1636.94					2022.49	1636.94
Others					4.40	3.52			181.19	46.47	185.59	49.99
<b>Total</b>					2026.89	1640.46			181.19	46.47	2208.08	1686.93

Notes :-

- Inox Leasing & Finance Limited (ILFL) was an "Enterprise over which Key Management Personnel, or his relative, has significant influence." ILFL has become a Holding Company w.e.f 18th September, 2008. Hence, transactions upto 17th September 2008 are classified as transactions with "Enterprises over which Key Management Personnel, or his relative, has significant influence" and transactions w.e.f. 18th September 2008 are classified as transaction with "Holding Company".
- During the last year, the Company has entered into an agreement dated 1st February 2008 to disinvest its stake in Humsay i Global Services Limited (HIGSL), an Associate Company. As per the terms of the agreement, the entire shareholding in HIGSL (equity and preference) was to be transferred to the buyer in instalments. Transfer of the first instalment has taken place on 1st February 2008 and the remaining shares are to be transferred on or before 31st March 2010. Since the management and control is with the buyer as per the aforesaid agreement, the Company has ceased to exercise significant influence in IGSL w.e.f. 1st February 2008 and accordingly IGSL is no longer an 'Associate' from this date.



## Gujarat Fluorochemicals Limited

### 19. Segment Information

A) Information about Primary (Business) Segments.

Amount (Rs. in lacs)

<b>Description</b>		<b>Year Ended 31.03.2009</b>	<b>Year Ended 31.03.2008</b>
<b>[I] Segment Revenue</b>			
i. Chemicals		<b>102225.32</b>	74284.98
ii. Multiplexes		<b>22516.73</b>	20482.56
iii. Power		<b>17017.73</b>	8820.27
iv. Other Segment ,Un allocable and Corporate		<b>3084.17</b>	10317.17
<b>Total Segment Revenue</b>		<b>144843.95</b>	113904.98
Less : Inter Segment Revenue			
- Power		<b>14554.68</b>	7620.45
- Others		<b>82.10</b>	423.65
<b>Total External Revenue</b>		<b>130207.17</b>	105860.88
<b>[II] Segment Result</b>			
i. Chemicals		<b>50732.51</b>	39412.81
ii. Multiplexes		<b>2508.86</b>	3155.66
iii. Power		<b>6469.77</b>	1923.91
iv. Other Segment		<b>(286.09)</b>	(31.50)
<b>Total Segment Result</b>		<b>59425.05</b>	44460.88
(Less)/Add: Un-allocable (Expenses)/Income (net)		<b>(4941.03)</b>	6986.33
Less :Interest expenses		<b>5335.16</b>	3197.37
<b>Total Profit Before Tax</b>		<b>49148.86</b>	48249.84
Less : Taxation (including Deferred tax and Fringe Benefit tax)		<b>13001.35</b>	13260.65
<b>Net Profit After Tax</b>		<b>36147.52</b>	34989.19
<b>[III] Other Information</b>			
<b>a) Segment Assets</b>			
i. Chemicals		<b>99547.59</b>	82573.27
ii. Multiplexes		<b>35292.78</b>	30953.55
iii. Power		<b>50447.13</b>	32063.65
iv. Other Segment ,Un allocable and Corporate		<b>77178.43</b>	67100.56
<b>Total</b>		<b>262465.93</b>	212691.03
<b>b) Segment Liabilities</b>			
i. Chemicals		<b>21694.50</b>	23553.60
ii. Multiplexes		<b>2848.51</b>	2277.22
iii. Power		<b>182.15</b>	132.86
iv. Other Segment ,Un allocable and Corporate		<b>90080.94</b>	65191.15
<b>Total</b>		<b>114806.10</b>	91154.83
<b>c) Capital Expenditure</b>			
i. Chemicals		<b>4791.24</b>	10091.19
ii. Multiplexes		<b>4699.82</b>	5562.16
iii. Power		<b>16088.57</b>	9563.01
iv. Other Segment ,Un allocable and Corporate		<b>758.68</b>	245.54
<b>Total</b>		<b>26338.31</b>	25461.90
<b>d) Depreciation &amp; Amortization</b>			
i. Chemicals		<b>2915.33</b>	571.91
ii. Multiplexes		<b>1225.12</b>	918.10
iii. Power		<b>1666.08</b>	686.35
iv. Other Segment ,Un allocable and Corporate		<b>562.15</b>	679.94
<b>Total</b>		<b>6368.69</b>	2856.30

Description	Amount (Rs. in lacs)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
<b>e] Non-cash expenses (other than depreciation)</b>		
i. Chemicals	0.00	0.00
ii. Multiplexes	0.00	197.05
iii. Power	0.00	0.00
iv. Other Segment ,Un allocable and Corporate	268.09	1019.62
<b>Total</b>	<b>268.09</b>	<b>1216.67</b>

- B) Information about Secondary (Geographical) Segments.  
Segment-wise revenues are as under:

Particulars	Amount (Rs in lacs)	
	2008-2009	2007-2008
Domestic	45279.07	33259.80
Overseas	81734.12	59685.64
<b>Total</b>	<b>127013.19</b>	<b>92945.44</b>

### C) Notes

- 1) The Company operates in following business segments:
    - a. Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
    - b. Power - Comprising of Power Generation.
    - c. Multiplex - Operating & Managing Multiplex Entertainment Centres
    - d. Other Segment - Distribution of Movies and Film Production.
  - 2) Inter-segment revenue comprises of:-
    - a. Power generated that is captively consumed in Chemical and Multiplex Business and is priced at market value or estimated market value, as appropriate.
    - b. Film distributors' share in respect of movies distributed by Inox Leisure Limited and exhibited in its multiplexes and is priced at market value.
  - 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. The manufacturing facilities of chemicals business are common for India and overseas market and hence it is not possible to directly attribute or allocate on a reasonable basis the expenses, assets and liabilities to these geographical segments. In respect of power segment, the entire production is indigenously sold/consumed. All multiplexes are located in India and all movies are distributed in India. The disclosures regarding geographical segments are made accordingly.
  - 4) The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
20. Employee Benefits:
- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 236.31 Lacs (Previous Year Rs. 175.50 Lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account.
  - b) Defined Benefit Plans: In respect of Gratuity and Leave Encashment - as per Actuarial valuation.

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2009	As at 31.3.2008	As at 31.3.2009	As at 31.3.2008
<b>1. Change in Benefit Obligation</b>				
Liability at the beginning of the year	288.08	204.90	175.06	134.25
Add: On amalgamation	0.00	2.09	0.00	0.51
Interest Cost	20.42	16.56	12.08	10.78
Current Service Cost	77.81	53.25	75.25	43.35
Benefit paid	(31.95)	(30.66)	(51.57)	(42.65)
Actuarial (Gain)/Loss	4.63			
<b>Liability at the end of the year</b>	<b>358.99</b>	<b>288.08</b>	<b>202.73</b>	<b>175.06</b>
<b>2. Expenses recognized in the Profit and Loss Account</b>				
Current Service Cost	77.81	53.25	75.25	43.35
Interest Cost	20.42	16.56	12.07	10.78
Actuarial (Gain)/Loss	4.63	41.94	(8.08)	28.82
<b>Expenses recognized in the Profit and Loss Account</b>	<b>102.86</b>	<b>111.75</b>	<b>79.24</b>	<b>82.95</b>



**Amount (Rs. in lacs )**

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2009	As at 31.3.2008	As at 31.3.2009	As at 31.3.2008
<b>3. Actuarial Assumptions</b>				
Discount Rate	<b>7%</b>	8%	<b>7%</b>	8%
Salary Escalation Rate	<b>6% to 8%</b>	6% to 8%	<b>6% to 8%</b>	6% to 8%
Retirement Age	58 years to 60 Years			
Withdrawal Rates	<b>5% to 10%</b>	1% to 2%	<b>5% to 10%</b>	1% to 2%
Mortality	LIC (1994-96) Published table of rates			

The above defined benefit plans are unfunded. The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

21. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006;

Particulars	<b>2008-2009</b>	2007-2008
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	<b>50.34</b>	1.31
Interest accrued and due to suppliers under MSMED Act,2006 on the above amount, unpaid at the year end.	<b>1.62</b>	Nil
Payment made to suppliers (other than interest) beyond the appointed date during the year	<b>84.94</b>	Nil
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	<b>Nil</b>	Nil
Interest due and payable to suppliers under MSMED Act for payments already made.	<b>1.85</b>	Nil
Interest accrued and not paid to suppliers under MSMED Act,2006 up to the year end.	<b>3.47</b>	Nil

22. Calculation of Earnings Per Share (EPS):

S.No.	Particulars	<b>2008-2009</b>	2007-2008
a)	Amount used as the numerator - Profit after taxation – including share in profit of the Associate and after minority interest in the profit for the year (Rs in Lacs)	<b>35268.30</b>	34441.55
b)	Number of equity shares outstanding at the beginning of the year – (Nos.)	<b>115780000</b>	115780000
c)	Number of equity shares outstanding at the end of the year – (Nos.)	<b>109850000</b>	115780000
d)	Weighted Average Number of equity shares outstanding for the year – (Nos.)	<b>113711390</b>	115780000
e)	Nominal value of each share – (Re)	<b>1</b>	1
f)	Basic and Diluted Earnings per share (Rs)	<b>31.02</b>	29.75

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**VIVEK JAIN**  
Managing Director

**D. K. JAIN**  
Chairman

**V. P. MITTAL**  
Director

**M. Y. KULKARNI**  
Partner

**DEEPAK ASHER**  
Director

**B. V. DESAI**  
Company Secretary

**DR. S. RAMA IYER**  
Director

Place : Pune  
Dated : 22nd May 2009

Place : Noida  
Dated : 22nd May 2009



## GUJARAT FLUOROchemicals LIMITED

Regd. Office : S/No. 16/3, 26 & 27, Ranjitnagar 389 380  
Taluka Ghoghamba, Dist. Panchmahal, Gujarat.

### ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS OF THE SHAREHOLDERS

FOLIO NO./Client ID No.....

No. of Shares held.....

I hereby record my presence at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on **Monday, the 29th June, 2009 at 3.00 p.m. at S/No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Ghoghamba, Dist. Panchmahal, Gujarat.**

SIGNATURE OF THE SHAREHOLDERS OR PROXY

(TEAR HERE)



## GUJARAT FLUOROchemicals LIMITED

Regd. Office : S/No. 16/3, 26 & 27, Ranjitnagar 389 380  
Taluka Ghoghamba, Dist. Panchmahal, Gujarat.

### PROXY

FOLIO NO./Client ID No.....

I/We .....

of .....being a member/members of

GUJARAT FLUOROchemicals LIMITED hereby appoint.....

of .....

or failing him.....

of .....

as my/our proxy to vote for me/us and on my/our behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company to be held on **Monday, the 29th June, 2009** and at any adjournment thereof.

Signed this ..... day of..... 2009.

Affix  
Re 1/-  
Revenue  
Stamp

**NOTE:** The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.





