GUJARAT FLUOROCHEMICALS LIMITED

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

AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED 31st MARCH, 2008

Rs in Lakhs

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		31st March 2008	31st March 2007	31st March 2008	31st March 2007
1	Net Sales / Income from operations	72322	57377	92945	72708
2	Other Income	12168	5535	12915	6228
3	**Total Income**	**84490**	**62912**	**105860**	**78936**
4	**Expenditure**				
	a) Increase (-) / (+) Decrease in stock-in-trade	(965)	(669)	(965)	(669)
	b) Consumption of materials	16195	14788	17253	15528
	c) Purchase of traded goods	302	455	302	455
	d) Employees cost	3731	2335	5551	3495
	e) Power & Fuel	6954	2995	8020	3751
	f) Depreciation(including amortization)	1383	2297	2314	2938
	g) Manufacturing and other expenses	10207	6550	22317	15598
	h) Expenditure Capitalized	(378)	(1282)	(378)	(1282)
	i) Total Expenditure (a to h)	37429	27469	54414	39814
5	Interest	2764	496	3197	936
6	**Profit before Tax**	**44297**	**34947**	**48249**	**38186**
7	**Provision for Taxation**				
	a) Current Tax	8377	7105	9053	7622
	b) Deferred Tax	3830	3617	4103	3818
	c) Fringe Benefit Tax	45	38	105	80
	Total Provision for Taxation (a to c)	12252	10760	13261	11520
8	**Net Profit**	**32045**	**24187**	**34988**	**26666**
9	Add : Net Profit for the year 2006-2007 of the amalgamated company			1	0
10	Less: Minority Interest (Net of reversal of Rs 145.55 Lacs pertaining to earlier year)			(551)	(843)
11	Net Profit After Minority Interest			34438	25823
12	Add: Share in Profit of Associates			4	351
13	**Consolidated Net Profit**			**34442**	**26174**
14	**Cash Profit** (Net Profit+ Depreciation+ Deferred Tax)	**37258**	**30101**	**40859**	**32930**
15	Paid-up Equity Share Capital (Face value of Re 1/- each)	1158	1158	1158	1158
16	Reserves (excluding revaluation reserves)	97911	69995	110928	80893
17	**Basic and Diluted Earnings per share (Rs) (Face value of Re 1/- each)**	**27.68**	**20.89**	**29.75**	**22.61**
18	Aggregate of public shareholding				
	- Number of shares	38786460	37674272	38786460	37674272
	- Percentage of shareholding	33.55%	32.54%	33.55%	32.54%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED 31st MARCH, 2008

Rs in Lakhs

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		31st March 2008	31st March 2007	31st March 2008	31st March 2007
1	**Segment Revenue**				
a)	Chemicals	74528	57470	74528	57470
b)	Multiplexes			20483	15111
c)	Power	8792	1360	8820	1360
d)	Other Segment, Un-allocable and Corporate	8762	5391	10074	6458
	Total Segment Revenue	**92082**	**64221**	**113905**	**80399**
	Less: Inter Segment Revenue – Power	7592	1309	7621	1309
	Less: Inter Segment Revenue – Others			424	154
	Total External Revenue	**84490**	**62912**	**105860**	**78936**
2	**Segment Result**				
a)	Chemicals	37800	31409	37800	31409
b)	Multiplexes			3156	3671
c)	Power	1909	(947)	1924	(947)
d)	Other Segment, Un-allocable and Corporate			(32)	(540)
	Total Segment Result	**39709**	**30462**	**42848**	**33593**
	Add: Un-allocable Income (Net of Un-allocable expenses)	7352	4981	8598	5529
	Less: Interest expenses	2764	496	3197	936
	Total Profit Before Tax	**44297**	**34947**	**48249**	**38186**
3	**Segment Capital Employed (Segment Assets – Segment Liabilities)**				
a)	Chemicals	59020	32081	59020	32081
b)	Multiplexes			28676	20862
c)	Power	31170	22118	31931	22118
d)	Other Segment, Un-allocable and corporate	8879	16954	1909	15379
	Total	**99069**	**71153**	**121536**	**90440**

Notes:-

1. The above audited results, reviewed by the Audit Committee, were taken on record at the meeting of the Board of Directors held on 10th June, 2008.

2. Corresponding figures for the previous period / year have been regrouped / recast wherever necessary to correspond to current period / year classification.

3. The Board of Directors at its Meeting considered and recommended final dividend @ 100% i.e. Re 1 per Equity Share of Re 1 each for the financial year 2007-08. This takes the total dividend for the financial year 2007-08 to 350% i.e. Rs. 3.50 per Equity Share of Re 1 each.

4. The Board of Directors of the Company at its meeting held on 21st March, 2008, has approved a proposal to purchase / buy-back fully paid equity shares of Re 1 each of the Company at a price not exceeding Rs 300 per equity share so that the maximum amount to be utilized for buy-back of shares shall not exceed Rs 6143 lacs which represents 10 % of paid up capital and free reserves of the Company as on 31st March, 2007. The said proposal is approved in accordance with the provisions of Article 8A of the Articles of Association of the Company, the applicable provisions of the Companies Act, 1956 and the Securities Exchange Board of India (Buy-Back of Securities) Regulations, 1998 and is subject to the necessary approvals from the statutory authorities viz Securities and Exchange Board of India, Stock Exchanges, RBI etc. The Company is awaiting receipt of necessary approval/s from statutory authorities in this regard.

5. During the year, the company has received compensation of Rs. 706.92 Lacs (previous year Rs. 905.38 Lacs), equivalent to US $ 1.76 million (previous year US$ 1.96 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. Net Sales / Income from Operations include income from Certified Emissions Reductions (Carbon Credits). “Chemicals” segment includes figures pertaining to Carbon Credits.

7. Changes in Accounting Policies

    a. During the year the Accounting Standard 15 – Employee Benefits has become mandatory. Consequently, the increase in liability on account of Employee Benefits as on 1st April 2007 of Rs. 94.48 lacs (net of deferred tax of Rs. 48.65 lacs) is adjusted against the opening balance in the General Reserve in accordance with the transitional provision of the Accounting Standard. Due to this change, the profit before tax for the year is lower and Current Liabilities are higher by Rs. 87.66 lacs.

    b. Up to last year, depreciation on Plant and Machinery and Wind Mills was provided on written down value method, at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956. From the current year, depreciation on Plant & Machinery and Wind Mills is provided on straight line method at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956. In the opinion of the management, this change in accounting policy will result in a more appropriate presentation of the financial statements of the Company. Due to the above change in method for providing depreciation, the surplus arising on retrospective re-computation for the period up to 31st March 2007 is Rs.2045.63 lacs and is credited to Profit and Loss Account and depreciation for the current year is lower by Rs. 4458.39 lacs.

Consequently, charge for the depreciation is lower, the profit before tax for the year is higher and the net block of fixed assets is higher by Rs. 6504.02 lacs.

8. The backward and forward integration projects of the Company, comprising of the Captive Power Plant, the Caustic Soda-Chlorine Plant, the Chloromethanes Plant and the Poly Tetra Fluoro Ethylene (PTFE) Plant, at Dahej, GIDC Estate, Taluka Vagra, District Bharuch, Gujarat are now all fully commissioned.

9. In addition to the Company's 23.10 MW Wind Power Farm in Maharashtra which was commissioned during the financial year ended 31st March 2007, the Company is commissioning another 31.50 MW Wind Power Farm in Rajasthan in the first quarter of the financial year 2008-09. The Company is also, as a diversification and growth strategy, taking effective steps in pursuance of its business plan of making significant investments in the Wind Energy sector as an independent power producer.

10. During the 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 have 33.77% share in the equity of the JVC. Up to 31st March 2008, the Company has paid an amount of Rs. 1151.34 lacs (equivalent to US$ 2.93 millions) as share application money towards investment in the JVC.

11. The above Consolidated Financial Results represent results of:

    a. Gujarat Fluorochemicals Limited,
    b. its subsidiaries Inox Leisure Limited and Inox Infrastructure Private Limited and
    c. its 'Associate' Megnasolace Star SEZ Private Limited.

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

12. 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 are transferred to and vested in the Inox Leisure Limited 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 has become effective on 18th July 2007 and accordingly been given effect in the accounts during the current financial year. The amalgamation has been 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 1st April 2006 have been recorded at their book values.

13. The Scheme of Amalgamation of Prime Skyline Developers Private Limited (PSDPL) with the Inox Leisure Limited, as approved by the High Court of Judicature at Bombay vide its order dated 7th March, 2008, has became effective on 21st March, 2008. The erstwhile PSDPL had not commenced business activities. All assets & liabilities of erstwhile PSDPL are transferred to and vested in the Inox Leisure Limited with effect from the "appointed date" i.e. 1st May, 2007 and have been 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.

14. There were no investors' complaints pending at the beginning of the quarter. The Company received 22 complaints during the quarter. The Company has disposed all 22 complaints and there were no complaints outstanding at the end of the quarter.

On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

10th June, 2008
Noida

VIVEK JAIN
Managing Director