



Creating the right formula
for **growth**



GUJARAT
FLUORO-CHEMICALS
LIMITED



GROUP COMPANY

26th Annual Report 2012-13

Creating the right formula
for **growth**



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GUJARAT FLUOROchemicals LIMITED

TWENTY-SIXTH ANNUAL GENERAL MEETING

Friday, the 23rd August, 2013

at 3.30 p.m.

at

Survey No. 16/3, 26 & 27

Ranjitnagar 389 380

Taluka Ghoghamba

District 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 Private Limited

B-102 & 103,

Shangrila Complex, First Floor,

Near Radhakrishna Char Rasta,

Akota, Vadodara - 390 020

- 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	<i>Director</i>
Shri Shailendra Swarup	<i>Director</i>
Shri Pavan Jain	<i>Director</i>
Shri Vivek Jain	<i>Managing Director</i>
Shri D.K. Sachdeva	<i>Whole-Time Director</i>
Shri J.S. Bedi	<i>Whole-Time Director</i>
Shri O.P. Lohia	<i>Director</i>
Dr. S. Rama Iyer	<i>Director</i>
Shri Deepak Asher	<i>Director and Group Head Corporate Finance</i>
Shri S.P. Jain	<i>Director</i>

Audit Committee

Shri D.K. Jain
Shri S.P. Jain
Shri Shailendra Swarup

Company Secretary

Shri B.V. Desai

Auditors

M/s. Patankar & Associates
Chartered Accountants

Bankers

Canara Bank	ICICI Bank Limited
The Royal Bank of Scotland	HDFC Bank Limited
DBS Bank Ltd.	Citibank N.A.
BNP Paribas	Yes Bank Limited
Axis Bank Limited	ING Vysya Bank Limited
Societe Generale	

Registered Office

Survey Number 16/3, 26 & 27,
Ranjitnagar 389 380
Taluka Ghoghamba,
District Panchmahal,
Gujarat.
Tel.: 02678-248 153

Corporate Office

ABS Towers, 2nd Floor,
Old Padra Road,
Vadodara 390 007,
Gujarat. 0265 - 6198111

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

GUJARAT FLUOROchemicals LIMITED

NOTICE

NOTICE is hereby given to the Members of **Gujarat Fluorochemicals Limited** that the **Twenty-Sixth 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 Ghoghamba, District Panchmahal, Gujarat, on Friday, the 23rd August, 2013, at 03:30 pm, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2013, 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 note payment of interim dividend and declare final dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Shri Pavan Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Om Prakash Lohia 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 pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 including amendment thereto or re-enactment thereof ("Act") read with Schedule XIII to Act, Shri Dinesh Kumar Sachdeva be re-appointed, as a Whole-time Director of the Company for a further period of one year commencing from 29th November, 2013 on such terms and conditions including remuneration as set out below, with the authority to the Board of Directors / Managing Director to grant increments within the range stated below:
 Remuneration of upto Rs 50 lacs per annum.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company for the time being in force and as determined by the Managing Director of the Company.

In addition to remuneration within the above range, Shri Dinesh Kumar Sachdeva would also be entitled to the Company car with driver, telephone facility, furnished Company owned or leased accommodation. Use of Car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961.

However, the overall remuneration to Shri Dinesh Kumar Sachdeva shall not exceed the limits prescribed under Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."



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 Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 including amendment thereto or re-enactment thereof ("Act") read with Schedule XIII to Act Shri Jitendra Singh Bedi be re-appointed, as Whole-time Director of the Company for a further period of one year commencing from 1st December, 2013 on such terms and conditions including remuneration as set out below, with the authority to the Board of Directors / Managing Director to grant increments within the range stated below:

Remuneration of upto Rs 80 lacs per annum.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company for the time being in force and as determined by the Managing Director of the Company.

In addition to remuneration within the above range, Shri Jitendra Singh Bedi would also be entitled to the Company car with driver, telephone facility, and insurance for self. Use of Car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961.

However, the overall remuneration to Shri Jitendra Singh Bedi shall not exceed the limits prescribed under Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors

Noida
30th May, 2013

DK JAIN
Director

Registered Office :

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

Notes :

- a) 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.
- b) The Register of Members and the Share Transfer Books of the Company will be closed from 19th August, 2013 to 23rd August, 2013 (both days inclusive).
- c) 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.
- d) Those Members who have not received interim dividend and / or final dividend for 2005-06 and / or 2006-07 and / or 2007-08 and / or 2008-09 and / or 2009-10 and/or 2010-11 and/or 2011-12 and/or 2012-13 declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents.
- e) Re-appointment of Directors:

Shri Pavan Kumar Jain and Shri Om Prakash Lohia retire by rotation and, being eligible offers themselves for re-appointment. Shri Dinesh Kumar Sachdeva and Shri Jitendra Singh Bedi to be re-appointed as Whole-time Directors of the Company

The information required to be provided under the Listing Agreement in respect of Director/s being re-appointed is given herein below:

Name of Director	Shri Pavan Kumar Jain
Date of appointment on Board	4 th February, 1987
Date of Birth	17 th May, 1957
Expertise	Shri Pavan Kumar Jain is a Chemical Engineer from Indian Institute of Technology, New Delhi, with over 32 years of experience of handling several diverse businesses, of which the last twenty two 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 the Industrial Gas business in the country.
Directorship held in other companies	<ol style="list-style-type: none"> 1. Inox Chemicals Private Limited 2. Inox India Limited 3. Siddhomal Investments Private Limited 4. Siddhomal Air Products Private Limited 5. Devansh Trading and Finance Private Limited 6. Sitashri Trading and Finance Private Limited. 7. Siddhapavan Trading and Finance Private Limited 8. Inox Leasing and Finance Limited 9. Devansh Gases Private Limited 10. Inox Leisure Limited 11. Rajni Farms Private Limited 12. Inox Air Products Limited 13. Inox Infrastructure Limited 14. Inox International Private Limited 15. Inox Renewables Limited 16. GFL Singapore Pte Limited
Committee Memberships	<ol style="list-style-type: none"> 1. Gujarat Fluorochemicals Limited <ul style="list-style-type: none"> • Share Transfer and Investors Grievance Committee 2. Inox India Limited <ul style="list-style-type: none"> • Audit Committee • Share Transfer Committee 3. Inox Leasing and Finance Limited <ul style="list-style-type: none"> • Share Transfer Committee 4. Inox Air Products Limited <ul style="list-style-type: none"> • Share Transfer Committee • Audit Committee • Operations Committee of Board of Directors 5. Inox Leisure Limited <ul style="list-style-type: none"> • Share Transfer and Investors Grievance Committee
No of shares held in the Company	20100 Shares



Gujarat Fluorochemicals Limited

Name of Director	Shri Om Prakash Lohia
Date of appointment on Board	31 st October, 2006
Date of Birth	26 th May, 1949
Expertise	Shri Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He is a commerce graduate from Kolkata University and after graduation, joined the family textile business, which gave him management exposure in all disciplines of business management. Shri Om Prakash Lohia has been awarded Udyog Ratna award by the Madhya Pradesh Government in 2005.
Directorship held in other companies	<ol style="list-style-type: none"> 1. Indo Rama Synthetics (India) Limited 2. Lohia Industries Private Limited 3. Indo Rama Retail Holdings Private Limited 4. Maharashtra Airport Development Company Limited
Committee Memberships	<ol style="list-style-type: none"> 1. Federation of Indian Chambers of Commerce and Industries <ul style="list-style-type: none"> • Executive Committee
No of shares held in the Company	0
Name of Director	Shri Dinesh Kumar Sachdeva
Date of appointment on Board	29 th November 1996
Date of Birth	12 th December 1944
Expertise	Shri Dinesh Kumar Sachdeva is B.Tech (Chemical Engineering) from the Indian Institute of Technology, Kharagpur and has over 41 years of experience in the technical field of various chemical / process plants.
Directorship held in other companies	Nil
Committee Memberships	Nil
No of shares held in the Company	0
Name of Director	Shri Jitendra Singh Bedi
Date of appointment on Board	31 st October 2006
Date of Birth	13 th August 1953
Expertise	Shri Jitendra Singh Bedi is a Chemical Engineer and has over 35 years of experience in the technical field of various chemical / process plants.
Directorship held in other companies	NIL
Committee Memberships	NIL
No of shares held in the Company	0

- f) The Ministry of Corporate Affairs (MCA) has issued Circulars No. 17/2011 dated 21.04.2011 and No. 18/2011 dated 29.04.2011, propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail). With a view to lend a strong support to this environment friendly initiative of the Government of India, Annual Reports for Financial Year 2012 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We are sure that the Members would also like to support this excellent initiative of the Government of India. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same.

ANNEXURE TO THE NOTICE

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

Item No 6

At the Twenty-Fifth Annual General Meeting of the Company, the Members had re-appointed Shri Dinesh Kumar Sachdeva as a Whole-Time Director of the Company for a period of one year from 29th November, 2012 to 28th November, 2013. 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 Dinesh Kumar Sachdeva to the extent of his re-appointment as a Whole-Time Director of the Company.

Item No. 7

At the Twenty-Fifth Annual General Meeting of the Company, the Members had re-appointed Shri Jitendra Singh Bedi as a Whole-Time Director of the Company for a period of one year from 1st December, 2012 to 30th November, 2013. 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 re-appointment as a Whole-Time Director of the Company.

By Order of the Board of Directors

Noida
30th May, 2013

DK JAIN
Director

Registered Office :

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

**DIRECTORS' REPORT**

To the Members of

GUJARAT FLUOROCHEMICALS LIMITED

Your Directors take pleasure in presenting to you their Twenty-Sixth Annual Report for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

Following are the working results for the year 2012-2013:

(Rs. in Lacs)

Continuing Operations

Net Sales / Income from Operations	159090	206556
Other operating Income	518	344
Total Income from Operations	159608	206900
Less: Total Expenses	99019	106835
Profit from operations before other income and finance cost and exceptional items	60589	100065
Add: Other Income	5690	5764
	66279	105829
Less: Finance Cost	6895	5713
Profit from ordinary activities after finance cost but before exceptional items	59384	100116
Profit from ordinary activity before Taxation	59384	100116
Provision for Taxation	19594	24816
Profit for the year from Ordinary Activity	39790	75300
Discontinuing Operations		
Profit / (Loss) before Tax	65	(34927)
Tax Expense	21	(2787)
Net Profit / (Loss)	44	(32140)
Net Profit / (Loss) for the year	39834	43160
Profit brought forward form earlier year	374	183
Profit available for appropriations	40208	43343
Appropriations		
Transferred to General Reserves	35000	38500
Interim Dividend	1648	2197
Proposed Dividend subject to approval of the Shareholders	2197	1648
Tax on Dividend	640	624
Balance Carried forward to Balance Sheet	723	374
	40208	43343

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a. PTFE / Chemicals Business****Industry structure and developments**

Total global PTFE market is around 1,50,000 TPA, of which 60% is granular and 40% is dispersion and aqueous grades. The market is growing at a CAGR of 3-4%. Demand is expected to get a boost due to increased usage in the architectural and household applications. In terms of supply, the industry is dominated by two kinds of players – long time, high quality big players from developed countries, who command around 50% market share, and new players from developing countries who have around 50% market share.

The Company has entered the PTFE business in 2008, and in a short span of time, become a significant player in the global market. The Company is perceived as a high quality PTFE supplier. With the present capacity of about 16,000 tpa, your company caters to a significant share of the global market, putting it in the bracket of the top 3-4 PTFE suppliers globally. The Company has also introduced in the market various grades of dispersion fine powders and aqueous PTFE. Consistent with its commitment towards the environment, the Company has introduced Dispersion PTFE grades manufactured by using environment friendly surfactant technology. The Company has also invested to upgrade the PTFE manufacturing facility to a higher engineering class in order to be able to manufacture contamination free products. Indian market for PTFE is around 3000 - 3500tpa, and growing at a healthy 7 – 8% per annum. The Company has around 70% market share in India, being the only significant producer in the country. There is an immense latent potential for higher PTFE demand and the Company is working with Indian PTFE processors to develop new products and applications to spur higher growth and demand in the domestic market.

Globally, the established players are moving to higher value added polymers, leaving the space in the traditional PTFE markets for players like the Company. The Company also plans to enter the segment of higher value added fluoropolymers and fluoroelastomers in the near future. During the year, thanks to its product quality and better service delivery, the Company has been able to enhance its market penetration and added several new international large-scale customers.

The Company enjoys a significant competitive advantage, because of its integrated operations. It is amongst the top 2 or 3 fully integrated players, giving it significant cost competitiveness amongst other global players. The Company has placed enormous emphasis on high and consistent quality of all PTFE grades matching the best in the business, by continuous operations and process improvements. The Company has adopted marketing strategies to be proximate with customers and provide value added services such as office and warehousing facilities in the US and EU markets, and technical services to drive value for customers.

Opportunities and threats

The key opportunities in the PTFE business include the vast undeveloped potential in the Indian markets that would be converted into market demand by new product and application development, and the market gaps created by established players moving to higher value added polymers. There also exists the potential to work with reputed global players of PTFE based components to expand the PTFE market in India.

Some of the significant threats include further capacity expansions in China, and the impact of such expansion on PTFE prices, as also the continued economic downturn in developed markets like Europe, that could cause demand to remain sluggish.

Segment-wise product-wise performance

Caustic Soda accounts for around 18% of the Company's sales in value terms. Caustic soda sales increased from last financial year by 23% in volume terms and by 56% in value terms.

Chloromethane account for around 12% of the Company's sales in value terms. Chloromethane sales, though increased by 32% in volume terms compared to last year, dropped by around 7% in value terms, largely due to lower price realisations.

PTFE accounts for around 25% of the Company's sales in value terms. PTFE sales recorded decrease by 20 % in volume terms and 40% in value terms.

Around 19% of the Company's PTFE sales last financial year came from the domestic market and more than 81% of PTFE sales came from the export markets. The Company witnessed a 48% fall in its PTFE exports.

A bulk of the Company's PTFE sales, more than 81%, comes from granular PTFE (including modified granular) with dispersion PTFE accounting for 19%. Granular PTFE sales decreased by around 20%, whereas dispersion PTFE grew 9 fold last year.

While PTFE sales last year in volume and value terms have been depressed due to sluggish global economies especially in Europe and US and consequent fall in demand for PTFE too. The shortage situation during the previous year had led to panic purchases and consequently high inventories at most international customers who curtailed their off-takes during the current year. This also had a severe adverse impact on the PTFE prices. The Company expects that the growth momentum in PTFE sales will pick up during this coming financial year.

Outlook

PTFE has been witnessing a steady growth rate of 3-4 % over the past several years globally. The last three years have witnessed significant volatility in the global PTFE market. While 2010-11 witnessed PTFE shortages leading to buoyant prices, during 2011-12 the demand was sluggish and this led to falling prices. During 2012-13 as well, demand continued to remain sluggish and prices, after sliding in the initial few months, stabilised towards the end of the year. Established players are moving away from PTFE into other fluoropolymers. This creates space in the market for the Company to aspire and become the preferred supplier of PTFE.

With the introduction of dispersion and aqueous grades of PTFE in the product mix and growth in the modified and compounding businesses, the Company expects the value addition in the PTFE business to increase further.

The Company is, in addition to being the largest PTFE producer in the country, also the largest producer of chloromethane, and a significant player in the caustic soda business in India.

The Company is also seriously considering other products in the fluoropolymer, fluoroelastomers and speciality fluorochemicals segments, and would take investment decisions in these areas shortly, after a complete evaluation of the market, technologies and economics. This would provide an avenue of growth in the near future.

Risk and concerns

As indicated in the "threats" section, the key risk includes impact on demand and pricing, due to sluggish growth in most markets especially Europe due to the economic downturn.

However, the Company remains confident of being able to maintain a healthy return on investment due to the cost competitiveness arising out of its integrated operations.

b. Carbon Credit Business

The Company has a Clean Development Mechanism (CDM) Project registered by the United Nations Framework Convention for Climate Change (UNFCCC). This project generates Certified Emission Reductions (CERs) by destruction of HFC-23, a potent greenhouse gas inevitably generated in the production process of HCFC-22, a refrigerant produced by the Company.

The key market for CERs so far has been through the European Union Emissions Trading Scheme (EU-ETS). The EU has announced that it would not buy CERs from HFC-23 destruction (as also some other technologies) representing emission reductions after December 2012, for compliance from January 2013. There is also uncertainty over the continuation of the emission reduction obligations under the Kyoto Protocol, from 2013. Opportunities to use these credits in other regulatory and voluntary markets are limited. Hence, it is likely that the Company's CERs may not have any significant market in the future.

c. Wind Energy Business

The Company has floated two subsidiaries to pursue its wind energy business -Inox Wind Limited and Inox Renewables Limited. Inox Wind Limited manufactures state-of-the-art wind turbine generators, rotor blades and tubular towers, at its two manufacturing plants, one in Himachal Pradesh and one in Gujarat, with technology sourced from a leading European wind turbine technology developer. Inox Renewables Limited sets up and operates wind farms.

Inox Wind Limited is one of India's leading wind power solutions providers. It manufactures wind turbine generators, and provides turnkey solutions by supplying WTGs and their components and offering a variety of services including wind resource assessment, site acquisition, project development, erection and commissioning, and also long term operations and maintenance of wind power projects. During the financial year ended March 2013, Inox Wind Limited has emerged as one of the largest wind power solutions provider in the country.

Pursuant to its decision to grow its wind energy business in its subsidiary, and also to enable raising non-recourse capital for the same, the Company had transferred, by way of a slump sale, its entire wind energy business, as of 30 March, 2012, comprising of 69 MW of operational capacity, and 70 MW of capacity being set up, to Inox Renewables Limited. The business plan is to set up all incremental wind generation capacity in Inox Renewables Limited going forward. By March 2013, Inox Renewables Limited operates around 204 MW on wind capacity, making it one of the large wind IPPs in the country today. The company is already in discussions with various equity and debt capital providers for funding the growth in this business.

The regulatory development in this business remains favourable, with various incentives like higher feed-in tariffs, generation based incentives, mandatory Renewable Purchase Obligations (RPOs) on distribution companies, and

Renewable Energy Certificates (RECs) all adding to the revenue streams a wind energy producer can avail to improve the viability of investments in wind farms. With access to a significant pool of viable land banks, and access to efficient wind turbines, the Company's subsidiaries are well-poised to mark a significant presence in this business.

d. 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 independent firms 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.

e. Discussion on financial performance with respect to operational performance

The financial performance of your Company continues to remain strong, and is expected to show an improvement in the coming years, with the higher production levels at the chemical complex at Dahej and the commencement of revenues from the Wind Energy business through its subsidiaries.

f. Material developments in human resources / industrial relations front, including number of people employed

The company has around 1260 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 Company has paid an Interim Dividend of Rs 1.50 per share (150%) and your Directors now recommend a final dividend of Rs 2 per share (200%) subject to approval of the shareholders. The total dividend pay-out (including dividend distribution tax on dividend pay-out) for the year will be Rs 4485.44 lacs.

5. DIRECTORS

Shri Pavan Kumar Jain and Shri Om Prakash Lohia retire by rotation and being eligible, offer themselves for re-appointment.

The Board of Directors has re-appointed Shri Dinesh Kumar Sachdeva and Shri Jitendra Singh Bedi as Whole-time Director /s of the Company for a period of one year subject to the approval of Members at the ensuing Annual General Meeting.

Necessary resolutions in respect of Directors seeking re-appointment and their brief resume pursuant to clause 49 of the listing agreement are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

6. SUBSIDIARIES

Ministry of Corporate Affairs, New Delhi vide its Circular No 5/12/2007-CL-III dated 08th February, 2011 has granted general exemption to Holding Companies from attaching the Balance Sheet(s) of Subsidiary Company(ies) concerned as required under Section 212 of the Companies Act, 1956. In view of the above, the Board of Directors of the Company has by resolution 30th May, 2013 accorded consent to not attaching Annual Accounts of the financial year ended on 31st March, 2013 of all the Company's subsidiaries. A statement showing holding Company's interest in subsidiaries as required under Section 212 (3) of the Companies Act, 1956 is annexed to the Directors Report.

7. 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.



8. 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.

9. 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.

10. 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.

11. PARTICULARS OF 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 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.

12. 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 75.23 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. During the year, the Company has had its Corporate Social Responsibility initiatives certified by Ernst and Young.

13. 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.

14. INSURANCE

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

15. 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
30th May, 2013

DK Jain
Director

Vivek Jain
Managing Director

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

(a) Energy conservation measures taken

Ranjitnagar unit : Nil

Dahej unit:

- Steam reduction due to distillation optimization and capacity utilization. Steam consumption norm was reduced from 2.57 to 2.35 MT/MT.
- Power reduction due to stopping of pumps and by reducing pump capacities. Power consumption norm reduced from 391 to 375 Kwh/MT.
- Power reduction in CA was achieved by stopping chlorine compressors and cooling water pump. Auxiliary power consumption norm reduced from 300 to 291 Kwh/MT.
- Power reduction in CA flaker was achieved by stopping cooling water transfer pump. Power consumption norm was reduced from 70 to 65 Kwh/MT.
- Raw material consumption was reduced by various initiatives in CA such as addition of retention tank, anthracite filter commissioning and addition of chlorine destruction unit. Caustic norm was reduced from 30 to 22.5 Kg/MT. Barium carbonate from 16 to 13 Kg/MT. Sodium Sulphite from 3.5 to 2.8 Kg/MT. Alpha-cellulose from 0.6 to 0.3 Kg/MT.
- Hydrogen bottling capacity was increased by 3000 NM³/Day.
- Power consumption in TFE was reduced from 4000 to 3178 Kwh/MT by various initiatives.
- Power consumption in DPTFE was reduced from 4600 to 3857 Kwh/MT.
- Steam reduction in TFE - consumption norm was reduced from 7.5 to 5.98 MT/MT.
- Steam reduction in DPTFE - consumption norm was reduced from 24.5 to 20 MT/MT.
- Natural gas consumption was reduced from 18.5 to 16.5 MMbtu/MT of TFE.
- Condensate recovery system was established thereby coal consumption norm was reduced from 0.1981 to 0.1941 MT/MT. Also water consumption was reduced. One reverse osmosis and DM water plant was stopped.

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

Ranjitnagar Unit : Nil

Dahej Unit :

1. Study and evolution started for next generation fluoropolymer products.
 - a. PFA
 - b. FKM
 - c. FEP
2. Stabilization of Aqueous PTFE in domestic market.
3. Development of PTFE micro powder grade for grease and lubricant application.
4. To develop market and application of modified PTFE in domestic market.
5. Technical support to domestic customers for increasing applications in areas well proven in developed countries.

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

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
A			Power and Fuel Consumption		
	1		Electricity		
		A	Purchased		
			Units (in lacs)	2096	749
			Total Amount (Rs in lacs)	12654	5649
			Rate/Unit (Rs.)	6	8
		B	Own Generation		
			Units (in lacs)	2727	3548
			Total Amount (Rs in lacs)	16077	18612
			Rate/Unit (Rs.)	6	5
	2		Coal		
			Quantity (MT)	138333	127437
			Total amount (Rs in lacs)	5719	5525
			Average Rate (Rs)	4134	4335
	3		Furnace Oil		
			Quantity (k. ltrs.)	74	81
			Total Amount (Rs. in lacs)	33	34
			Average Rate (Rs.)	44	42
	4		RLNG SCM		
			Quantity (scm)	422	813
			Total Amount (Rs. in lacs)	8310	14534
			Average Rate (Rs.)	20	18
B			Consumption per unit of production		
			Ranjitnagar (Fluorochemicals) Unit		
	1		Electricity Kwh/MT	740	751
	2		Fuel Oil Ltr/MT	2	2
	3		RLNG SCM/MT	280	277
	4		Coal	0	0
	5		Others	0	0
			Dahej (Chloroalkalies)		
	1		Electricity Kwh/MT	2015	2036
	2		Fuel Oil Ltr/MT	0.07	0.06
	3		RLNG SCM/MT	141	361
	4		Coal Qty MT/Coal Power unit lacs	217	139
	5		Others	0	0

(B) TECHNOLOGY ABSORPTION

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

Ranjitnagar Unit :

Research and Development

- (1) Specific Area in which R &D carried out : Nil
- (2) Benefits derived as a result of the above R & D : Nil
- (3) Future Plan of Action : Nil
- (4) Technology absorption, adaptation and innovation : Nil

Dahej Unit :

Research and Development

R&D Centre at Dahej is recognized by DSIR (Department of Scientific and Industrial Research) for Research activities.

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

- i. Stabilization of modified PTFE fine powder grades.
- ii. Development of PTFE aqueous dispersion grades.
- iii. Development of new PTFE filled grades including Bronze filled, molybdeum filled and similar blends for hydraulic and automotive applications.
- iv. Development of modified PTFE compounds grade for gasket and load bearing applications.
- v. Development of PTFE micro powder grades for various applications like plastic additives, coating additives, ink additives.
- vi. Development & optimization of PTFE fine powder processing techniques.
- vii. In-house development of specialty chemicals such as TFP, TFEDMA, EDFA and similar products for agro and pharma sectors.

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

- i. Product approval at various global OEMs like chemical, electrical and automotive industries to cater their requirement.
- ii. Tailor made grades for new applications to provide complete sourcing solutions to our valued customers including in sophisticated applications such as for boeing jets, aeronautics, electronics etc and to establish GFL as potential raw material supplier in global market.
- iii. PTFE micropowder product approvals in plastic blends, anti corrosive coatings and inks application.
- iv. Technical support to marketing team in development of new applications in domestic markets.
- v. Technical support in terms of process optimization and performance of the final product to the PTFE processors as a part of the Company's policy to grow along with the Company's valued customers.
- vi. Addition and enhancement in testing facilities to GFRC to develop Fluoropolymers with improved properties in terms of better performance to establish as a Key global player.

3. Future plan of action

- i. Study and evolution started for next generation fluoropolymer products.
 - a. PFA
 - b. FKM
 - c. FEP



- ii. Stabilization of Aqueous PTFE grades in market.
- iii. Development of PTFE micropowder grade for grease and lubricant application.
- iv. To develop market and application of modified PTFE in domestic market.
- v. Technical support to domestic customers for increasing applications in areas well proven in developed countries.

4. Health, Safety & Environment

- i. The HSE System enhancement program was developed in consultation with M/s Chilworth – Dekra and the improvement projects are in line to march forward to the global standards in HSE Matters.
- ii. One of the GFL employee bagged the Best Workman award from Department of Labour – Government of Gujarat.
- iii. The site was re-certified for the three standards with the extended scope of “Hydro-testing of cylinders valid till Nov 2015.”
 - ISO – 9001:2008
 - ISO – 14001:2004
 - OHSAS 18001:2007
- iv. Rigorous SHE audits were conducted by reputed global giants like:
 - Du Pont
 - St. Gobain (We scored 90%)
 - Syngenta (We scored 84%)
 - Kongsberg
- v. All of them were highly satisfied with SHE performance of the site. Their recommendations are being implemented to further improve our performance to stand shoulder to shoulder with them in the global arena.

Technology absorption, adaptation and innovation :

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

During the year, following technologies were absorbed successfully for process improvement / new product development :

- Technology absorbed for new generation Non PFOA surfactant in dispersion PTFE.
- Technology absorbed for commercial production of Aq PTFE dispersion in various application of impregnation, additive and coating grade.
- Technology absorbed for commercial production in multi speciality Fluorochemicals for various applications in agro based products.

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. 41 of Annual Accounts
- Foreign exchange earned - Refer to Note No. 42 of Annual Accounts

By Order of the Board of Directors

Noida
30th May, 2013

DK Jain
Director

Vivek Jain
Managing Director

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 ten directors of which one is Managing Director and two are Whole-Time Directors. There are seven non-executive Directors. 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.

During the year, 2012-2013, the Board met four times on following dates, namely, 25th May, 2012, 31st July, 2012, 27th October, 2012 and 30th January, 2013.

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 / Committee Membership / Chairmanship*		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri DK Jain	Non-Independent Director	3	No	11	2	1
Shri Shailendra Swarup	Independent Director	4	No	9	1	-
Shri VK Jain	Managing Director	4	Yes	18	7	-
Shri DK Sachdeva	Whole-time Director	-	Yes	-	-	-
Shri PK Jain	Non-Independent Director	-	No	18	10	4
Shri OP Lohia	Independent Director	1	No	5	3	-
Shri JS Bedi	Whole-time Director	-	No	-	-	-
Dr S Rama Iyer	Independent Director	3	Yes	6	2	-
Shri Deepak Asher	Non-Independent Director	4	Yes	9	8	2
Shri SP Jain	Independent Director	4	Yes	1	1	1

* Committee membership includes member of Audit, Share Transfer, Share Transfer & Investor Grievance, Compensation and Remuneration Committee and Committee Chairmanship includes Chairman of Audit and Share Transfer & Investor Grievance Committee.

3. Audit Committee

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

Name	Category	Attendance			
		25th May, 2012	31st July, 2012	27th October, 2012	30th January, 2013
Shri DK Jain	Director	Yes	Yes	No	Yes
Shri Shailendra Swarup	Director	Yes	Yes	Yes	Yes
Shri SP Jain	Chairman	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.

Shri S P Jain, Chairman of Audit Committee has attended last AGM held on 27th July, 2012

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, Whole-time Directors and commission to 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 2012-2013

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	Particulars Salary & Allowances: Rs.in Lacs 34.20 Perquisites : 35.89 ContributionTo PF : 4.10 Commission : 500.00 Total : 574.19	Service Contract 01.01.2013 to 31.12.2017
Shri DK Sachdeva	None	Whole-Time Director	Particulars Salary : Rs.in Lacs 16.02 Allowances : 25.29 Perquisites : 1.28 Contribution To PF : 1.92 Total : 44.51	Service Contract 29.11.2011 to 28.11.2012 29.11.2012 to 28.11.2013
Shri JS Bedi	None	Whole-Time Director	Particulars Salary : Rs.in Lacs 18.10 Allowances : 40.12 Perquisites : 1.60 ContributionTo PF : 2.17 Total : 61.99	Service Contract 01.12.2011 to 30.11.2012 01.12.2012 to 30.11.2013
Shri G Arumugam	None	Whole-Time Director	Particulars Salary : Rs.in Lacs 4.33 Allowances : 10.01 Perquisites : ContributionTo PF : 0.52 Total : 14.86	Resigned on 22.06.2012
Shri DK Jain	Relative of Shri PK Jain and Shri VK Jain	Director	Particulars Commission : Rs.in Lacs 609.54	

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

Name of the Director	Total Rupees
Shri D K Jain	120000
Shri Shailendra Swarup	160000
Dr S Rama Iyer	60000
Shri Deepak Asher	80000
Shri Shanti Prasad Jain	160000

5. Shareholders and Investors Grievance Committee

The Committee comprises of Shri DK Jain, Director, 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 32 complaints which were replied / resolved to the satisfaction of the shareholders and no requests for transfer were pending for approval as on 31st March, 2013.

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

Name	Category	Attendance
Shri DK Jain	Director	16
Shri Vivek Jain	Managing Director	15
Shri Pavan Kumar Jain	Director	1

6. General Body Meetings

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

Year	Location	Date	Time
2009-2010	Survey No.16/3, 26 & 27, Ranjitnagar – 389 380 Taluka Ghoghamba, Dist. Panchmahal, Gujarat	10.07.2010	11:30 am
2010-2011	Same as above	15.07.2011	03.30 pm
2011-2012	Same as above	27.07.2012	03.30 pm

Note

No special resolution was passed at the last Annual General Meeting held on 27th July, 2012.

The Ordinary Resolution in respect of transfer, by way of slump sale, of wind energy business of the Company, to Inox Renewables Limited, a subsidiary of the Company, was passed on 15th March, 2011 by sending Postal Ballot Notice to the Shareholders of the Company who have conveyed their assent to the said resolution.

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 50 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

- (a) The Company has published its quarterly results in Economic Times / Business Standard and Vadodara Samachar.
- (b) 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 : Friday, 23rd August, 2013
- 9.2 Financial Year : April to March
- 9.3 Book Closure Date : 19th August, 2013 to 23rd August, 2013
- 9.4 Dividend Payment Date : On or before 22nd September, 2013
- 9.5 Listing of Equity Shares : National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051
BSE Limited, 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
BSE Limited : 500173
National Stock Exchange of India Limited (symbol) : GUJFLUORO
Demat ISIN Number in NSDL and 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 in Rs. in lacs
April, 2012	448.40	542.20	206858	2964.74	446.30	542.10	2607575	12978.82
May, 2012	396.90	469.95	255956	2628.81	395.35	469.00	2347188	9881.90
June, 2012	389.20	424.00	92934	851.23	371.30	423.70	1124851	4585.18
July, 2012	317.00	428.65	314165	2553.15	315.45	429.50	3215515	12221.94
August, 2012	334.05	376.20	311827	1702.16	334.05	373.95	2040454	7252.79
September, 2012	346.10	394.90	202104	1665.94	345.00	395.75	2174188	8101.71
October, 2012	321.50	398.85	123893	1036.02	320.65	401.50	2178476	7874.88
November, 2012	303.50	346.00	108888	695.97	303.00	345.80	1485510	4858.68
December, 2012	314.45	355.95	172847	1588.45	314.00	356.00	3377405	11273.90
January, 2013	270.00	359.50	1343215	5292.83	269.00	364.90	3546360	11336.68
February, 2013	250.05	307.60	506700	2167.50	248.50	307.50	5079091	14340.68
March, 2013	270.15	307.90	949584	2954.33	270.10	308.00	1815924	5267.55

9.8 Company's share price performance in comparison to BSE Sensex based on share price on 31.03.2013

Period	% change		Company in comparison to Sensex
	Co's share price	Sensex	
2012-2013	-41.78	8.07	-49.85

Company's share price performance in comparison to NIFTY based on share price on 31.03.2013

Period	% change		Company in comparison to Nifty
	Co's share price	Nifty	
2012-2013	-41.44	7.29	-48.74

9.9 Registrar and Transfer Agents

Link Intime India Private Limited, B-102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020

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 15 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 March, 2013

Shareholding of nominal value of Rs	No of shareholders	% to total	Number of shares	Amount in Rs	% to total
1- 500	10986	71.40	1125426	1125426	1.02
501 to 1000	2876	18.69	2694054	2694054	2.45
1001 to 2000	574	3.73	980159	980159	0.89
2001 to 3000	206	1.34	558331	558331	0.51
3001 to 4000	114	0.74	418839	418839	0.38
4001 to 5000	138	0.90	671471	671471	0.61
5001 to 10000	193	1.25	1469611	1469611	1.34
10001 and above	299	1.94	101932109	101932109	92.79
Total	15386	100.00	109850000	109850000	100.00

Shareholding pattern of the Company as on 31 March, 2013 is as under :

Sr. No.	Category	No of shares held	% of total share holding
A	Shareholding of Promoters and Promoters' Group		
1	Indian Promoters	76926815	70.03
	Sub-Total of A	76926815	70.03
B	Non-Promoters Holding		
1	Institutions		
a	Mutual Funds and UTI	2252946	2.06
b	Banks, Financial Institutions, Insurance Companies	58941	0.05
c	Central / State Government	1000	0.00
d	Foreign Institutional Investors	2450734	2.23
e	OBC	0	0.00
f	Foreign Company	2000	0.00
	Sub-Total of B (1)	4765621	4.34



Sr. No.	Category	No of shares held	% of total share holding
2	Non-Institutions		
a	Bodies Corporate	11957231	10.89
b	Individual	14679120	13.36
c	Non-Resident	806517	0.73
f	Clearing Member	688196	0.63
g	Others	26500	0.02
	Sub-Total B (2)	28157564	25.63
	Sub-Total of B (1) + B (2)	32923185	29.97
	Grand Total (A+B)	109850000	100.00

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	20100	0.02
2	Shri PK Jain	20100	0.02
3	Shri Shailendra Swarup	10000	0.01
4	Shri SP Jain	1000	0.00

9.12 Dematerialization of shares

Approximately 98.25 % of the shares issued by the Company have been dematerialized upto 31st March, 2013.

Liquidity

Company's shares are traded on BSE Limited and National Stock Exchange of India Limited. Relevant data of National Stock Exchange for the Financial Year 2012-2013 is in 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.

9.14 (i) Address for Investor Correspondence

Link Intime India Private Limited, B – 102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara 390020

(ii) Any query on Annual Report

Company Secretary, Gujarat Fluorochemicals Limited, ABS Towers, 2nd 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 31st March, 2013.

30th May, 2013
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 31st March 2013, 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.

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
Firm Registration No. 107628W

Pune
30th May, 2013

MY Kulkarni
Partner
Mem. No. 35524



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT FLUOROCHEMICALS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Gujarat Fluorochemicals Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Patankar & Associates
Chartered Accountants
Firm Registration No. 107628W

Pune
Dated: 30th May, 2013

(M.Y.Kulkarni)
Partner
Membership No. 035524

ANNEXURE REFERRED TO IN INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT FLUOROCHEMICALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

In terms 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 program 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 of 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. 19670 lacs and the year-end balance is Rs. 19670 lacs. In our opinion, the rate of interest and other terms and conditions on which this loan is granted are not, prima facie, prejudicial to the interest of the Company. The company is regular in repayment of principal and interest.

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.

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 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, Employee'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.



Gujarat Fluorochemicals Limited

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
Gujarat Sales Tax	Sales Tax for the year 1995-96	13.35	Joint Commissioner of Sales Tax, Vadodara
Income Tax	Income Tax for the FY 2009-10	1001.67	Commissioner of Income Tax (Appeals) (I), Vadodara.
Income Tax	Income Tax-Penalty for the FY 2009-10	113.00	Commissioner of Income Tax (Appeals) (I), Vadodara
Income Tax	Income Tax for the FY 2010-11	2122.17	Commissioner of Income Tax (Appeals) (I), Vadodara.
Service Tax	Service tax 01.04.2005 to 31.03.2006	2.43	Commissioner of Central Excise & Customs (Appeals), Vadodara
Service Tax	Service tax for the year 2009-10 & 2010-11	20.54	Commissioner of Central Excise & Customs (Appeals), Vadodara
Service Tax	Service tax interest and penalty for the period 10.09.2004 to 30.06.2007	6.85	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad.
Service Tax	Service tax April 2009 to September 2009	1.20	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad.
Custom Duty	Custom duty, interest and penalty for material in bonded warehouse.	964.36	Commissioner of Central Excise & Customs (Appeals), Ahmedabad.

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is 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. 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
Firm Registration No. 107628W

Pune
Dated: 30th May, 2013

(M.Y.Kulkarni)
Partner
Membership No. 035524

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**Balance Sheet as at 31 st March, 2013**

		Amount (Rs. in Lacs)	
	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	4	1098.50	1098.50
(b) Reserves and surplus	5	<u>248427.15</u>	<u>213078.26</u>
		249525.65	214176.76
(2) Non-current liabilities			
(a) Long-term borrowings	6	33442.58	39381.88
(b) Deferred tax liabilities (Net)	43	15831.53	13067.73
(c) Other Long term liabilities	7	205.20	205.20
(d) Long-term provisions	8	<u>719.18</u>	<u>621.16</u>
		50198.49	53275.97
(3) Current liabilities			
(a) Short-term borrowings	9	45620.07	36908.62
(b) Trade payables	10	10229.37	12092.07
(c) Other current liabilities	11	14075.06	25571.81
(d) Short-term provisions	12	<u>3042.88</u>	<u>3879.15</u>
		72967.38	78451.65
TOTAL		<u>372691.52</u>	<u>345904.38</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	160526.28	160452.13
(ii) Intangible assets	14	1954.21	2231.47
(iii) Capital work-in-progress		39099.15	25340.02
(b) Non-current investments	15	26907.58	28820.66
(c) Long-term loans and advances	16	39305.10	36171.60
(d) Other non current assets	17	<u>0.53</u>	<u>0.00</u>
		267792.85	253015.88
(2) Current assets			
(a) Current investments	18	20500.00	500.01
(b) Inventories	19	42111.20	41440.17
(c) Trade receivables	20	33201.36	24783.31
(d) Cash and bank balances	21	1925.86	21134.04
(e) Short-term loans and advances	22	5670.43	4878.95
(f) Other current assets	23	<u>1489.82</u>	<u>152.02</u>
		104898.67	92888.50
TOTAL		<u>372691.52</u>	<u>345904.38</u>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

S. SWARUP

Director

S. P. JAIN

Director

M. Y. Kulkarni

Partner

DEEPAK ASHER

Director & Group Head
(Corporate Finance)

O. P. LOHIA

Director

B. V. DESAI

Company Secretary

Place : Pune

Dated : 30th May, 2013

Place : Noida

Dated : 30th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

		Amount (Rs. in Lacs)	
	Note No.	2012-2013	2011-2012
(A) CONTINUING OPERATIONS			
I. Revenue from operations	24	167713.68	212796.62
Less: Excise Duty		8105.59	5897.01
		159608.09	206899.61
II. Other income	25	5690.38	5763.95
III. Total Revenue (I + II)		165298.47	212663.56
IV. Expenses:			
Cost of materials consumed	26	30347.28	25235.34
Purchases of Stock-in-Trade	27	209.56	530.01
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(7508.26)	(9429.65)
Employee benefits expense	29	7453.33	6652.84
Finance costs	30	6894.60	5713.00
Depreciation and amortization expense	31	9638.27	7781.59
Other expenses	32	58879.70	76065.15
Total expenses		105914.48	112548.28
V. Profit before tax (III-IV)		59383.99	100115.28
VI. (A) Tax expense:			
(1) Current tax		16804.83	21271.40
(2) Deferred tax		2763.80	3508.16
		19568.63	24779.56
(B) Taxation pertaining to earlier years		25.11	35.50
VII Profit for the year from continuing operations (V-VI)		39790.25	75300.22
(B) DISCONTINUED OPERATIONS			
VIII Profit before tax from ordinary activities	47	65.25	740.86
IX (Loss) on disposal of assets / settlement of liabilities		0.00	(35667.94)
X Profit/(Loss) before tax from discontinued operations (VIII +IX)		65.25	(34927.08)
XI Tax Expenses			
i) Tax on ordinary activities -Current Tax		21.17	1018.60
ii) Tax on ordinary activities-Deferred Tax Liability/(Asset)		0.00	(3805.11)
Total Tax Expenses (i to ii)		21.17	(2786.51)
XII Profit/(Loss) from discontinued operations (X-XI)		44.08	(32140.57)
(C) TOTAL OPERATIONS			
XIII Profit for the year (VII+XII)		39834.33	43159.65
XIV Earnings per equity share:			
A) Basic and diluted Earnings Per Share of Re 1 each			
- from ordinary activities (Continuing Operations)	44	36.22	68.55
B) Basic and diluted Earnings Per Share of Re 1 each			
- Total Operations	44	36.26	39.29

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

M. Y. Kulkarni

Partner

Place : Pune

Dated : 30th May, 2013

V. K. JAIN

Managing Director

DEEPAK ASHER

Director & Group Head
(Corporate Finance)

Place : Noida

Dated : 30th May, 2013

S. SWARUP

Director

O. P. LOHIA

Director

S. P. JAIN

Director

B. V. DESAI

Company Secretary

Cash Flow Statement for the year ended 31 st March, 2013

	Amount (Rs. in Lacs)	
A Cash flow from operating activities	2012-2013	2011-2012
Profit before tax from continuing operations	59383.99	100115.28
Profit/(Loss) before tax from discontinued operations	65.25	(34927.08)
Profit before tax	59449.24	65188.20
<u>Adjustments for :</u>		
Depreciation and Amortisation from continuing operations	9638.27	7781.59
Depreciation and Amortisation from discontinued operations	0.00	2398.62
Loss on disposal of assets / settlement of liabilities on account of discontinued operations	0.00	35667.94
Loss / (Profit) on retirement /disposal of fixed assets (Net)	104.64	(1.29)
Provision for diminution in value of investments	486.28	4489.04
Provision for doubtful debts (Net)	(0.88)	5.27
Bad debts and remissions	18.06	12.39
Liabilities and provisions written back	(649.02)	(212.34)
Amounts written-off	4.87	20.79
Unrealised Foreign exchange loss (Net)	583.24	3949.01
Income in respect of investing activities (Net)	(4011.27)	(3990.19)
Finance costs	6894.60	6155.53
	13068.79	56276.36
Operative profit before working capital changes	72518.03	121464.56
<u>Adjustments for :</u>		
Other Long term liabilities	0.00	(9315.37)
Long-term provisions	98.02	112.38
Trade payables	(1862.70)	(1312.70)
Other current liabilities	(10553.24)	(4983.70)
Short-term provisions	112.09	107.90
Long-term loans and advances	(116.18)	14.43
Inventories	(671.03)	(23388.87)
Trade receivables	(8445.43)	(10510.13)
Short-term loans and advances	(305.01)	(1299.07)
Other current assets	(371.14)	0.00
	(22114.62)	(50575.13)
Cash generated from operations	50403.41	70889.43
Income-tax paid (Net)	(13696.40)	(28297.69)
Net cash from operating activities	36707.01	42591.74
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital work in progress and capital advances)	(20300.74)	(116755.67)
Sale of fixed assets	90.36	131.27
Purchase of shares of subsidiary company	(32.45)	(1427.89)
Purchase of other investments	(73977.24)	(75743.18)
Redemption/Sale of Investments	55899.96	103090.35

	Amount (Rs. in Lacs)	
	2012-2013	2011-2012
Slump Sale consideration (Net of expenses)	0.00	77.71
Inter-corporate and other loans given (Net)	(11370.00)	2033.69
Interest and Dividend received (Net of expenses)	2766.15	2910.30
Movement in bank fixed deposits with original maturity of more than three months and margin money deposits (Net)	101.85	123.57
Adjustment for receivables on investment account	13.52	(8.16)
Net cash used in investment activities	(46808.59)	(85568.01)
C Cash flow from financing activities		
Proceeds from Long Term Loan (Net)	(7186.43)	70697.31
Proceeds from Short Term Loan (Net)	7295.80	7296.42
Proceeds from Cash Credit/Overdraft (Net)	1415.21	(2239.78)
Interest paid	(6720.63)	(6099.40)
Dividend paid (Including Tax on Dividend)	(3830.12)	(5745.16)
Net cash (used) in financing activities	(9026.17)	63909.39
D Capital receipts	0.00	764.37
(Please refer to Note No. 5 of Notes to Accounts)		
Net increase/(decrease) in cash and cash equivalent	(19127.75)	21697.49
Cash and cash equivalents as at the beginning of the year	20755.30	1401.72
Cash and cash equivalents transferred under Slump Sale	0.00	(2343.91)
Cash and cash equivalents as at the end of the year	1627.55	20755.30

Note:

During the previous year, the Company had transferred its entire Wind Energy Business to its subsidiary Inox Renewables Limited on a slump sale basis which was considered as a 'discontinued business'. The cash flow components attributable to this discontinued business, as included in the cash flow statement above are separately disclosed in note no. 47.

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

S. SWARUP

Director

S. P. JAIN

Director

M. Y. Kulkarni

Partner

DEEPAK ASHER

Director & Group Head
(Corporate Finance)

O. P. LOHIA

Director

B. V. DESAI

Company Secretary

Place : Pune

Dated : 30th May, 2013

Place : Noida

Dated : 30th May, 2013

Notes to Financial Statements for the year ended 31st March, 2013

1. CORPORATE INFORMATION

Gujarat Fluorochemicals Limited (the "Company") is a public limited company engaged in the business of manufacturing and trading of Refrigeration Gases, Anhydrous Hydrochloric Acid, Caustic Soda, Chlorine, Chloromethanes, Poly Tetrafluoroethylene (PTFE), Post Treated Poly Tetrafluoroethylene (PTPTFE) and revenue from carbon credits. The Company caters to both domestic and international markets. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a subsidiary of Inox Leasing and Finance Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.

3. SIGNIFICANT ACCOUNTING POLICIES

A) CHANGE IN ACCOUNTING POLICY

The Company in the last year had opted for accounting of exchange differences arising on reporting of long term monetary items under Clause 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates" as per notification no. G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India.

Accordingly, the exchange difference arising after 1st April, 2011 on the reporting of long term foreign currency monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far they relate to acquisition of depreciable capital assets, had been added to the cost of assets and shall be depreciated over the balance useful life of the assets.

Up to the financial year 2010-11 such exchange difference were charged to statement of profit and loss. Due to this change in accounting policy the profit before tax for the previous year was higher by Rs. 4941.65 Lacs (net of depreciation charge of Rs. 156.56 Lacs) and cost of fixed assets was higher by Rs.3662.73 Lacs (excluding Rs.1435.48 Lacs transfer under slump sale). In the Current year, such exchange difference of Rs 1869.41 Lacs is added to the Cost of assets and shall be depreciated over the balance useful life of the assets.

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. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised. In respect of accounting period commencing on or after 1st April 2011, consequent to the amendment of para 46A of AS 11, 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items.

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.

F) INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined using Weighted Average Method and is inclusive of appropriate overheads. 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) REVENUE RECOGNITION

The Company recognises sales when the significant risks and rewards of ownership of the goods have passed to the customers, which is generally at the point of dispatch of goods. 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. Interest income is recognised on a time proportion basis, except in cases where interest is doubtful of recovery. Dividend income is recognised when the unconditional right to receive the dividend is established.

Notes to Financial Statements for the year ended 31st March, 2013

H) EMPLOYEE BENEFITS

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss in the year in which the related service is rendered. Company's contributions towards provident and pension funds viz. Defined Contribution Plan paid/payable during the year are charged to the Statement of profit and loss. Retirement benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the Statement of profit and loss 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 Statement of profit and loss.

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 Statement of profit and loss.

J) TAXES ON INCOME

Income tax expense comprises of current tax & 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. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period prescribed for utilization of such credit.

K) FOREIGN CURRENCY TRANSACTIONS AND FORWARD CONTRACTS

(i) Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate. Gains or losses on settlement of the transactions and restatement of monetary assets and liabilities are recognised in the Statement of Profit and Loss, except as mentioned in para (ii) below. 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. Currency and interest rate swaps are accounted in accordance with the respective contracts. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principles and the net loss after considering the offsetting effect on the underlying hedge items is charged to the Statement of Profit and Loss. Net gains on the mark-to-market basis are not recognised.

(ii) The Central Government has vide its Notification no. G.S.R. 914(E) dated 29th December 2011, amended AS 11 - 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after 1st April 2011.

As stipulated in the Notification, the Company has exercised the option to adopt the following policy irrevocably for accounting periods commencing from 1st April 2011:

Long term foreign currency monetary items are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion and on settlement of the liability, is adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets.

L) LEASE

(i) Assets taken on operating lease

Lease rentals in respect of assets acquired on operating lease are charged to the Statement of Profit and Loss as per the terms of the respective lease agreements.

(ii) Assets given on operating lease

Assets given under operating lease are capitalised and included in the fixed assets. Lease income arising there from is recognised as income in the Statement of Profit and Loss as per the terms of the respective lease agreements.

M) PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

N) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

4 Share Capital

4.1 Equity

	As at 31st March, 2013	As at 31st March, 2012
Authorized 20,00,00,000 Equity Shares of Re 1 each	2000.00	2000.00
Issued and Subscribed and Fully Paid Up 10,98,50,000 Equity Shares of Re 1 each	1098.50	1098.50
Total	1098.50	1098.50

4.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any. During the financial year 2012-13 the Company has paid interim dividend of Rs. 1.50 per equity share (previous year Rs. 2 per equity share). Further, final dividend of Rs. 2 per equity share (previous year Rs. 1.50 per equity share) is proposed to be distributed to the equity shareholders. The total distribution of dividend to the equity shareholders for the year is Rs. 3.50 per share (previous year Rs. 3.50 per share).

4.3 Shares held by holding company

	Nos.	Rs in Lacs
Inox Leasing & Finance Limited	5,77,15,310 (5,77,15,310)	577.15 (577.15)

4.4 Details of shareholders holding more than 5% shares in the company

	Nos.	holding %
Inox Leasing & Finance Limited	5,77,15,310 (5,77,15,310)	52.54% (52.54%)
Devansh Trading & Finance Private Limited	66,62,360 (66,62,360)	6.06% (6.06%)
Siddhapavan Trading & Finance Private Limited	55,76,440 (55,76,440)	5.08% (5.08%)

4.5 Details of shares bought back in the immediately preceding five years

59,30,000 Equity shares were bought back in the Financial Year 2008-09

5 Reserves and surplus

Amount Rs. in Lacs

	As at 31st March, 2013	As at 31st March, 2012
Capital Reserves		
As per last Balance Sheet	12644.93	11880.56
Additions during the year (see note below)	0.00	764.37
	12644.93	12644.93
Capital Redemption Reserve		
As per last Balance Sheet	59.30	59.30
General Reserve		
As per last Balance Sheet	200000.00	161500.00
Add: Transfer from Surplus in the Statement of Profit & Loss	35000.00	38500.00
	235000.00	200000.00

Notes to Financial Statements for the year ended 31st March, 2013

5 Reserves and surplus (Contd...)

	Amount Rs. in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Surplus in the Statement of Profit & Loss		
As per last Balance Sheet	374.03	182.84
Add: Profit for the year	39834.33	43159.65
Less : Appropriations		
Interim Dividend	1647.75	2197.00
Proposed Dividend	2197.00	1647.75
Tax on Dividend	640.69	623.71
General Reserve	35000.00	38500.00
	722.92	374.03
Total	248427.15	213078.26

During the previous year, the Company had received compensation of Rs. 764.37 Lacs, equivalent to US \$ 1.64 million, for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated. The Company had been advised that the compensation is a capital receipt and hence this amount was credited to Capital Reserve.

6 Long-term borrowings

6.1 Term Loans

Secured Loans		
From Banks		
- Foreign Currency Loans	33442.58	39381.88
Total	33442.58	39381.88

6.2 For nature of securities and terms of repayment (see note number 33).

7 Other Long-term liabilities

Security Deposits	205.20	205.20
Total	205.20	205.20

8 Long-term provisions

Provision for employee benefits		
- For Gratuity	510.61	436.22
- For Leave benefits	208.57	184.94
Total	719.18	621.16

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

9 Short-term borrowings	As at 31st March, 2013	As at 31st March, 2012
9.1 Secured Loans		
From Banks		
Cash Credit/Overdraft	4429.82	3014.61
Packing credit /Buyers credit		
- Foreign Currency Loans	1590.57	5410.47
	<u>6020.39</u>	<u>8425.08</u>
9.2 Unsecured Loans		
From Banks		
Cash Credit/Overdraft	12060.15	0.00
Packing credit /Buyers credit		
- Rupee Loan	12500.00	5000.00
- Foreign Currency Loans	15039.53	23483.54
	<u>39599.68</u>	<u>28483.54</u>
Total	<u>45620.07</u>	<u>36908.62</u>

9.3 For nature of securities and terms of repayment (see note number 33).

10 Trade Payables		
Trade Payables		
- dues to Micro and Small Enterprises (see note no. 45)	2.28	11.61
- others	10227.09	12080.46
Total	<u>10229.37</u>	<u>12092.07</u>
11 Other Current Liabilities		
Current maturities of long-term debt (for nature of securities refer note no. 33)	7579.66	8826.79
Interest accrued but not due on borrowings	331.06	351.09
Creditors for capital expenditure	3310.83	4578.25
Security deposits	315.86	295.49
Advances from customers	291.37	9402.33
Unpaid dividends (see note below)	223.63	201.68
Statutory dues and taxes payable	2022.65	1916.18
Total	<u>14075.06</u>	<u>25571.81</u>

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.

12 Short-term provisions		
Provision for employee benefits		
- For Gratuity	135.35	112.01
- For Leave benefits	337.15	248.40
	<u>472.50</u>	<u>360.41</u>
Provision for Proposed Dividend	2197.00	1647.75
Tax on Proposed Dividend	373.38	267.31
	<u>2570.38</u>	<u>1915.06</u>
Provision for mark-to-market losses on derivative contracts	0.00	1603.68
Total	<u>3042.88</u>	<u>3879.15</u>

Notes to Financial Statements for the year ended 31st March, 2013



(Rs. in Lacs)

13 - TANGIBLE ASSETS

Particulars	Gross Block				Depreciation/Amortization			Net Block			
	As at 1-Apr-12	Additions	Deductions	Exchange differences	Borrowing Costs	As at 31-Mar-13	As at 1-Apr-12	For the year	Deduction	As at 31-Mar-13	As at 31-Mar-12
Tangible Assets											
Land											
- Freehold Land	21.86					21.86				21.86	21.86
- Leasehold Land	4741.41					4741.41	162.39	48.32		4530.70	4579.02
Buildings	21518.22	839.36	16.95			22340.63	1963.62	663.83	0.47	19713.65	19554.60
Plant and Equipments	158112.47	6476.41	394.45	1869.41		166063.84	23275.07	8390.39	71.64	134470.02	134837.40
Furniture and Fixtures	818.80	292.67				1111.47	250.36	64.56		796.55	568.44
Vehicles	517.45	50.37	8.61			559.21	189.63	52.79	6.54	323.33	327.82
Office Equipment	1034.01	192.19	4.03			1222.17	471.02	83.40	2.42	670.17	562.99
Total Tangible	186764.22	7851.00	424.04	1869.41		196060.59	26312.09	9303.29	81.07	35534.31	160452.13
Previous year	151134.23	76492.52	46248.10	4637.42	748.15	186764.22	24955.76	9923.14	8566.82	26312.09	

Note: Buildings includes offices given on operating lease.

	As at 31/03/2013	As at 31/03/2012
Gross Block	914.52	914.52
Depreciation charge for the year	14.91	14.91
Accumulated Depreciation	105.91	91.00
Net Block Value	808.61	823.52

(Rs. in Lacs)

14 - INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation/Amortization			Net Block			
	As at 1-Apr-12	Additions	Deductions	Exchange differences	Borrowing Costs	As at 31-Mar-13	As at 1-Apr-12	For the year	Deduction	As at 31-Mar-13	As at 31-Mar-12
Intangible Assets											
Technical Know How	2675.64					2675.64	498.95	291.42		1885.27	2176.69
Software	233.04	57.71				290.75	178.25	43.56		68.94	54.78
Total Intangible	2908.68	57.71				2966.39	677.20	334.98		1012.18	2231.47
Previous year	1037.27	1871.41				2908.68	418.55	258.66		677.20	



Notes to Financial Statements for the year ended 31st March, 2013

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
15 - NON CURRENT INVESTMENTS					
(Long term, non-trade, at cost, unless otherwise stated)					
A] UNQUOTED					
i) Investment in Equity instrument					
a) In subsidiary companies					
Inox Infrastructure Limited	10	5,00,00,000	5,00,00,000	5000.00	5000.00
Inox Renewable Limited	10	30,49,400	30,49,400	304.94	304.94
Inox Motion Pictures Limited	10	0	30,00,000	0.00	300.00
Inox Wind Limited	10	2,99,99,400	2,99,99,400	2999.94	2999.94
GFL Singapore Pte Limited	USD 1	27,11,000	11,80,000	1419.97	589.56
Gujarat Fluorochemicals Americas LLC (Trade)				929.29	799.23
				10654.14	9993.67
Less: Provision for diminution in value of Investment				0.00	300.00
				10654.14	9693.67
b) In Other companies					
Xuancheng Hengyuan Chemical Technology Co. Ltd (a Joint Venture) (Trade)				1263.89	1263.89
Swarnim Gujarat Fluorspar Pvt Ltd (a Joint Venture) (Trade)	10	12,500	0	1.25	0.00
Kaleidoscope Entertainment Private Limited	1	5,62,500	5,62,500	60.75	60.75
				1325.89	1324.64
Less: Provision for diminution in value of Investment				60.75	60.75
				1265.14	1263.89
ii) Investment in Venture Capital Fund					
Indiareit Fund Scheme III	100000	759.57	850.78	759.57	850.78
Kshitij Venture Capital Fund	670 (920)	2,50,000	2,50,000	1675.00	2300.00
				2434.57	3150.78
Total Unquoted Investments				14353.85	14108.34
B] QUOTED					
Investment in Equity instrument					
a) In subsidiary companies					
Inox Leisure Limited	10	4,06,15,092	4,06,15,092	4620.44	4620.44
Fame India Limited (see note below)	10	20,34,201	19,87,200	1460.34	1427.89
				6080.78	6048.33
b) In Other companies					
Advanta India Limited	10	48,590	48,590	598.39	598.39
Clarus Finance & Securities Limited	10	9,07,000	9,07,000	560.13	560.13
EIH Limited	2	4,39,950	4,39,950	963.28	963.28
Future Ventures India Limited	10	0	1,50,00,000	0.00	1500.00
Garware Wall Ropes Limited	10	4,41,308	4,41,308	729.88	729.88
Housing Development & Infrastructure Limited	10	1,56,556	1,56,556	1176.02	1176.02
HEG Limited	10	1,16,000	1,16,000	500.91	500.91
K S Oils Limited	1	6,21,081	6,21,081	552.01	552.01

Notes to Financial Statements for the year ended 31st March, 2013

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
15 NON CURRENT INVESTMENTS (Contd...)					
Kesoram Textile Mills Limited (Received pursuant to a scheme of arrangement)	10	0	1,31,893	0.00	0.00
Mount Everest Mineral Water Limited	10	21,74,592	23,35,592	2489.35	2613.06
Praj Industries Limited	2	9,93,630	9,93,630	2461.04	2461.04
Prime Focus Limited	1	7,72,560	7,72,560	989.21	989.21
Reliance Communications Limited	5	56,981	56,981	362.76	362.76
Taneja Aerospace & Aviation Limited	5	3,65,559	3,65,559	738.06	738.06
Tantia Construction Limited	10	2,24,774	2,24,774	332.94	332.94
Bajaj Finance Limited	10	0	640	0.00	4.79
City Union Bank Limited	1	0	9,013	0.00	4.27
Dewan Housing Finance Corporation.Limited	10	0	1,542	0.00	4.82
Edelweiss Financial Services Limited	1	0	11,110	0.00	6.21
Emkay Global Finance Service Limited	10	0	1,976	0.00	2.10
GIC Housing Finance Limited	10	0	3,017	0.00	3.99
India Infoline Limited	2	0	4,294	0.00	4.92
Indian Bank	10	0	1,835	0.00	4.71
Mahindra & Mahindra Financial Services Limited	10	0	573	0.00	4.55
Motilal Oswal Financial Services Limited	1	0	2,496	0.00	4.43
Phoenix Mills Limited	2	0	1,946	0.00	4.10
Geojit BNP Paribas Financial Services Limited	1	0	7,787	0.00	2.97
Federal Bank Limited	10	0	1,019	0.00	4.32
LIC Housing Finance Limited	2	0	1,835	0.00	4.93
Shriram City Union Finance Limited	10	0	144	0.00	0.99
South Indian Bank Limited	1	0	15,365	0.00	3.57
Sundaram Finance Limited	10	0	453	0.00	2.99
Cholamandalam Investment & Finance Limited	10	0	1,398	0.00	2.55
Manappuram Finance Limited	2	0	6,900	0.00	4.88
Yes Bank Limited	10	0	896	0.00	2.37
Shriram Transport Finance Company Limited	10	0	365	0.00	2.59
				12453.98	14158.74
Less: Provision for diminution in value of Investment				5981.03	5494.75
				6472.95	8663.99
Total Equity shares				12553.73	14712.32
Total Investments				26907.58	28820.66
Aggregate amount of quoted investments				18534.76	20207.07
Market value of quoted investments				31821.29	28750.50
Aggregate amount of unquoted investments				14414.60	14469.09
Aggregate provision for diminution in value of investments				6041.78	5855.50

Note: Erstwhile Fame India Limited is amalgamated with Inox Leisure Limited w.e.f. 01/04/2012 and consequently the Company will receive 12,71,375 Equity Shares of Inox Leisure Limited, in lieu of 20,34,201 Equity Shares of Fame India Limited.



Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

16 Long-term loans and advances

(Unsecured, considered good, unless otherwise stated)

	As at 31st March, 2013	As at 31st March, 2012
Capital Advances	2164.80	6668.77
Security Deposits	626.47	551.79
Loans and advances to related parties (Refer Note No. 50)		
Inter-corporate Deposits		
- to subsidiary companies		
Considered Good	29770.00	18700.00
Considered Doubtful	0.00	261.00
	29770.00	18961.00
Less: Provision for Doubtful Inter-corporate deposits	0.00	261.00
	29770.00	18700.00
Other loans and advances		
- Inter corporate Deposits to others	336.95	536.95
- Prepaid expenses	25.15	33.39
- Advances recoverable in cash or in kind	66.67	16.93
- Income tax paid (Net of provisions)	6315.06	9663.77
	6743.83	10251.04
Total	39305.10	36171.60

17 Other non-current assets

Non Current Bank balances (bank balances with original maturity of more than 12 months)	0.50	0.00
Interest accrued on above	0.03	0.00
Total	0.53	0.00

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
18 CURRENT INVESTMENTS (Non-trade, at cost, unless otherwise stated)					
A] CURRENT PORTION OF LONG TERM INVESTMENTS					
i) Investment in Mutual Funds					
Kotak FMP 24 Months Series 1-Growth	10	0	50,00,000	0.00	500.00
Baroda Pioneer 367 Day FMP - Series 4 - Growth	10	1,00,00,000	0	1000.00	0.00
Birla Sun Life Fixed Term Plan - Series FH - Growth	10	1,00,00,000	0	1000.00	0.00
Birla Sun Life Mutual Fund Fixed Term Plan - Series FI- Growth	10	1,00,00,000	0	1000.00	0.00
BNP Paribas Fixed Term Fund - Series 23D - Growth	10	50,00,000	0	500.00	0.00
DSP BlackRock FMP - Series 47 - 12M - Growth	10	1,00,00,000	0	1000.00	0.00
DSP BlackRock FMP - Series 48 - 12M - Growth	10	99,99,990	0	1000.00	0.00
HDFC FMP 370D April 2012 (2) - Growth - Series XXI	10	1,00,00,000	0	1000.00	0.00
HDFC FMP 370D May 2012 (2) - Growth	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative	10	1,00,00,000	0	1000.00	0.00
IDBI FMP - 366 Days - Series - II (April 2012) - H - Growth	10	99,99,990	0	1000.00	0.00
IDFC Fixed Maturity Plan - 366 Days - Series 71 - Growth	10	99,99,990	0	1000.00	0.00

Notes to Financial Statements for the year ended 31st March, 2013

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
18 CURRENT INVESTMENTS (Contd..)					
IDFC Fixed Maturity Plan 366 Days Series 73 - Growth	10	1,00,00,000	0	1000.00	0.00
Kotak FMP Series 87-Growth	10	1,00,00,000	0	1000.00	0.00
Religare FMP Series XIV Plan E370 Days - Growth	10	1,00,00,000	0	1000.00	0.00
SBI SDFS - 366 Days - 2 Growth	10	99,99,990	0	1000.00	0.00
Sundaram Fixed Term Plan - CS 367 Days - Growth	10	99,99,990	0	1000.00	0.00
Taurus Fixed Maturity Plan 374 Days Series - S - Growth	10	1,00,00,000	0	1000.00	0.00
UTI Fixed Term Income Fund series XI-IX (368 days) - Growth Plan	10	1,00,00,000	0	1000.00	0.00
Kotak Bond (Short Term) - Growth	10	49,25,575	0	1000.00	0.00
Religare Short Term Plan - A, Growth	10	68,08,650	0	1000.00	0.00
				20500.00	500.00
B1 CURRENT INVESTMENT					
i) Investment in Mutual Funds					
Liquid Benchmark Daily Dividend	1000	0	1	0.00	0.01
				0.00	0.01
Total Unquoted Investments				20500.00	500.01
Total Investments				20500.00	500.01

	As at 31st March, 2013	As at 31st March, 2012
19 Inventories (at cost or net realizable value whichever is lower, for basis valuation, please refer note no. 3(f))		
Raw materials	13567.61	21150.34
Work-in-progress	2561.72	2549.91
Finished goods	19578.68	11563.31
Traded goods	170.85	0.00
Stores and spares	5034.57	3625.14
Others		
- Fuel	446.16	996.34
- Packing Materials	337.24	528.08
- By products	356.58	240.70
- Carbon Credits	57.79	786.35
	1197.77	2551.47
Total	42111.20	41440.17
20 Trade receivables (Unsecured, considered good, unless otherwise stated)		
Considered good		
Outstanding for a period exceeding 6 months	1585.63	710.88
Others	31615.73	24072.43
	33201.36	24783.31
Considered Doubtful		
Outstanding for a period exceeding 6 months	15.53	16.41
	15.53	16.41
	33216.89	24799.72
Less: Provision for trade receivables	(15.53)	(16.41)
Total	33201.36	24783.31



Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

	As at 31st March, 2013	As at 31st March, 2012
21 Cash and bank balances		
21.1 Cash & cash equivalents		
Balances with banks in current accounts	1606.93	10592.58
Bank deposits upto 3 months maturity	0.00	10150.00
Cash on hand	20.62	12.72
	<u>1627.55</u>	<u>20755.30</u>
21.2 Other Bank Balances		
- Unpaid Dividend	223.63	201.68
- Margin Money against bank guarantee	74.68	176.40
- Bank deposits with original maturity of more than 12 months	0.00	0.66
	<u>298.31</u>	<u>378.74</u>
Total	<u>1925.86</u>	<u>21134.04</u>
22 Short-term loans and advances		
(Unsecured, considered good, unless otherwise stated)		
Loans and advances to related parties (see note number 50)		
To subsidiary companies		
- Inter corporate deposits	500.00	0.00
- Other advances	339.92	23.00
	<u>839.92</u>	<u>23.00</u>
Prepaid expenses	281.33	268.35
Advances to suppliers	2219.44	952.04
Advances recoverable in cash or in kind	69.55	115.16
Inter-corporate Deposits -Other companies		
Considered Good	0.00	0.00
Considered Doubtful	0.00	377.35
	<u>0.00</u>	<u>377.35</u>
Less: Provision for Doubtful Inter-corporate deposits	0.00	377.35
	<u>0.00</u>	<u>0.00</u>
Balances in Excise, Service Tax and VAT Accounts	2260.19	3520.40
Total	<u>5670.43</u>	<u>4878.95</u>
23 Other current assets		
Asset held for sale	185.00	0.00
Insurance claim lodged	84.11	118.07
Un amortised premium on forward contract	405.10	0.00
Interest accrued on		
- Bank deposits	1.68	13.16
- Inter corporate deposits	806.53	13.39
- Others	7.40	7.40
	<u>815.61</u>	<u>33.95</u>
Total	<u>1489.82</u>	<u>152.02</u>

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

24 Revenue from operations (Continuing operations)

	2012-2013	2011-2012
Sale of products	158521.47	212452.53
Other operating revenues	9192.21	344.09
	167713.68	212796.62
Less: Excise duty	8105.59	5897.01
Total	159608.09	206899.61

Details of sale of products

Refrigerant Gases	11707.40	7237.24
Caustic Soda (Caustic Soda Lye & Flakes)	29170.71	19466.13
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	19009.02	20368.55
Poly Tetrafluoroethylene (PTFE)	39258.56	66101.64
Carbon Credit Revenue	44169.26	87614.10
Other products	7100.93	5767.86
Total	150415.88	206555.52

25 Other income

Interest Income		
- on bank deposits	39.09	32.70
- on Inter corporate deposits		
(i) from subsidiary companies	3151.11	1827.73
(ii) from other companies	37.74	86.03
- on income tax refund	52.35	0.73
- on others	7.40	38.21
	3287.69	1985.40
Dividend Income		
- on long term investments	41.28	154.88
- on current investments	2.15	0.14
- from joint venture company	216.76	78.44
	260.19	233.46
Profit on sale of investments (Net)		
- on long term investments	134.86	2082.69
- on current investments	330.42	272.18
	465.28	2354.87
Provision for doubtful debts written back	5.60	3.45
Liabilities written back	629.21	208.89
Profit on retirement /disposal of fixed assets (Net)	0.00	1.29
Rental income from operating leases	609.12	772.56
Miscellaneous income	433.29	204.03
Total	5690.38	5763.95

26 Cost of materials consumed

Raw Materials consumed	25444.93	22306.37
Packing Materials consumed	4902.35	2928.97
Total	30347.28	25235.34

Details of raw material consumed

Fluorspar	8718.32	6843.34
Chloromethanes	564.40	854.57
Methanol	8706.00	6487.83
Others	7456.21	8120.63
Total	25444.93	22306.37

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

	2012-2013	2011-2012
27 Purchases of Stock-in-Trade		
Purchases of Stock-in-Trade	209.56	530.01
Total	209.56	530.01
Details of purchases of stock-in-trade		
Refrigerant Gases	38.00	530.01
PTFE Powder	171.56	0.00
Total	209.56	530.01
28 Changes in inventories		
Opening Stock		
Finished Goods	11563.31	3880.78
Material-in-process	2549.91	434.70
By-products	240.70	10.94
Carbon Credits	786.35	523.84
	15140.27	4850.26
Less : Closing Stock		
Finished Goods	19749.54	11563.31
Material-in-process	2561.72	2549.91
By-products	356.58	240.70
Carbon Credits	57.79	786.35
	22725.63	15140.27
Excise Duty on Stock of Finished Goods (Net)	77.10	860.36
(Increase) / Decrease in Stock	(7508.26)	(9429.65)
Details of opening and closing stocks	Closing Stock	Opening Stock
Finished Goods, By-Products & Carbon Credits		
Refrigerant Gases	5387.62 (2632.68)	2632.68 (797.14)
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	309.42 (416.75)	416.75 (107.42)
Poly Tetrafluoroethylene (PTFE)	13756.34 (8270.28)	8270.28 (2882.91)
Carbon Credits	57.79 (786.35)	786.35 (523.84)
Others	652.74 (484.30)	484.30 (104.25)
Total	20163.91 (12590.36)	12590.36 (4415.56)
Material-in-process		
Refrigerant Gases	39.78 (39.71)	39.71 (45.34)
Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)	58.98 (65.72)	65.72 (79.83)
Poly Tetrafluoroethylene (PTFE)	2458.80 (2440.62)	2440.62 (304.93)
Others	4.16 (3.86)	3.86 (4.60)
Total	2561.72 (2549.91)	2549.91 (434.70)

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

	2012-2013	2011-2012
29 Employee benefits expense		
Salaries and wages	6783.90	6011.89
Contribution to provident and other funds	303.87	274.49
Gratuity	132.71	134.92
Staff welfare expenses	232.85	231.54
Total	7453.33	6652.84
30 Finance costs		
Interest expense	5808.98	4009.78
Other borrowing costs	140.97	259.94
Loss on foreign currency transactions and translation	944.65	1443.28
Total	6894.60	5713.00
31 Depreciation and amortization expense		
Depreciation on Tangible assets	9303.29	7522.93
Amortization of Intangible assets	334.98	258.66
Total	9638.27	7781.59
32 Other expenses		
Stores and Spare Consumed	3728.42	4922.94
Power and Fuel	29069.80	27646.06
Freight and Octroi	3118.69	2528.96
Insurance	488.69	451.26
Excise Duty, Custom Duty and Sales Tax	548.36	943.54
Production Labour Charges	1036.94	809.07
Processing Charges	72.24	57.39
Factory Expenses	995.67	809.07
Repairs to		
- Buildings	227.21	88.54
- Machinery	1516.24	2825.05
- Others	253.77	226.36
	1997.22	3139.95
Directors' Sitting Fees	5.80	7.60
Commission to Director	609.54	1275.04
Rent	204.07	189.06
Rates and Taxes	230.48	199.94
Travelling and Conveyance	1096.55	1192.04
Communication expenses	162.20	145.07
Legal and Professional Fees and Expenses	2008.15	1761.26
Lease Rentals and Hire Charges	833.43	653.70
Loss on retirement /disposal of fixed assets (Net)	104.64	0.00
Net loss on foreign currency translation and transaction	8196.83	11739.74
Provision for doubtful debts	10.76	9.17
Provision of doubtful advances	0.00	547.49
Provision for diminution in value of investments (Net) - Long term	486.28	4489.04
Investment written off (net of provision of Rs. 568.50 Lacs (previous year Rs. Nil))	6.50	0.00
Inter Corporate deposits written off (net of provision of Rs. 377.35 Lacs (previous year Rs. Nil))	0.00	0.00
Bad debts and remission (net of provision for doubtful debts of Rs. 4.70 Lacs (previous year Rs. Nil))	18.06	35.48
Expenditure on Sustainable Development Plan	73.71	80.48
Commission	407.02	326.90
Royalty	3.19	6.82
Purchase of Carbon Credits	0.00	8751.52
Miscellaneous Expenses	3366.46	3346.56
Total	58879.70	76065.15

Notes to Financial Statements for the year ended 31st March, 2013

33. Securities and terms of repayment in respect of secured loans:

Rupee Term Loan of Rs. NIL (previous year Rs. 1111.05 lacs) from Oriental Bank of Commerce was secured by the way 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, excluding assets related to Company's 18 MW coal based captive power plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, 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, except for R23 incineration project. The term loan was repaid in 16 equal quarterly instalments starting from 31st May 2008 and carried interest @ 8.50% p.a.

Foreign Currency Term Loan of Rs. 23489.85 lacs (previous year Rs. 24929.24 lacs) from Axis Bank Limited is secured by way of first charge on all movable and immovable assets of Mahidad (36 MW), Gujarat, and exclusive charge on movable fixed asset of DPTFE plant located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Further, the lender also has a charge/lien over the Receivables and escrow account relating to Mahidad (36 MW). The term loan is repayable in 40 equal quarterly instalments starting from 15th June 2012 and carries interest @ 3 months LIBOR plus 4.25% p.a. Out of total sanctioned ECB of USD 49 million, ECB of USD 25 million is at the rate of 11.26% p.a. w.e.f. 11th October 2012, being hedged.

Foreign Currency Term Loan of Rs. 8940.24 lacs (previous year Rs. 8379.58 lacs) from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/ mortgage/hypothecation on movable and immovable fixed assets including cash flow and receivables of project assets, Mahidad (14 MW). Further, the lender also has a charge/lien over the escrow account. Company is in the process of creation of security on the said loan. The term loan is repayable in 20 equal half yearly instalments starting from 20th September 2013 and carries interest @ 6 months LIBOR plus 4.14% p.a.

Foreign Currency Term Loan of Rs. 6774.75 lacs (previous year Rs. 9033.00 lacs) from DBS Bank Limited is secured by first pari passu charge over moveable fixed assets of the Company at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch except assets pertaining to 18 MW coal based captive power plant, DPTFE & PTPTFE plant. The term loan is repayable in 16 equal quarterly instalments starting from 16th April 2012 and carries interest @ 8.65% p.a.

Foreign Currency Term Loan of Rs. 1400.13 lacs (previous year Rs. 2800.25 lacs) from BNP Paribas Limited is secured by hypothecation of all movable property of the Company's 18 MW coal based captive power plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. The term loan is repayable in 16 equal quarterly instalments starting from 9th April 2010 and carries interest @ 7.07% p.a.

Foreign Currency Term Loan of Rs. 417.28 lacs (previous year Rs. 1955.55 lacs) from Citibank NA is secured by first pari passu charge over Company's fixed assets situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat (Security is yet to be created). The term loan is repayable in 16 equal quarterly instalments starting from 3rd July 2009 and carries interest @ 6 months LIBOR plus 4.00% p.a.

Working Capital Loans of Rs. 1559.82 lacs (previous year Rs. 3014.61 lacs) from HDFC Bank Limited 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. The loan was repayable on demand and carries interest @ 11.00% p.a.

Working Capital Loans in the form of buyers credit of Rs. 1590.57 lacs (previous year Rs. 5410.46 lacs) and over draft facility of Rs. 2870.00 lacs (previous year Nil) from The Royal Bank of Scotland is secured by way of first pari passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future of the Company's unit at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Buyers credit is repayable in 30 days to 330 days carrying interest ranging @ 1 month LIBOR plus 1.65% to 11 month LIBOR plus 1.65%, and overdraft facility is repayable on demand and carries interest @ 9.90% p.a.

Foreign Currency working capital unsecured loans from various banks amounting to Rs.15039.53 lacs (previous year Rs. 23483.54 lacs) are repayable in the period ranging from 178 days to 355 days carrying interest ranging @ 1 month LIBOR plus 1.5% to LIBOR plus 1.95%.

Working Capital unsecured rupee loans from various banks amounting to Rs.12500.00 lacs (previous year Rs. 5000.00 lacs) are repayable in the period ranging from 89 days to 180 days carrying interest ranging @ 9.50% to 10.00%.

Unsecured overdraft facility from The Royal Bank of Scotland amounting to Rs.12060.15 lacs (previous year Rs. Nil) is repayable on demand carrying interest @ 9.90%.

34. Other operating revenues includes Rs. 8673.75 lacs (previous year Nil) being settlement amount received on cancellation of contract.

Notes to Financial Statements for the year ended 31st March, 2013

35. Contingent Liabilities and Commitments (To the extent not provided for)

(A) Contingent Liabilities

Particulars

- (a) Claims against Company not acknowledged as debt
- (b) Other
- Income Tax
- Service Tax
- Excise duty
- Custom Duty
- Electricity Duty

Amount Rs. in Lacs

2012-2013	2011-2012
7.22	7.22
8711.37	5488.43
924.34	466.39
849.66	755.45
1222.97	0.00
1204.86	1204.86

Note:

- (a) Amount of Rs. 5488.43 lacs (previous year Rs. 5452.90 lacs) has been paid in respect of above Income Tax and Service Tax demands and not charged to the Statement of profit and loss.
- (b) The Company has received CIT(A) order for the Assessment Year 2008-09 and for the AY 2009-10, where in the CIT(A) has confirmed the action of the Assessing Officer in respect of
- treatment of Investment activity of the Company in respect of investment in shares as a business activity and
 - the re-computation of the amount of deduction u/s 80IA by applying the regulatory prices in respect of power generated at its captive power units.

The Company has not accepted the orders of the CIT(A) and has preferred appeal before ITAT, Ahmedabad. The said issues were decided in favour of the Company by CIT(A) in earlier years. Consequently, the amount of demands in respect of the above are included in the amount of contingent liabilities in para (A) including for subsequent years where assessment orders are received.

(B) Commitments:

Particulars

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)
- (ii) As a security to Yes Bank Limited for the loan given to Inox Wind Limited, a subsidiary of the Company, the Company has provided an undertaking not to dilute its stake in Inox Wind Limited below 51%.

Amount Rs. in Lacs

2012-2013	2011-2012
13390.76	9329.65

36. Prior period items:

Particulars

A) Debits

- Legal and Professional Expenses
- Freight
- Repairs to Machinery
- Repairs-Others
- Travelling expenses
- Production & Maintenance Labour charges
- Rates and Taxes
- Insurance
- Selling Commission
- Others

Total (a)

B) Credits

- Others

Total (b)

Net Prior Period Items

Amount Rs. in Lacs

2012-2013	2011-2012
11.32	0.81
9.86	3.87
3.48	9.97
2.10	9.89
2.07	0.00
0.09	0.00
0.00	1.63
0.00	1.29
3.28	0.00
37.78	7.07
69.98	34.53
9.05	48.36
9.05	48.36
60.93	(13.83)

Notes to Financial Statements for the year ended 31st March, 2013

37. Payments to Auditor's:

Amount Rs. in Lacs

Particulars	Amount Rs. in Lacs	
	2012-2013	2011-2012
Statutory Audit fees	12.00	11.00
Tax Audit fees	6.00	5.00
For taxation matters	5.50	5.00
Limited review, corporate governance certificate and consolidated accounts	7.50	6.00
For other services	4.70	6.60
For reimbursement of expenses	0.12	0.05
Total	35.82	33.65

38. CIF value of imports:

Amount Rs. in Lacs

Particulars	Amount Rs. in Lacs	
	2012-2013	2011-2012
Raw materials	12156.26	24584.42
Fuel	5337.71	6034.18
Traded goods	157.68	280.61
Components and Spare Parts	1468.37	1144.08
Capital goods (Including capital work in progress)	3912.17	3329.03
Total	23032.19	35372.32

39. Imported and indigenous raw materials consumed :

Amount Rs. in Lacs

	Percentage		Value	
	2012-2013	2011-2012	2012-2013	2011-2012
Imported	77.01	68.76	19595.33	15338.04
Indigenous	22.99	31.24	5849.60	6968.33
Total	100.00	100.00	25444.93	22306.37

40. Imported and indigenous spare parts consumed :

Amount Rs. in Lacs

	Percentage		Value	
	2012-2013	2011-2012	2012-2013	2011-2012
Imported	24.25	30.95	904.08	1523.58
Indigenous	75.75	69.05	2824.34	3399.36
Total	100.00	100.00	3728.42	4922.94

41. Expenditure in foreign currency:(Including amount capitalized)

Amount Rs. in Lacs

Particulars	Amount Rs. in Lacs	
	2012-2013	2011-2012
Royalty	3.19	7.04
Professional and Consultation fees	1050.92	745.67
Know How	0.00	528.06
Purchase of Carbon Credits	0.00	8751.52
Interest	1892.68	1800.89
Others - Lease Rent, Sales Commission, Travelling , etc.	3016.74	5380.95
Total	5963.53	17214.13

42. Earning in foreign exchange:

Amount Rs. in Lacs

Particulars	Amount Rs. in Lacs	
	2012-2013	2011-2012
Exports of goods calculated on FOB basis	79674.93	146015.09
Dividend	216.76	78.44
Other Operating Income	9379.95	609.69

Notes to Financial Statements for the year ended 31st March, 2013

43. Major Components of the net Deferred tax liability:

Amount Rs. in Lacs

Particulars	2012-2013	2011-2012
(A) Deferred Tax Liabilities		
(i) On account of difference between tax depreciation and depreciation / amortisation charged in the books	16246.40	13420.18
Total	16246.40	13420.18
(B) Deferred Tax Assets		
(i) Retirement benefits	405.05	318.47
(ii) Others	9.82	33.98
Total	414.87	352.45
Net Deferred Tax Liability	15831.53	13067.73

44. Calculation of Earnings per share (EPS):

Continuing Operations

A. Particulars	2012-2013	2011-2012
a) Amount used as the numerator - Profit after taxation (Rs. in Lacs)	39790.25	75300.22
b) Equity shares outstanding at the beginning & end of the year – (Nos.)	109850000	109850000
c) Nominal value of each share – (Re)	1	1
d) Basic and Diluted Earnings per share (Rs.)	36.22	68.55
Total Operations		
B. Particulars		
a) Amount used as the numerator - Profit after taxation (Rs. in Lacs)	39834.33	43159.65
b) Equity shares outstanding at the beginning & end of the year – (Nos.)	109850000	109850000
c) Nominal value of each share – (Re)	1	1
d) Basic and Diluted Earnings per share (Rs.)	36.26	39.29

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

Amount Rs. in Lacs

Particulars	2012-2013	2011-2012
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	2.27	11.59
Interest accrued and due to suppliers under MSMED Act,2006 on the above amount, unpaid at the year end.	0.01	0.00
Payment made to suppliers (other than interest) beyond the appointed date during the year.	0.39	5.34
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year.	0.02	0.16
Interest due and payable to suppliers under MSMED Act for payments already made.	0.01	0.02
Interest accrued and not paid to suppliers under MSMED Act,2006 up to the year end.	0.01	0.02

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

Notes to Financial Statements for the year ended 31st March, 2013

46. Segment Information

(A) Information about Primary (Business) Segment

Amount Rs. in Lacs

Particulars	Continuing Operations		Discontinued Operations		Total Operations	
	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012
[I] Segment Revenue						
i. Chemicals	159608.08	206899.61			159608.08	206899.61
ii. Power	0.00	0.00	65.25	4902.64	65.25	4902.64
iii. Un-allocable and Corporate	5690.38	5763.95			5690.38	5763.95
Total Segment Revenue	165298.46	212663.56	65.25	4902.64	165363.71	217566.20
Less : Inter Segment Revenue	0.00	0.00			0.00	0.00
Total External Revenue	165298.46	212663.56	65.25	4902.64	165363.71	217566.20
[II] Segment Result						
i. Chemicals	64612.68	107517.56			64612.68	107517.56
ii. Power	0.00	0.00	65.25	1183.39	65.25	1183.39
Total Segment Result	64612.68	107517.56	65.25	1183.39	64677.93	108700.95
Add/(Less): Un-allocable Income / (Expenses)(Net)	1665.91	(1689.28)	0.00	(35667.94)	1665.91	(37357.22)
Less Finance costs	6894.60	5713.00	0.00	442.53	6894.60	6155.53
Total Profit Before Tax	59383.99	100115.28	65.25	(34927.08)	59449.24	65188.20
Less : Taxation (Net)	19593.74	24815.06	21.17	(2786.51)	19614.91	22028.55
Net Profit After Tax	39790.25	75300.22	44.08	(32140.57)	39834.33	43159.65
[III] Other Information						
a] Segment Assets						
i. Chemicals	282258.81	272948.54			282258.81	272948.54
ii. Power	0.00	0.00			0.00	0.00
iii. Un-allocable and Corporate	90432.68	72955.84			90432.68	72955.84
Total	372691.49	345904.38	0.00	0.00	372691.49	345904.38
b] Segment Liabilities						
i. Chemicals	16457.43	27693.05			16457.43	27693.05
ii. Power	0.00	0.00			0.00	0.00
iii. Un-allocable and Corporate	106708.45	104034.56			106708.45	104034.56
Total	123165.88	131727.61	0.00	0.00	123165.88	131727.61
c] Capital Expenditure (Including Capital Advances)						
i. Chemicals	19581.51	73713.17			19581.51	73713.17
ii. Power	0.00	0.00	0.00	42462.63	0.00	42462.63
iii. Un-allocable and Corporate	719.23	579.87			719.23	579.87
Total	20300.74	74293.04	0.00	42462.63	20300.74	116755.67
d] Depreciation & Amortization						
i. Chemicals	9393.21	7549.02			9393.21	7549.02
ii. Power	0.00	0.00	0.00	2398.62	0.00	2398.62
iii. Un-allocable and Corporate	245.06	232.57			245.06	232.57
Total	9638.27	7781.59	0.00	2398.62	9638.27	10180.21
e] Non-cash expenses (other than depreciation)						
i. Chemicals	18.06	12.39			18.06	12.39
ii. Power	0.00	0.00			0.00	0.00
iii. Un-allocable and Corporate	486.28	4512.27			486.28	4512.27
Total	504.34	4524.66	0.00	0.00	504.34	4524.66

Notes to Financial Statements for the year ended 31st March, 2013

(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	
	2012-2013	2011-2012
Domestic	70618.44	65177.48
Overseas	89054.89	146624.78
Total	159673.33	211802.26

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:

- i) The Company was having various power generation facilities viz. Wind Mills, Gas Based Power Plant and Coal Based Power Plant and the power generated was used for captive consumption as well as sold outside.
In the previous year, Company has transferred power generation facilities which were in the business of generation and sale of power by way of Slump Sale to its subsidiary Inox Renewables Limited and the same was reported as discontinued operations.
Power generation facilities generating and supplying power to the Chemical Business are retained. Electricity generated by these facilities is consumed in Chemical Business and not sold outside. Accordingly, the same is part of the Chemical Business and hence, the Company now operates in single business segments of "Chemicals" - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
- ii) Chemicals business is operated in two geographical markets, in domestic and overseas market. In respect of power segment, the entire production was indigenously sold/consumed. The disclosures regarding geographical segments are made accordingly.
- iii) The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

47. Discontinued operations

a) **Slump Sale of Wind Energy Business :**

In the previous year, the Company has transferred the entire Wind Energy Business, which was a major part of power segment as per AS 17, Segment Reporting, to a subsidiary Inox Renewables Limited, by way of Slump Sale w.e.f. close of business on 30th March, 2012 for a total value of Rs. 100.00 Lacs. This has been reported as discontinued operations by the Company.

b) **Loss on account of the Slump Sale in the previous year was computed as under :**

Particulars	Amount (Rs. in Lacs)
Total Value received on Slump Sale	100.00
Less : Value of Net Assets transferred on Slump Sale	
Total Assets Transferred	86,161.44
Less :Total Liabilities Transferred	50,415.79
	35745.65
Loss before expenses	(35645.65)
Add : Expenses incurred on Slump Sale	22.29
Loss on Slump Sale	(35667.94)

c) **Revenue, expenses, pre-tax profit/ (Loss) and Income tax expenses attributable to Discontinued Operations:**

	Amount (Rs. in Lacs)	
	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Revenue from operations	65.25	4902.64
Other income		0.00
Total revenue (A)	65.25	4902.64
Employee benefits expense	0.00	121.04
Finance costs	0.00	442.53
Depreciation and amortisation expense	0.00	2398.62
Other expenses	0.00	1199.59
Total expenses (B)	0.00	4161.78

Notes to Financial Statements for the year ended 31st March, 2012

Amount Rs. in Lacs

	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Profit before tax from ordinary activities of discontinued operations (A-B)	65.25	740.86
Loss on disposal of assets / settlement of liabilities attributable to the discontinuing operation (as above)	0.00	(35667.94)
Total Profit/(Loss) from discontinuing operations before tax	65.25	(34927.08)
Tax on ordinary activities attributable to the discontinuing operations		
i) Current Tax	21.17	1018.60
ii) Deferred Tax (Credit)/Charge	0.00	(3805.11)
Total Tax Expenses	21.17	(2786.51)
Profit/(Loss) after tax of discontinuing operations	44.08	(32140.57)
d) Cash flow attributable to Discontinued Operations :		
Net cash flow attributable to the discontinued business		
Cash flows from operating activities	44.08	2911.61
Cash flows from investing activities	0.00	(42462.63)
Cash flows from financing activities	0.00	41692.28

48. The Company has a Joint Venture interest of 33.77% in Xuancheng Hengyuan Chemical Technology Company Ltd., a company incorporated in the People's Republic of China. As on 31.03.2013 the Company has invested a sum of Rs.1263.89 Lacs in the share capital of this Joint Venture.

The JVC is engaged in the business of manufacture of Anhydrous Hydrogen Fluoride and allied activities.

a) The financial year of the JVC is January to December. The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st December 2012 are as under:

Amount Rs. in Lacs

S.No.	Particulars	2012	2011
i)	Assets	5,381.19	5,058.48
ii)	Liabilities	3,605.94	2,835.20
iii)	Income	6,570.68	6,789.16
iv)	Expenses	6,922.79	6,566.60

b) The Company's share of capital commitments in the JVC as at 31st December, 2012 is Rs. Nil (previous year Nil).

c) The Company's share of contingent liability of the JVC as at 31st December, 2012 is Rs. Nil (previous year Nil).

d) The Company's transactions with JVC, being a related party, are disclosed in note no 50.

49. The Company has a Joint Venture interest of 25% in Swarnim Gujarat Flourspar Private Limited., a company incorporated under the Companies Act, 1956 on 19th June, 2012. As on 31st March, 2013 the Company has invested a sum of Rs.1.25 Lacs in the share capital of this Joint Venture.

The JVC is engaged in the business of manufacture of Acid Grade Fluorspar and allied activities.

a) The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st March, 2013 are as under:

Amount (Rs. in Lacs)

S. No.	Particulars	2012-13
i)	Assets	13.29
ii)	Liabilities	17.98
iii)	Income	-
iv)	Expenses	5.94

b) The Company's share of capital commitments in the JVC as at 31st March, 2013 is Rs. 0.88 Lacs.

c) The Company's share of contingent liability of the JVC as at 31st March, 2013 is Rs. Nil.

d) The Company's transactions with JVC, being a related party, are disclosed in note no. 50.

Notes to Financial Statements for the year ended 31st March, 2012

50. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Holding Company:

Inox Leasing & Finance Limited

Subsidiary Companies:

Inox Leisure Limited

Inox Infrastructure Private Limited

Inox Motion Pictures Limited

Inox Wind Limited

Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)

Inox Renewables Limited

Inox Renewables Jaisalmer Limited- Subsidiary of Inox Renewables Limited (Incorporated on 24th July 2012)

Inox Wind Infrastructure Limited- Subsidiary of Inox Wind Limited (Incorporated on 11th May 2012)

GFL Singapore Pte Limited (Incorporated on 25th July 2011)

GFL GM Fluorspar SA (Incorporated on 16th August 2011 and a subsidiary upto 28th September 2011 and subsequently a subsidiary of GFL Singapore Pte Limited)

Following Companies amalgamated with Inox Leisure Limited w.e.f. 1st April 2012-

Fame India Limited (Subsidiary of Inox Leisure Limited)

Fame Motion Pictures Limited (formerly Shringar Films Limited)
(Subsidiary of Fame India Limited)

Big Pictures Hospitality Services Private Limited (Subsidiary of Fame India Limited)

Headstrong Films Private Limited ((Subsidiary of Fame India Limited w.e.f. 27th March 2012)

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

Joint Venture

Xuancheng Hengyuan Chemical Technology Co. Ltd (XHCT Co. Ltd)

Swarnim Gujarat Fluorspar Private Limited (Incorporated on 19th June, 2012)

Key Management Personnel

Mr. V K Jain (Managing Director)

Mr. D K Sachdeva (Whole Time Director)

Mr. J S Bedi (Whole Time Director)

Mr. G Arumugam (Whole Time Director) upto 22nd June, 2012

Relatives of Key Management Personnel

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

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

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

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 Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited



Notes to Financial Statements for the year ended 31st March, 2013

Related Party disclosures

(ii) Particulars of transactions

Amount Rs. in Lacs

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
A) Transactions during the year														
Sales of Goods														
Inox Air Products Limited											8.54	25.18	8.54	25.18
GFL Americas LLC			1154.48	2420.78									1154.48	2420.78
Others			1.84	0.67							0.05	0.03	1.89	0.70
Total			1156.32	2421.45							8.59	25.21	1164.91	2446.66
Sales return														
GFL Americas LLC			102.94	0.00									102.94	0.00
Total			102.94	0.00									102.94	0.00
Purchase of Assets (Including Capital Work in Progress)														
Inox Wind Limited			0.00	54714.13									0.00	54714.13
Inox Renewables Limited			0.00	267.02									0.00	267.02
Total			0.00	54981.15									0.00	54981.15
Purchase of Goods														
Inox Air Products Limited											243.16	424.74	243.16	424.74
Inox India Limited											1704.44	578.59	1704.44	578.59
XHCT Co. Ltd					567.81	569.58							567.81	569.58
GFL Americas LLC			0.00	112.33									0.00	112.33
Inox Wind Limited			76.86	0.00									76.86	0.00
Others			0.00	1.94									0.00	1.94
Total			76.86	114.27	567.81	569.58					1947.60	1003.33	2592.27	1687.18
Consideration for Slump Sale of Wind Energy Business														
Inox Renewables Limited			0.00	100.00									0.00	100.00
Total			0.00	100.00									0.00	100.00
Sale of Investments														
GFL Singapore Pte Ltd			0.00	3.82									0.00	3.82
Total			0.00	3.82									0.00	3.82
Inter-corporate Deposits given														
Inox Motion Pictures Limited			0.00	36.00									0.00	36.00
Inox Wind Limited			7975.00	0.00									7975.00	0.00
Inox Leisure Limited			970.00	9650.00									970.00	9650.00
Inox Renewables Limited			10600.00	0.00									10600.00	0.00
Total			19545.00	9686.00									19545.00	9686.00
Inter-corporate Deposits received back														
Inox Wind Limited			7975.00	7000.00									7975.00	7000.00
Inox Leisure Limited			0.00	4250.00									0.00	4250.00
Total			7975.00	11250.00									7975.00	11250.00
Equity shares subscribed														
GFL Americas LLC			130.06	234.52									130.06	234.52
Inox Renewables Limited			0.00	300.00									0.00	300.00
GFL Singapore Pte Limited			830.41	589.56									830.41	589.56
GFL GM Flourspar SA			0.00	3.16									0.00	3.16
Inox Motion Pictures Limited			275.00	0.00									275.00	0.00
Swarnim Gujarat Fluorspar Pvt.Ltd					1.25	0.00							1.25	0.00
Total			1235.47	1127.24	1.25	0.00							1236.72	1127.24
Interest received														
Inox Motion Pictures Limited			0.00	20.82									0.00	20.82
Inox Wind Limited			346.11	647.26									346.11	647.26
Inox Leisure Limited			1917.16	1159.65									1917.16	1159.65
Inox Renewables Limited			887.84	0.00									887.84	0.00
Total			3151.11	1827.73									3151.11	1827.73

Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Dividend Received														
XHCT Co. Ltd					216.76	78.44							216.76	78.44
Total					216.76	78.44							216.76	78.44
Provision for diminution in value of Investments														
Inox Motion Pictures Limited			0.00	300.00									0.00	300.00
Total			0.00	300.00									0.00	300.00
Investment Written off														
Inox Motion Pictures Limited			575.00	0.00									575.00	0.00
Total			575.00	0.00									575.00	0.00
Provision for doubtful advances														
Inox Motion Pictures Limited			0.00	269.14									0.00	269.14
Total			0.00	269.14									0.00	269.14
Provision for doubtful advances written back & converted into Equity shares														
Inox Motion Pictures Limited			268.50	0.00									268.50	0.00
Total			268.50	0.00									268.50	0.00
Expenses (Repairs)														
Refron Valves Limited										0.90	2.85		0.90	2.85
Inox Wind Limited			3.21	0.00									3.21	0.00
Total			3.21	0.00						0.90	2.85		4.11	2.85
Reimbursement of expenses (paid)														
Inox Air Products Limited										6.46	8.01		6.46	8.01
Inox India Limited										0.00	0.08		0.00	0.08
Inox Leasing & Finance Limited	0.95	0.57											0.95	0.57
Inox Wind Limited			7.52	15.46									7.52	15.46
GFL Americas LLC			291.11	141.68									291.11	141.68
Inox Renewables Limited			5.18	20.67									5.18	20.67
Inox Wind Infrastructure Services Ltd			34.74	0.00									34.74	0.00
Total	0.95	0.57	338.55	177.81						6.46	8.09		345.96	186.47
Reimbursement of expenses (received)														
Inox India Limited										5.50	4.62		5.50	4.62
Inox Wind Limited			0.32	0.31									0.32	0.31
Inox Leasing & Finance Limited	0.55	0.32											0.55	0.32
GFL Americas LLC			2.25	0.00									2.25	0.00
Inox Renewables Limited			207.60	13.38									207.60	13.38
Inox Wind Infrastructure Services Ltd			18.91	0.00									18.91	0.00
Inox Renewables Jaisalmer Limited			1.25	0.00									1.25	0.00
Swarnim Gujarat Fluorspar Pvt.Ltd					51.01	0.00							51.01	0.00
Others			0.07	0.00									0.07	0.00
Total	0.55	0.32	230.40	13.69	51.01	0.00				5.50	4.62		287.46	18.63
Rent Received														
Inox Air Products Limited										144.90	144.90		144.90	144.90
Others										0.72	0.72		0.72	0.72
Total										145.62	145.62		145.62	145.62
Rent paid														
Inox Air Products Limited										0.60	0.60		0.60	0.60
Devansh Gases Private Limited										19.50	18.00		19.50	18.00
Inox Leasing & Finance Limited	60.00	48.00											60.00	48.00
GFL Americas LLC			38.07	12.55									38.07	12.55
Others							1.20	1.20					1.20	1.20
Total	60.00	48.00	38.07	12.55			1.20	1.20		20.10	18.60		119.37	80.35
O&M Charges & Lease Rents paid														
Inox Air Products Limited										202.56	137.96		202.56	137.96
Inox Renewables Limited			42.34	243.00									42.34	243.00
Inox Wind Infrastructure Services Ltd			307.66	0.00									307.66	0.00
Total			350.00	243.00						202.56	137.96		552.56	380.96



Notes to Financial Statements for the year ended 31st March, 2013

Amount Rs. in Lacs

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Errection & Commissioning Charges														
Inox Air Products Limited											0.00	30.00	0.00	30.00
Inox Renewables Limited			0.00	96.00									0.00	96.00
Total			0.00	96.00							0.00	30.00	0.00	126.00
Remuneration paid														
Mr. V K Jain							574.19	567.31					574.19	567.31
Others							121.35	146.21	3.14	5.38			124.49	151.59
Total							695.54	713.52	3.14	5.38			698.68	718.90
Commission paid to Director														
Mr. D K Jain									609.54	1275.04			609.54	1275.04
Total									609.54	1275.04			609.54	1275.04
Sitting Fees paid														
Mr. D K Jain									1.20	1.60			1.20	1.60
Mr. P K Jain									0.00	0.20			0.00	0.20
Total									1.20	1.80			1.20	1.80
B) Amounts outstanding														
Amount payable														
Mr. V K Jain							348.69	350.14					348.69	350.14
Mr. D K Jain									421.19	881.05			421.19	881.05
Inox Wind Limited			101.60	0.00									101.60	0.00
GFL Americas LLC			124.02	0.00									124.02	0.00
Others	0.33	0.00	34.74	13.99	74.00	106.39	15.63	11.73	0.00	0.45	128.27	139.09	252.97	271.65
Total	0.33	0.00	260.36	13.99	74.00	106.39	364.32	361.87	421.19	881.50	128.27	139.09	1248.47	1502.84
Amount Receivables														
a) Inter Corporate Deposit														
Inox Leisure Limited			19670.00	18700.00									19670.00	18700.00
Inox Motion Pictures Limited			0.00	261.00									0.00	261.00
Inox Renewables Limited			10600.00	0.00									10600.00	0.00
Total			30270.00	18961.00									30270.00	18961.00
b) Trade Receivables														
GFL Americas LLC			1031.22	1658.85									1031.22	1658.85
Inox Air Products Limited											0.00	0.46	0.00	0.46
Total			1031.22	1658.85							0.00	0.46	1031.22	1659.31
c) Loans & Advances														
Inox Wind Infrastructure Services Ltd			18.91	0.00									18.91	0.00
Inox Renewables Limited			255.31	9.33									255.31	9.33
Swarnim Gujarat Fluorspar Pvt.Ltd					51.01	0.00							51.01	0.00
Others			14.05	20.71									14.05	20.71
Total			288.27	30.04	51.01	0.00							339.28	30.04
d) Interest receivable on ICD														
Inox Renewables Limited			799.05	0.00									799.05	0.00
Total			799.05	0.00									799.05	0.00

51. Additional disclosure as required by Listing Agreement in respect of loans given:

Amount Rs. in Lacs

Name of the Loanee	Inox Leisure Ltd	Inox Wind Ltd	Inox Motions Pictures Ltd	Inox Renewables Limited
Amount of loan at the year end	19670.00 (18700.00)	Nil (Nil)	Nil (261.00)	10600.00 (Nil)
Maximum balance during the year	19670.00 (18700.00)	7275.00 (7000.00)	Nil (261.00)	10600.00 (Nil)
Investment by the loanee in the shares of the Company (Previous year figures are in brackets.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

Notes to Financial Statements for the year ended 31st March, 2013

52. Outstanding derivative and not hedged foreign currency exposure as at Balance Sheet date:

Derivative outstanding as at Balance Sheet date:

(Figures in Lacs)

S. No	Nature of Contract	Foreign Currency	Buy/Sell	2012-2013	2011-2012	Purpose
a)	Forward Contracts	USD	Sell	0.00	604.50	Hedging of Receivable
b)	Forward Contracts	EURO	Sell	100.00	1470.00	Hedging of Receivable
c)	Forward Contracts	USD	Buy	210.58	0.00	Hedging of Loan and Interest Rate of Loan
d)	Currency and Interest Rate Swap	USD	Buy	55.79	0.00	Hedging of Loan and Interest Rate of Loan
e)	Currency and Interest Rate Swap	USD	Buy	415.59	257.50	Hedging of Loan and Interest Rate of Loan

Foreign currency exposure as at Balance Sheet date:

S. No.	Particulars	2012-2013							2011-2012						
		USD	EURO	JPY	GBP	CHF	YUAN	AUD	USD	EURO	JPY	GBP	CHF	YUAN	AUD
a)	Receivables	91.96	206.49		2.01										
b)	Payables	64.54	0.29	336.98	0.04	1.45		0.66	21.74	9.12	19.40	0.03	0.47	-	
c)	Advances Received	0.41							7.15	130.25	-	-	-	-	
d)	Advances Paid	61.40	1.67	15.06	0.03	2.37			10.50	2.77	352.04	-	-	-	
e)	ECB/FCNRB	376.55							693.14	-	-	-	-	-	
f)	PCFC								219.08	-	-	-	-	-	
g)	Buyers Credit	31.30							348.85	-	-	-	-	-	
h)	Interest Payable	0.97							1.77	-	-	-	-	-	
g)	Investments	46.65					225.91		28.86	-	-	-	-	225.91	

Note : The above outstanding exposures are un-hedged

53. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs.302.08 lacs (Previous Year 272.41 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation as on 31st March 2013

Amount Rs. in Lacs

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	2012-2013	2011-2012	2012-2013	2011-2012
1. Change in Benefit Obligation				
Liability at the beginning of the year	548.23	428.52	233.70	181.95
Interest Cost	46.22	34.39	18.72	13.26
Current Service Cost	137.41	124.51	113.68	104.58
Benefits paid	(17.91)	(15.21)	(30.42)	(39.42)
Actuarial (Gain)/Loss	(67.99)	(23.97)	(67.61)	(26.67)
Liability at the end of the year	645.96	548.24	268.07	233.70
Add : Short term leave liability			177.43	157.47
Total Leave Liability			445.50	391.17
2. Expenses recognized in the Statement of Profit and Loss				
Current Service Cost	137.41	124.51	113.68	104.58
Interest Cost	46.22	34.39	18.72	13.26
Actuarial (Gain)/Loss	(67.99)	(23.97)	(67.61)	(26.67)
Expenses recognized in the Statement of Profit and Loss	115.64	134.93	64.79	91.17
On account of short term leave liability			19.96	42.59
Total for leave liability			84.75	133.76

Notes to Financial Statements for the year ended 31st March, 2013

Particulars	Gratuity	Gratuity	Leave	Leave
	2012-2013	2011-2012	Encashment 2012-2013	Encashment 2011-2012
3. Actuarial Assumptions				
Discount Rate	8.06%	8.57%	8.06%	8.57%
Salary Escalation Rate	8.00%	8.00%	8.00%	8.00%
Retirement Age	60 years			
Withdrawal Rates	5%			
Mortality	LIC (1994-96) Published table of rates			

4. Other disclosures : Experience Adjustment	2012-13	2011-12	2010-11	2009-10	2008-09
(i) Gratuity					
Present value of Defined benefit obligations	645.97	548.23	428.52	339.35	274.06
Experience (Gain)/Loss on obligation	(67.99)	(23.97)	(39.45)	(15.50)	(1.09)
(ii) Leave Encashment					
Present value of Defined benefit obligations	268.07	233.70	181.95	129.86	150.43
Experience (Gain)/Loss on obligation	(67.61)	(26.67)	26.82	(86.56)	0.86

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.

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

A) In respect of assets given on Operating Lease :-

Particulars	Amount (Rs. in Lacs)	
	2012-13	2011-2012
(i) Gross carrying amount of asset given on operating lease included in Buildings block of fixed assets	914.52	914.52
(ii) Accumulated Depreciation as at the end of the year	105.91	91.00
(iii) Depreciation for the year	14.91	14.90
(iv) Future minimum lease payments -		
(a) Not later than one year	637.43	523.94
(b) Later than one year and not later than five years	1915.70	1869.69
(c) Later than five years	0.00	0.00
(v) 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.		

Notes to Financial Statements for the year ended 31st March, 2013

B) In respect of assets taken on operating lease:

The plants taken on operating lease are for an initial non-cancellable period of ten years, which can be further extended at the mutual agreement. The future minimum lease payments under these lease arrangement are as under:-

S.No.	Payable in future	Amount (Rs. in Lacs)	
		2012-13	2011-2012
a)	Not later than one year	80.28	74.66
b)	Later than one year and not later than five years	277.02	312.30
c)	Later than five years	161.25	206.25

C) The Company's other significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations) taken on lease. These lease arrangements are cancellable, range between 11 months to 60 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as expenses in the Statement of Profit and Loss.

55. Excise Duty collected on Sale of products and other operating revenue is reduced from gross Sale of products and other operating revenue. Excise Duty of Rs. 37.89 Lacs (previous year Rs.14.72 Lacs) comprising of payments on other accounts is charged to Statement of Profit and Loss separately and included in Excise Duty, Custom Duty and Sales Tax in note 32.

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

S. SWARUP
Director

S. P. JAIN
Director

M. Y. Kulkarni
Partner

DEEPAK ASHER
Director & Group Head
(Corporate Finance)

O. P. LOHIA
Director

B. V. DESAI
Company Secretary

Place : Pune

Place : Noida

Dated : 30th May, 2013

Dated : 30th May, 2013



Gujarat Fluorochemicals Limited

GUJARAT FLUOROCHEMICALS LIMITED

CONSOLIDATED ANNUAL ACCOUNTS

2012 – 2013

Independent Auditors' Report Consolidated Financial Statement

To the Members of Gujarat Fluorochemicals Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of **Gujarat Fluorochemicals Limited** ('the Company') its subsidiaries, joint ventures and associates (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- ii. in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries and joint venture which reflect the Group's share of total assets (net) of Rs. 44975.02 lacs as at 31st March, 2013, total revenue of Rs. 14587.33 lacs and net cash outflow's amounting to Rs. 1431.23 lacs for the year then ended as considered in the consolidated financial statement. We also did not audit the financial statements of an associate of the Company's subsidiary whose financial statement reflect the Group's share of profit for the year of Rs. Nil and Group's share of profit upto 31st March, 2013 of Rs. 1.47 lacs. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

We have relied on the unaudited financial statements of a joint venture whose financial statements reflect the Group's share of total liabilities (net) of Rs. 4.67 lacs as at 31st March, 2013, total revenue of Rs. Nil and net cash flows amounting to Rs. 0.37 lacs for the year then ended. Our opinion is not qualified in respect of this matter.

For Patankar & Associates
Chartered Accountants
Firm Registration No. 107628W

Place: Pune,
Dated: 30th May, 2013

(M.Y.Kulkarni)
Partner

Membership No. 035524



Consolidated Balance Sheet of Gujarat Fluorochemicals Limited and its Subsidiary Companies as at 31 st March, 2013

		Amount (Rs. in Lacs)	
	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	1098.50	1098.50
(b) Reserves and surplus	5	<u>319956.13</u>	<u>270709.91</u>
		321054.63	271808.41
(2) Minority interest		28551.50	15340.77
(3) Non-current liabilities			
(a) Long-term borrowings	6	120853.94	89573.68
(b) Deferred tax liabilities (Net)	40	20118.58	16847.68
(c) Other Long term liabilities	7	5716.47	532.05
(d) Long-term provisions	8	1204.11	955.52
		<u>147893.10</u>	<u>107908.93</u>
(4) Current liabilities			
(a) Short-term borrowings	9	70205.47	51101.99
(b) Trade payables	10	39216.58	22279.53
(c) Other current liabilities	11	40794.67	44396.81
(d) Short-term provisions	12	5910.02	5589.75
		<u>156126.74</u>	<u>123368.08</u>
TOTAL		653625.97	518426.19
II. ASSETS			
(1) Non-current assets			
(a) Goodwill on consolidation		0.00	6950.83
(b) Fixed assets			
(i) Tangible assets	13	349771.30	258037.75
(ii) Intangible assets	14	5356.29	4656.18
(iii) Capital work-in-progress		52298.45	74093.83
(c) Deferred tax assets	40	1648.53	28.12
(d) Non-current investments	15	30792.68	15353.44
(e) Long-term loans and advances	16	30614.76	34369.15
(f) Other non-current assets	17	752.19	630.23
		<u>471234.20</u>	<u>394119.53</u>
(2) Current assets			
(a) Current investments	18	22354.12	3077.28
(b) Inventories	19	51412.74	53309.70
(c) Trade receivables	20	88981.07	29028.97
(d) Cash and bank balances	21	5912.94	29111.59
(e) Short-term loans and advances	22	11846.58	9508.10
(f) Other current assets	23	1884.32	271.02
		<u>182391.77</u>	<u>124306.66</u>
TOTAL		653625.97	518426.19

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

S. SWARUP
Director

S. P. JAIN
Director

M. Y. Kulkarni
Partner

DEEPAK ASHER
Director & Group Head
(Corporate Finance)

O. P. LOHIA
Director

B. V. DESAI
Company Secretary

Place : Pune
Dated : 30th May, 2013

Place : Noida
Dated : 30th May, 2013

Consolidated Statement of Profit and Loss of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2013

		Amount (Rs. in Lacs)	
	Note No.	2012-2013	2011-2012
I. Revenue from operations	24	324747.42	288912.65
Less: Excise Duty		8105.59	5897.01
		316641.83	283015.64
II. Other income	25	3128.49	4680.69
III. Total Revenue (I + II)		319770.32	287696.33
IV. Expenses:			
Cost of materials consumed	26	107292.28	75961.13
Purchases of Stock-in-Trade	27	2013.96	1365.65
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(7668.05)	(10326.98)
Employee benefits expense	29	14870.03	12750.72
Finance costs	30	13201.75	8908.99
Depreciation and amortization expense	31	17066.09	14902.13
Goodwill on consolidation written off		0.00	12.85
Other expenses	32	137728.42	130478.05
Total expenses		284504.48	234052.54
V. Less: Expenditure capitalized		(39317.96)	(50011.91)
VI Net Expenditure		245186.52	184040.63
VII. Profit before exceptional item and tax (III-VI)		74583.80	103655.70
VIII Exceptional item	34	0.00	1797.51
IX Profit before tax (VII- VIII)		74583.80	101858.19
X (A) Tax expense:			
(1) Current tax		21146.77	25216.83
(2) MAT credit entitlement		(3446.89)	(2889.38)
(3) Deferred tax		1829.51	2081.51
		19529.39	24408.96
(B) Taxation pertaining to earlier years			
(1) Income tax		21.66	26.46
(2) Deferred tax		(184.23)	(153.92)
		(162.57)	(127.46)
XI Profit for the year (IX-X)		55216.98	77576.69
XII Less : Share of minority interest in profit / (loss)		881.23	(428.21)
XIII Add: Share in profit of associates		0.00	0.29
XIV Net Profit		54335.75	78005.19
XV Earnings per equity share:			
Basic and diluted Earnings Per Share of Re 1 each	50	49.46	71.01

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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Dated : 30th May, 2013

Place : Noida
Dated : 30th May, 2013



Consolidated Cash Flow Statement of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2013

Amount (Rs. in Lacs)

	2012-2013	2011-2012
A Cash flow from operating activities		
Profit before tax	74583.80	101858.19
<u>Adjustments for :</u>		
Depreciation and Amortisation	17066.09	14902.13
Loss/(Profit) on retirement/disposal of fixed assets (Net)	573.13	44.33
Provision for diminution in value of investments (Net)	486.28	4189.04
Provision for doubtful trade receivables (Net)	12.14	160.02
Provision for doubtful advances	2.63	298.60
Bad debts and remissions	18.08	96.10
Liabilities and provisions written back	(794.14)	(254.03)
Provision for doubtful advances written back	0.00	(7.21)
Amounts written-off	4.86	29.52
Expenses on Abandoned Projects Written Off	0.00	119.27
Amortization of value of Stock Options	1.06	(4.78)
Amortization of goodwill on consolidation	0.00	12.85
Unrealised Foreign exchange Loss (Net)	323.35	4768.14
Income in respect of investing activities (Net)	(1233.37)	(3357.36)
Finance Costs	13175.71	8908.99
	29635.82	29905.61
Operative profit before working capital changes	104219.62	131763.80
<u>Adjustments for :</u>		
Other Long term liabilities	1284.79	(8837.27)
Long-term provisions	250.30	178.87
Trade payables	12553.11	6627.51
Other current liabilities	(11875.27)	2505.30
Short-term provisions	526.90	1468.50
Long-term loans and advances	(45.20)	3697.43
Inventories	1555.78	(27466.24)
Trade receivables	(57024.61)	(18893.83)
Other non current assets	(1178.61)	20.86
Other current assets	(737.90)	0.00
Short-term loans and advances	(2992.23)	(2317.54)
	(57682.94)	(43016.41)
Cash generated from operations	46536.68	88747.39
Income-tax paid (Net)	(17786.47)	(31545.23)
Net cash from operating activities	28750.21	57202.16
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital work in progress and capital advances)	(75285.30)	(121170.39)
Sale of fixed assets	618.45	160.31
Purchase of shares of subsidiary company	(501.62)	(1911.64)

	Amount (Rs. in Lacs)	
	2012-2013	2011-2012
Purchase of other investments	(78405.05)	(92648.44)
Redemption/Sale of Investments	62234.90	118193.64
Inter-corporate and other loans given (Net)	1045.00	(730.31)
Interest and Dividend received (Net of expenses)	823.41	1783.70
Movement in bank fixed deposits with original maturity of more than three months and margin money deposits (Net)	234.72	1381.29
Adjustment for receivables on investment account	13.52	(8.16)
Net cash used in investment activities	(89221.97)	(94950.00)
C Cash flow from financing activities		
Securities premium received on issue of shares	0.00	28.26
Proceeds from issue of share capital	0.00	13.83
Refund of Share application money	0.00	(12.50)
Right issue expenses	0.00	(169.93)
Proceeds from Long Term Loans (Net)	35229.80	67365.42
Proceeds from Short Term Loans (Net)	17794.32	18499.65
Proceeds from Cash Credit/Overdraft (Net)	1415.21	(3147.78)
Foreign currency convertible bond redeemed	0.00	(6247.10)
Yield to maturity paid on redemption of Foreign Currency Convertible Bonds	0.00	(906.63)
Inter-corporate loans received (Net)	530.00	(217.83)
Finance costs	(13675.71)	(9240.24)
Dividend paid (Including Tax on Dividend)	(4052.13)	(5829.04)
Net cash from financing activities	37241.49	60136.11
D Adjustment on accounts of Foreign Currency Translation Reserve	212.94	1287.56
E Capital receipts	30.00	764.37
(Please refer to note no. 5 of Notes to Accounts)		
Net increase/(decrease) in cash and cash equivalent	(22987.33)	24440.20
Cash and cash equivalents as at the beginning of the year	28367.00	3926.46
Adjustment on consolidation of Joint venture/subsidiary	0.00	0.34
Cash and cash equivalents as at the end of the year	5379.67	28367.00

As per our report of even date attached

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O. P. LOHIA
Director

B. V. DESAI
Company Secretary

Place : Pune
Dated : 30th May, 2013

Place : Noida
Dated : 30th May, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

1. CORPORATE INFORMATION:-

Gujarat Fluorochemicals Limited ("GFL" or the "Company" or "Parent Company") is a public company engaged in the business of manufacturing and trading of Refrigeration Gases, Anhydrous Hydrochloric Acid, Caustic Soda, Chlorine, Chloromethanes, Poly Tetrafluoroethylene (PTFE), Post Treated Poly Tetrafluoroethylene (PTPTFE) and earns revenue from carbon credits. The Company caters to both domestic and international markets. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a subsidiary of Inox Leasing and Finance Limited.

The Consolidated Financial Statements ("CFS") relate to GFL, its subsidiaries, joint ventures of the Company and the joint venture of a subsidiary and an 'associate' of a subsidiary company (collectively referred to as the "Group").

The Subsidiary companies considered in the financial statements are:

(A) Subsidiaries of the Company:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2013	As at 31 st March 2012
Inox Leisure Limited (ILL)	India	58.42%	65.62%
Inox Infrastructure Limited (IIL)	India	100%	100%
Inox Motion Pictures Limited (IMPL)	India	See note below	100%
Inox Wind Limited (IWL)	India	74.9985%	99.9980%
Gujarat Fluorochemicals Americas, LLC (GFL Americas)	USA	100%	100%
Inox Renewables Limited (IRL)	India	99.98%	99.98%
GFL Singapore Pte Limited (Incorporated on 25th July 2011) (GFL Singapore)	Singapore	100%	100%

ILL is engaged in the business of operating and managing multiplexes and cinema theatres. IIL is engaged in the business of real estate and property development. IMPL was engaged in the business of production and distribution of movies and the company has applied for winding up and striking of its name on 21st March, 2013. IWL is engaged in the business of manufacture and sale of wind turbine generators (WTGs) and providing erection, procurement and commission services for WTGs. GFL Americas is engaged in the business of manufacture and sale of PT-PTFE Compound. IRL is engaged in the business of generation of wind energy and providing services for erection & commissioning and operations and maintenance of wind farms. GFL Singapore has been set up for the purpose of investment activities.

As a security to Yes Bank Limited for the loan given to Inox Wind Limited, the Company has provided a undertaking not to dilute its stake in Inox Wind Limited below 51%.

(B) Subsidiary of GFL Singapore Pte Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2013	As at 31 st March 2012
GFL GM Fluorspar SA (Incorporated on 16th August 2011 and a subsidiary of the Company upto 28th September 2011 and subsequently a subsidiary of GFL Singapore Pte Limited – see under 'changes during the year' below).	Morocco	74%	74%

GFL GM Fluorspar SA is in the business of exploration of fluorspar mines.

Capital commitment towards partly paid shares of GFL GM Fluorspar SA is Nil (Previous year MAD 1,66,500 i.e. Rs. 10.12 lacs.)

(C) Subsidiary of Inox Wind Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2013	As at 31 st March 2012
Inox Wind Infrastructure Services Limited (Incorporated on 11 th May, 2012)	India	100%	N.A.

Inox Wind Infrastructure Services Limited is engaged in the business of providing erection and commissioning and operation & maintenance services for Wind Turbine Generators.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

(D) Subsidiary of Inox Renewables Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2013	As at 31 st March 2012
Inox Renewables (Jaisalmer) Limited (Incorporated on 24th July 2012)	India	100%	N.A.

Inox Renewables (Jaisalmer) Limited is engaged in the business of generation of Wind energy.

(E) Joint Venture of the Company:-

- (a) The Company has a Joint Venture interest of 33.77% in Xuancheng Hengyuan Chemical Technology Company Ltd., a company incorporated in the People's Republic of China. As on 31st March 2013 the Company has invested a sum of Rs.1263.89 lacs in the share capital of this Joint Venture.

The JVC is engaged in the business of manufacture of Anhydrous Hydrogen Fluoride and allied activities.

The financial statements of this joint venture are drawn up to 31st December 2012.

- (b) The Company has a Joint Venture interest of 25% in Swarnim Gujarat Flourspar Private Limited, a company incorporated under the Companies Act, 1956 on 19th June, 2012. As on 31st March, 2013 the Company has invested a sum of Rs.1.25 lacs in the share capital of this Joint Venture.

The JVC is engaged in the business of manufacture of Acid Grade Fluorspar and allied activities.

The financial statements of this joint venture are drawn up to 31st March, 2013.

(F) Joint Venture of Inox Leisure Limited:-

Joint venture of **Inox Leisure Limited** considered in these CFS is:

Name of the Company	Country of incorporation	Proportion of ownership interest of Inox Leisure Limited as on 31 st March 2013	Proportion of ownership interest of Fame India Limited as on 31 st March 2012
Swanston Multiplex Cinemas Private Limited	India	50%	50%

SMCPL was engaged in the business of operating a multiplex.

The financial statements of this joint venture are drawn up to 31st March 2013.

(G) Associate of Inox Infrastructure Private Limited:-

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. lacs

S.No.	Particulars	2012-2013	2011-2012
1	Book value of Investment on acquisition	3200.00	3200.00
2	Share of Profit – Up to Previous Year	1.47	1.18
3	Share of (Loss)/Profit – Current Year	0.00	0.29
4	Carrying amount	3201.47	3201.47

Capital commitment towards partly paid shares of Megnasolace is Rs. 16800 lacs (Previous year Rs. 16800 lacs).

(H) Changes during the year

Composite Scheme of Amalgamation of subsidiary of Inox Leisure Limited - Fame India Limited, and subsidiaries of Fame India Limited - Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited with Inox Leisure Limited (ILL)

- a. Pursuant to the Composite Scheme of Amalgamation ("the Scheme") under Section 391 to 394 read with Section 78, 100-104 of the Companies Act 1956, sanctioned by the Hon'ble High Courts of Judicature at Bombay and Gujarat vide their orders dated 10 May, 2013 and 12 March, 2013 (read with order dated 20 March, 2013), respectively, Fame India Limited (FAME), Fame Motion Pictures Limited (FMPL), Big Pictures Hospitality Services Private Limited (BPHSPL) and Headstrong Films Private Limited (HFPL) (hereinafter collectively referred as "Transferor Companies") were merged with ILL. The Scheme has become effective on 25 May, 2013 viz. the date on which the last of the certified copy of the order of the Bombay High Court and the High Court of Gujarat sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai and Registrar of Companies, Gujarat at Ahmedabad. Accordingly, all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, etc. and all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Companies,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

as on the Appointed Date vested in ILL with effect from 1 April, 2012 (the appointed date). The Scheme has accordingly been given effect to in the accounts.

- b. Nature of business of the amalgamating companies:
- FAME was engaged in the business of owning, operating and managing multiplexes and cinema theatres in India.
 - FMPL was engaged in the business of exploitation of movie rights (including distribution) and programming.
 - BPHSPL was engaged in the business of operating food courts and restaurants in India.
 - HFPL was engaged in the business of film production and distribution in India.
- c. The amalgamation is accounted for under the "Pooling of Interest" method as prescribed in Accounting Standard (AS-14) notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets, liabilities and reserves of FAME, FMPL, BPHSPL and HFPL as at 1 April, 2012 have been taken over at their book value, except to ensure uniformity of accounting policies. The details of the same are given below:

Particulars	Rs. in lacs	Rs. in lacs
Gross Assets		21313.71
Less: Loans and other Liabilities	5183.23	
Reserves and Surplus (Net)	12311.50	17494.73
Net Amount (A)		3818.98
Shares to be issued on amalgamation		
a) 5 (Five) fully paid up equity shares of Rs. 10/- each of the Company to be issued/ allotted for every 8 (Eight) fully paid equity share of Rs. 10/- each held by shareholders of FAME		3456.22
b) 1 (One) fully paid up equity share of Rs. 10/- each of the Company to be issued/ allotted for every 74 (Seventy Four) fully paid equity shares of Rs. 10/- each held by shareholders of HFPL, other than shares held by FAME.	Nil	Being fraction less than Rs. 0.50
c) Since FMPL and BPHSPL were wholly owned subsidiaries of FAME, no shares are required to be issued and allotted in respect of the equity shares held by Fame in FMPL and BPHSPL; and no equity shares are required to be issued for the preference shares held by FMPL in Fame. These equity shares and preference shares (held by FAME and FMPL respectively) are deemed to be cancelled and stand extinguished.		Nil
Face Value of shares to be issued (B)		3456.22
Net Surplus (A-B)		362.76

- d. As per the terms of the Scheme, all assets and liabilities, including reserves, of Transferor Companies transferred to ILL are recorded in the books of account of the Company at the book value as recorded in books of account of Transferor Companies, except to ensure uniformity of accounting policies and the excess of amount recorded as share capital over the net book value of such assets, liabilities and reserves vested in the ILL aggregating to Rs. 362.76 lacs is credited as Amalgamation Reserve by ILL.
- e. As per the Scheme, in respect of the equity shares of FAME held by ILL, 2,44,31,570 equity shares of ILL will be issued to the Inox Benefit Trust, set up pursuant to the Scheme, for the benefit of ILL. The same are reflected as 'Interest in Inox Benefit Trust' under Non-current Investments at cost of Rs. 18348 lacs.

2. BASIS OF PREPARATION AND PRINCIPLES OF CONSOLIDATION :-

The CFS are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investment in the Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures" notified under the Companies (Accounting Standard) Rules, 2006.

The CFS have been prepared on the following basis.

- The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealised profits are fully eliminated. Unrealised losses resulting from Inter-company transactions are eliminated unless cost cannot be recovered.
- Interest in joint ventures is reported using proportionate consolidation method.
- The share of profit/loss of associate company is accounted under the 'equity method' as per which the share of profit/loss of the associate company is adjusted to the cost of investment.
- Financial statements of foreign subsidiaries have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard-11 "Effects of Changes in Foreign Exchange Rates".
- Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, and is recognized as an asset in the consolidated financial statements. The Goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired. When the cost to the parent of its investment in a subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

is less than that the parent's portion of equity of the subsidiary, the difference is treated as capital reserve in the consolidated financial statements.

- f) The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances, except where it is not practicable to do so. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- g) The Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to minority at the date on which investment in subsidiary is made and the minority's share of movement in equity since the date the parent subsidiary relationship comes into existence.

3. (A) CHANGES IN ACCOUNTING POLICIES

- a) During the previous year, option was exercised for accounting of exchange differences arising on reporting of long term monetary items under Clause 46A of AS 11 "The Effects of Changes in Foreign Exchange Rates" as per notification no. G.S.R. 914(E) dated 29th December, 2011 issued by the Ministry of Corporate Affairs, Government of India.

Accordingly, the exchange difference arising after 1st April, 2011 on the reporting of long term foreign currency monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far they relate to acquisition of depreciable capital assets, had been added to the cost of assets and shall be depreciated over the balance useful life of the assets.

Up to the financial year 2010-11 such exchange difference were charged to statement of profit and loss. Due to this change in accounting policy the profit before tax for the previous year was higher by Rs. 4941.65 lacs (net of depreciation charge of Rs. 156.56 lacs) and cost of fixed assets was higher by Rs.3662.73 lacs.

In the Current year such exchange difference of Rs.6281.59 lacs (Net) is added to the Cost of assets and shall be depreciated over the balance useful life of the assets.

- b) In respect of GFL Americas:

Up to 31st March, 2011 depreciation on tangible fixed assets was provided on the basis of rates as prescribed by Schedule XIV of the Companies Act, 1956 being the minimum rates of depreciation. In the previous year the depreciation was provided on the basis of the management's estimate of the useful life of a fixed asset, at the time of acquisition of the asset or of the remaining useful life on a subsequent review, which is shorter than that envisaged in the aforesaid schedule, thus depreciation was provided at a higher rate. In the opinion of the management this change will result in more appropriate presentation of the financial statements of the Company.

Due to the above change in method for providing depreciation, the depreciation arising on retrospective re-computation for the period up to 31st March, 2011 was Rs.26.93 lacs debited to Statement of Profit and Loss and depreciation for the previous year was higher by Rs.30.47 lacs. Consequently, total charge for the depreciation was higher, the profit before tax for the previous year was lower and the net block of fixed assets was lower by Rs.57.39 lacs.

3. (B) SIGNIFICANT ACCOUNTING POLICIES

a) FIXED ASSETS AND INTANGIBLE ASSETS

- i. In respect of assets other than those mentioned in (ii) below:

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.

- ii. In respect of fixed assets of IRL, acquired under slump sale from GFL during the previous year ended 31st March, 2012:

On 31st March, 2012, IRL had revalued the fixed assets of the Wind Energy Business, acquired under 'slump sale', as per the report of government approved valuer. In previous year's CFS, Rs. 6232.48 lacs is credited to revaluation reserve with corresponding additions to net block of respective fixed assets which represents the revalued amount of the fixed assets, over and above the carrying value of such fixed assets by GFL.

The cost of fixed assets 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. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised. In respect of accounting period commencing on or after 1st April, 2011, consequent to the amendment of para 46 of AS 11, 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items.

b) DEPRECIATION & AMORTIZATION

- i) On tangible fixed assets:

In respect of assets revalued as on 31st March, 2012, except freehold land, depreciation is provided on straight line method over the remaining useful life of the respective assets as specified by the government approved valuer or the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher.

In respect of other 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 as under:

- On leasehold improvements, electrical installations and air-conditioners in leased premises, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

- On other fixed assets, 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. Cost of film distribution rights and negative rights is amortized in proportion to the management's estimate of gross revenue expected to be realized over a period. Cost of movie script acquired is amortized over a period of five year from the date of agreement. The value of mining exploitation permit/licence is amortised over the period of the permit/licence on a straight line basis.

iii) In respect of GFL Americas:

Depreciation on all fixed assets (except land) is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

Pursuant to this policy, depreciation on the assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV as under:

Asset Category	Recovery Period
Buildings	30 Years
Plant & Equipment	7 Years
Furniture and Fixtures	7 Years
Vehicle	5 Years
Computers	5 Years
Leasehold Improvements	15 Years

c) 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.

d) INVESTMENTS

i) In Securities

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.

ii) In Investment Property

Leasehold Land is carried at cost, comprising of lease premium and expenses on acquisition thereof, as reduced by accumulated amortisation. Building is carried at cost of acquisition, less accumulated depreciation.

e) INVENTORIES

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

f) REVENUE RECOGNITION

Revenue from sales is recognised 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 revenue from operations 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.

Revenue from generation and sale of electricity is recognised on the basis of actual power sold (net of reactive energy consumed) in accordance with the terms of the power purchase agreements entered with the respective customers.

Revenue from Erection, Procurement and Commissioning contracts is recognized as the services are rendered, in terms of the contract, and is net of taxes. Revenue from Operations & Maintenance contracts is recognized pro-rata over the period of the contract, as per the terms of the agreement, and is net of taxes.

Income from Box Office is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. 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 and the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable.

Interest income is recognised on a time proportion basis, except in cases where interest is doubtful of recovery. Dividend income is recognised when the unconditional right to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

g) EMPLOYEE BENEFITS

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which the related service is rendered. Company's contributions towards provident and pension funds viz. Defined Contribution Plan paid/payable during the year are charged to the Statement of Profit and Loss. Retirement benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the Statement of Profit and Loss 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 Statement of Profit and Loss.

h) 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 the Statement of Profit and Loss.

i) TAXES ON INCOME

Income tax expense comprises of current tax & 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 gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that normal tax will be payable within the period prescribed for utilization of such credit.

j) FOREIGN CURRENCY TRANSACTIONS AND FORWARD CONTRACTS

(i) Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate. Gains or losses on settlement of the transactions and restatement of monetary assets and liabilities are recognised in the Statement of Profit and Loss, except as mentioned in para (ii) below. 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. Currency and interest rate swaps are accounted in accordance with the respective contracts. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principles and the net loss after considering the offsetting effect on the underlying hedge items is charged to the Statement of Profit and Loss. Net gains on the mark-to-market basis are not recognised.

(ii) The Central Government has vide its Notification no. G.S.R. 914(E) dated 29 December 2011, amended AS 11 - 'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after 1 April 2011.

As stipulated in the Notification, the Group has exercised the option to adopt the following policy irrevocably for accounting periods commencing from 1 April 2011:

Long term foreign currency monetary items are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion and on settlement of the liability, is adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets.

k) LEASE

Assets taken on operating lease

Lease rentals in respect of assets acquired on operating lease are charged to the Statement of Profit and Loss as per the terms of the respective lease agreements.

Assets given on operating lease

Assets given under operating lease are capitalised and included in the fixed assets. Lease income arising there from is recognised as income in the Statement of Profit and Loss as per the terms of the respective lease agreements.

l) GOVERNMENT GRANTS

Government Grants are accounted for when it is reasonably certain that the ultimate collection will be made. The grants in the nature of promoters' contribution are credited to Capital Reserve.

m) PRE-OPERATIVE EXPENSES ON SURVEY AND INVESTIGATION

Expenditure on survey and investigation of the mines are charged to expenses in the year in which they are incurred.

n) PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

o) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

	Amount Rs. in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
4 Share Capital		
4.1 Equity		
Authorized 20,00,00,000 Equity Shares of Re 1 each	2000.00	2000.00
Issued and Subscribed and Fully Paid Up 10,98,50,000 Equity Shares of Re 1 each	1098.50	1098.50
Total	1098.50	1098.50

4.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any. During the financial year 2012-13 the Company has paid interim dividend of Rs. 1.50 per equity share (previous year Rs. 2 per equity share). Further, dividend of Rs. 2 per equity share (previous year Rs. 1.50 per equity share) is proposed to be distributed to the equity shareholders. The total distribution of dividend to the equity shareholders for the year is Rs. 3.50 per share (previous year Rs. 3.50 per share).

4.3 Shares held by holding company

Inox Leasing & Finance Limited

Nos.	Rs. in Lacs
5,77,15,310 (5,77,15,310)	577.15 (577.15)

4.4 Details of shareholders holding more than 5% shares in the company

Equity shares of Re.1 each fully paid
Inox Leasing & Finance Limited

Devansh Trading & Finance Private Limited

Siddhapavan Trading & Finance Private Limited

Nos.	holding %
5,77,15,310 (5,77,15,310)	52.54% (52.54%)
66,62,360 (66,62,360)	6.06% (6.06%)
55,76,440 (55,76,440)	5.08% (5.08%)

4.5 Details of shares bought back in the immediately preceding five years

59,30,000 Equity shares were bought back in the Financial Year 2008-09

5 Reserves and surplus

Capital Reserves
As per last Balance Sheet
Additions during the year (see note below)

Amalgamation Reserve
As per last Balance Sheet
Less: Increase in Minority Interest during the year

	Amount Rs. in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
	12644.93	11880.56
	22.50	764.37
	12667.43	12644.93
	252.03	252.03
	(27.92)	0.00
	224.11	252.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

5 Reserves and surplus (Contd...)

	Amount Rs. in Lacs	
	As at 31st March, 2013	As at 31st March, 2012
Capital Redemption Reserve		
As per last Balance Sheet	59.30	59.30
Capital Reserve on consolidation	5138.04	0.00
Securities Premium Account		
As per last Balance Sheet	8304.40	8243.73
Less: Increase in Minority Interest during the year	(944.97)	0.00
Add/(Less): Adjustment on account of FCCB premium and grant of stock options to employees in subsidiaries etc.	(0.32)	60.67
	7359.11	8304.40
Revaluation Reserve		
As per last Balance Sheet	6232.48	0.00
Add: Addition during the year	0.00	6232.48
Less: Transfer to statement of profit & loss on account of depreciation	(335.84)	0.00
	5896.64	6232.48
General Reserve		
As per last Balance Sheet	204600.00	166100.00
Less: Increase in Minority Interest during the year	(388.80)	0.00
Add: Transfer from Profit and Loss Account	35000.00	38500.00
	239211.20	204600.00
Foreign currency translation reserve		
As per last Balance Sheet	722.22	281.25
Add: Movements during the year	199.38	440.97
	921.60	722.22
Surplus in the Statement of Profit & Loss		
As per last Balance Sheet	37873.06	2869.64
Add: Profit for the year	54335.76	78005.19
Less: Increase in Minority Interest during the year	(4179.05)	0.00
Less : Appropriations		
Interim Dividend	1864.52	2197.00
Proposed Dividend	2197.00	1647.75
Tax on Dividend	640.69	623.71
Statutory surplus reserve	0.00	33.31
General Reserve	35000.00	38500.00
	48327.56	37873.06
	319804.99	270688.42
Group Share in Joint Ventures	151.14	21.49
Total	319956.13	270709.91

During the year, Inox Wind Limited has received subsidy of Rs. 30.00 lacs under the Central Capital Investment Subsidy Scheme, 2003. The same being in the nature of promoters' contribution is credited to Capital Reserve.

During the previous year, the Company had received compensation of Rs. 764.37 lacs, equivalent to US \$ 1.64 million, for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated. The Company had been advised that the compensation is a capital receipt and hence this amount was credited to Capital Reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

6 Long-term borrowings
Term Loans

Secured Loans

From Banks

- Rupee Loans

- Foreign Currency Loans

From Other Parties

- Rupee Loans

Unsecured Loans

Loans and advances from related parties (see note no 45)

Inter Corporate Deposit-from Holding Company

As at 31st March, 2013

As at 31st March, 2012

9603.76

1590.06

78744.66

87383.62

88348.42

88973.68

31405.52

0.00

1100.00

600.00

120853.94

89573.68

6.1 For nature of securities and terms of repayment please refer to note no. 33

7 Other Long-term liabilities

Security Deposits

Retention Money

Income received in advance

Sundry creditors for capital expenditure

Statutory dues and taxes payable

Group Share in Joint Ventures

Total
464.40

464.06

28.38

61.92

1320.79

0.00

3900.91

0.00

1.99

4.76

5716.47

530.74

0.00

1.31

5716.47

532.05

8 Long-term provisions

Provision for employee benefits

- For Gratuity

- For Leave benefits

Group Share in Joint Ventures

Total
826.40

658.24

377.71

295.56

1204.11

953.80

0.00

1.72

1204.11

955.52

9 Short-term borrowings
9.1 (i) Secured Loans

From Banks

- Cash Credit/Overdraft

- Rupee Loans

- Foreign Currency Loans

5359.16

3228.97

4156.41

1305.34

18782.78

16135.86

28298.35

20670.17

9.2 (ii) Unsecured Loans

From Banks

- Cash Credit/Overdraft

- Rupee Loan

- Foreign Currency Loans

12060.15

0.00

12500.00

5000.00

15039.53

23483.54

39599.68

28483.54

67898.03

49153.71

2307.44

1948.28

70205.47

51101.99

9.3 For nature of securities and terms of repayment please refer to note no. 33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

	As at 31st March, 2013	As at 31st March, 2012
10 Trade Payables		
Trade Payables		
- dues to Micro and Small Enterprises (see note no. 49)	7.04	17.13
- others	38161.58	21507.62
	38168.62	21524.75
Group Share in Joint Ventures	1047.96	754.78
Total	39216.58	22279.53
11 Other Current Liabilities		
Debentures		
10,00,000 7% Unsecured Fully Convertible Debentures of Rs. 100 each (optionally convertible into fully paid equity shares at par after a period of three years from the date of allotment viz. on 19.3.2013)	0.00	1000.00
Others Liabilities		
Current maturities of long-term debt	22379.53	13493.61
Interest accrued but not due on borrowings	483.23	451.14
Interest accrued and due on borrowings	528.73	37.05
Creditors for capital expenditure	8596.95	14623.31
Security deposits	578.55	491.89
Income received in advance	844.71	598.57
Advances from customers	1001.86	9638.10
Unclaimed dividends (see note below)	227.37	205.52
Retention money	283.15	231.28
Statutory dues and taxes payable	4676.02	3107.39
Other Payables	846.52	306.17
	40446.62	44184.03
Group Share in Joint Ventures	348.05	212.78
Total	40794.67	44396.81

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.

12 Short-term provisions		
Provision for employee benefits		
- For Gratuity	174.52	139.84
- For Leave benefits	428.21	304.35
	602.73	444.19
Provision for Municipal tax - (see note no 42)	207.40	154.60
Provision for Service tax - (see note no 34)	1033.14	1328.72
Provision for MVAT- (see note no 43)	39.61	39.61
Provision for amalgamation expenses	500.00	0.00
Provision for Proposed Dividend	2197.00	1647.75
Tax on Proposed Dividend	373.38	267.31
Provision for taxation (net of taxes paid)	956.76	58.66
Provision for mark-to-market losses on derivative contracts	0.00	1603.68
	5910.02	5544.52
Group Share in Joint Ventures	0.00	45.23
Total	5910.02	5589.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

13 TANGIBLE ASSETS

Amount Rs. in Lacs

Particulars	Gross Block				Depreciation/Amortization				Net Block				
	As at 1 April 2012	Translation Difference	On Account of revaluation	Additions	Deductions	Exchange Differences	Borrowing Costs	As at 31 March 2013	As at 1 April 2012	For the Year	Deductions	As at 31 March 2013	As at 31 March 2012
(a) Tangible Assets													
Land													
- Freehold Land	3384.96	5.12		90.07				3480.15				3480.15	3384.96
- Leasehold Land	5573.66		109.88		16.95		8.07	5683.54	226.79	66.58	0.47	5390.17	5346.87
Buildings	37422.43	18.03		5515.67	402.84			42947.25	3563.93	1030.96		38352.43	33858.50
Leasehold improvements	19862.33	3.69		2141.93				21637.92	6110.19	1641.95	199.26	7553.01	14084.91
Plant and Equipments	231515.11	22.30		90625.19	1591.32	6281.59	1126.35	327979.22	38019.82	12507.08	370.26	50162.07	193495.29
Furniture and Fixtures	6625.02	1.07		1463.34	118.19		13.51	7984.75	2471.17	646.63	64.20	3053.87	4153.85
Vehicles	684.82	0.47		81.84	18.27			748.86	227.82	71.64	13.96	285.56	463.30
Office Equipment	3246.79	0.54		2219.63	21.48			5445.48	1670.90	426.52	13.64	2083.95	1575.89
Total (a)	308315.12	51.22		102247.55	2169.05	6281.59	1180.74	415907.17	52290.62	6.46	16391.36	68026.65	347880.52
(b) Share in Joint Venture *	3309.97	159.67		55.12	555.64			2969.12	1296.74	45.44	512.89	1078.35	2013.23
Grand Total (a + b)	311625.09	210.89		102302.67	2724.69	6281.59	1180.74	418876.29	53587.36	51.90	16640.42	69105.00	349771.30
Previous year	222340.35	525.58	6232.48	77668.28	650.15	4637.40	871.15	311625.09	39261.77	101.53	22982.94	8758.88	258037.75

Note:

- Buildings includes offices given on operating lease

As at 31-03-2013	As at 31-03-2012
914.52	914.52
14.91	14.91
105.91	91.00
808.61	823.52
- Free hold land includes share of undivided plot of land in respect of one of its multiplexes.
- Building includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.
- Deductions during the year include Rs. 326.14 lacs on account of write back of provisions no longer required in respect of cost of fixed assets and adjustment of share of joint venture investor in the cost of fixed assets.
- During the year Rs. 328.04 lacs has been withdrawn from Revaluation reserve on account of depreciation on revalued portion.

14 INTANGIBLE ASSETS

Amount Rs. in Lacs

Particulars	Gross Block				Depreciation/Amortization				Net Block				
	As at 1 April 2012	Translation Difference	Additions	Deductions	Exchange Differences	Borrowing Costs	As at 31 March 2013	As at 1 April 2012	For the Year	Deductions	As at 31 March 2013	As at 31 March 2012	
(a) Intangible Assets													
Technical Know How	4799.10		73.34				4872.44	880.90			1389.08	3483.36	3918.20
Software	847.62		119.74	2.01			965.35	561.37			671.54	293.81	286.25
Film Distribution Rights & Prints Cost	73.22		48.51				24.71	73.22			48.51	24.71	
Mining Rights			1144.61				1144.61	6.45			71.53	1073.08	149.05
Negative Rights	155.50						155.50	375.01			375.01	117.95	
Movie Production	375.01			375.01									
Total (a)	6250.45		1337.69	425.53			7162.61	1896.95		722.62	425.16	2194.41	4353.50
(b) Share in Joint Venture	375.52	21.50	91.93	4.59			484.36	72.83	3.96	24.07	4.59	388.09	302.69
Grand Total (a + b)	6625.97	21.50	1429.62	430.12			7646.97	1969.78	3.96	746.69	429.75	2290.68	4656.18
Previous year	4598.81	66.75	2116.87	156.46			6625.97	1560.94	8.19	557.10	156.45	1969.78	4656.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013
15 NON CURRENT INVESTMENTS

(Long term, non-trade, at cost, unless otherwise stated)

[1] INVESTMENTS IN SECURITIES
A] UNQUOTED
i) Investment in Equity instrument
In Associate companies

Megnasolace City Private Limited

- Equity shares of Rs.10/- each

- paid up Rs. 1.60 per share

(previous year Rs. 1.60 per share)

In Other companies

Kaleidoscope Entertainment Private Limited

Less: Provision for diminution in value of Investment

ii) Investment in Govt. or Trust Securities

National Saving Certificate

(Held in the name of Directors & Pledged with Government Authorities)

iii) Investment in Venture Capital Fund

Indiareit Fund Scheme III

Kshitij Venture Capital Fund

iv) Other Investment

Interest in Inox Benefit Trust (see note no 1(H))

Total Unquoted Investments
B] QUOTED
Investment in Equity instrument

Advanta India Limited

Clarus Finance & Securities Limited

EIH Limited

Future Ventures India Limited

Garware Wall Ropes Limited

Housing Development & Infrastructure Limited

HEG Limited

K S Oils Limited

Kesoram Textile Mills Limited

(Received pursuant to a scheme of arrangement)

Mount Everest Mineral Water Limited

Praj Industries Limited

Prime Focus Limited

Reliance Communications Limited

Taneja Aerospace & Aviation Limited

Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
			3,201.47	3201.47
	50,00,000	50,00,000		
			60.75	60.75
1	5,62,500	5,62,500		
			3262.22	3262.22
			60.75	60.75
			3201.47	3201.47
			66.65	69.83
			66.65	69.83
			759.57	850.78
100000	759.57	850.78		
670	2,50,000	2,50,000	1,675.00	2300.00
(920)			2434.57	3150.78
			18348.45	0.00
			24051.14	6422.08
			598.39	598.39
10	48,590	48,590		
			560.13	560.13
10	9,07,000	9,07,000		
			963.28	963.28
2	4,39,950	4,39,950		
			0.00	1500.00
10	0	1,50,00,000		
			729.88	729.88
10	4,41,308	4,41,308		
			1176.02	1176.02
10	1,56,556	1,56,556		
			500.91	500.91
10	1,16,000	1,16,000		
			552.01	552.01
1	6,21,081	6,21,081		
			0.00	0.00
10	0	1,31,893		
			2489.35	2613.06
10	21,74,592	23,35,592		
			2461.04	2461.04
2	9,93,630	9,93,630		
			989.21	989.21
1	7,72,560	7,72,560		
			362.76	362.76
5	56,981	56,981		
			738.06	738.06
5	3,65,559	3,65,559		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
15 NON CURRENT INVESTMENTS (Contd...)					
Tantia Construction Limited	10	2,24,774	2,24,774	332.94	332.94
Bajaj Finance Limited	10	0	640	0.00	4.79
City Union Bank Limited	1	0	9,013	0.00	4.27
Dewan Housing Finance Corporation.Limited	10	0	1,542	0.00	4.82
Edelweiss Financial Services Limited	1	0	11,110	0.00	6.21
Emkay Global Finance Service Limited	10	0	1,976	0.00	2.10
GIC Housing Finance Limited	10	0	3,017	0.00	3.99
India Infoline Limited	2	0	4,294	0.00	4.92
Indian Bank	10	0	1,835	0.00	4.71
Mahindra & Mahindra Financial Services Limited	10	0	573	0.00	4.55
Motilal Oswal Financial Services Limited	1	0	2,496	0.00	4.43
Phoneix Mills Limited	2	0	1,946	0.00	4.10
Geojit BNP Paribas Financial Services Limited	1	0	7,787	0.00	2.97
Federal Bank Limited	10	0	1,019	0.00	4.32
LIC Housing Finance Limited	2	0	1,835	0.00	4.93
Shriram City Union Finance Limited	10	0	144	0.00	0.99
South Indian Bank Limited	1	0	15,365	0.00	3.57
Sundaram Finance Limited	10	0	453	0.00	2.99
Cholamandalam Investment & Finance Limited	10	0	1,398	0.00	2.55
Manappuram Finance Limited	2	0	6,900	0.00	4.88
Yes Bank Limited	10	0	896	0.00	2.37
Shriram Transport Finance Company Limited	10	0	365	0.00	2.59
				12453.97	14158.74
Less: Provision for diminution in value of Investment				5981.03	5494.75
Net Quoted Investments				6472.94	8663.99
Total Investments				30524.09	15086.07
Aggregate amount of quoted investments				12453.97	14158.74
Market value of quoted investments				4841.49	6645.33
Aggregate amount of unquoted investments				24111.89	6482.83
Aggregate provision for diminution in value of investments				6041.78	5555.50

[2] Investment Property (Long term and Non-trade)

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-12	Additions	As at 31-Mar-13	As at 1-Apr-12	For the year	As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Leasehold Land	169.37	0.00	169.37	0.42	0.17	0.59	168.79	168.96
Building	102.53	3.11	105.64	4.12	1.72	5.84	99.80	98.41
Total	271.90	3.11	275.01	4.53	1.89	6.42	268.59	267.37
Previous Year	271.90	0.00	271.90	2.69	1.84	4.53		

Total Non Current Investments [1+2]
30,792.68
15,353.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

	As at 31st March, 2013	Amount Rs. in Lacs As at 31st March, 2012
16 Long-term loans and advances (Unsecured, considered good, unless otherwise stated)		
Capital Advances	3260.96	8893.72
Security Deposits		
- Considered Good	8506.92	7841.07
- Considered Doubtful	62.32	0.00
	8569.24	7841.07
Less: Provision for doubtful deposits	62.32	0.00
	8506.92	7841.07
Advances recoverable in cash or in kind		
- Considered Good	401.04	2574.47
- Considered Doubtful	5.00	67.32
	406.04	2641.79
Less: Provision for doubtful advances	5.00	67.32
	401.04	2574.47
Inter corporate Deposits	336.95	536.95
Prepaid expenses	163.64	33.39
Electricity Charges refund claimed	389.83	389.83
Balance in Cenvat Credit account	394.99	74.54
Entertainment Tax Refund Claimed	1238.44	1093.08
Income tax paid (Net of provisions)	7661.18	10380.15
MAT Credit Entitlement	8192.46	2480.55
	30546.41	34297.75
Group Share in Joint Ventures	68.35	71.40
Total	30614.76	34369.15
17 Other non-current assets		
Deposits	0.00	307.20
Non-current bank balances (bank balances with original maturity of more than 12 months)	590.72	92.43
Interest accrued		
- on Investment	18.99	16.47
- on bank fixed deposit	2.73	1.78
- others	139.75	111.54
Other recoverables	0.00	100.81
Total	752.19	630.23



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

18 CURRENT INVESTMENTS

(Non-trade, at cost, unless otherwise stated)

A] CURRENT PORTION OF LONG TERM INVESTMENTS

i) Investment in Mutual Funds

	Face Value Rs.	Nos. As at 31st March, 2013	Nos. As at 31st March, 2012	As at 31st March, 2013 Amount (Rs. in Lacs)	As at 31st March, 2012 Amount (Rs. in Lacs)
Kotak FMP 24 Months Series 1-Growth	10	0	50,00,000	0.00	500.00
Baroda Pioneer 367 Day FMP - Series 4 - Growth	10	1,00,00,000	0	1000.00	0.00
Birla Sun Life Fixed Term Plan - Series FH - Growth	10	1,00,00,000	0	1000.00	0.00
Birla Sun Life Mutual Fund Fixed Term Plan - Series FI- Growth	10	1,00,00,000	0	1000.00	0.00
BNP Paribas Fixed Term Fund - Series 23D - Growth	10	50,00,000	0	500.00	0.00
DSP BlackRock FMP - Series 47 - 12M - Growth	10	1,00,00,000	0	1000.00	0.00
DSP BlackRock FMP - Series 48 - 12M - Growth	10	99,99,990	0	1000.00	0.00
HDFC FMP 370D April 2012 (2) - Growth - Series XXI	10	1,00,00,000	0	1000.00	0.00
HDFC FMP 370D May 2012 (2) - Growth	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative	10	1,00,00,000	0	1000.00	0.00
IDBI FMP - 366 Days - Series - II (April 2012) - H - Growth	10	99,99,990	0	1000.00	0.00
IDFC Fixed Maturity Plan - 366 Days - Series 71 - Growth	10	99,99,990	0	1000.00	0.00
IDFC Fixed Maturity Plan 366 Days Series 73 - Growth	10	1,00,00,000	0	1000.00	0.00
Kotak FMP Series 87-Growth	10	1,00,00,000	0	1000.00	0.00
Religare FMP Series XIV Plan E370 Days - Growth	10	1,00,00,000	0	1000.00	0.00
SBI SDFS - 366 Days - 2 Growth	10	99,99,990	0	1000.00	0.00
Sundaram Fixed Term Plan - CS 367 Days - Growth	10	99,99,990	0	1000.00	0.00
Taurus Fixed Maturity Plan 374 Days Series - S - Growth	10	1,00,00,000	0	1000.00	0.00
UTI Fixed Term Income Fund series XI-IX (368 days) - Growth Plan	10	1,00,00,000	0	1000.00	0.00
Kotak Bond (Short Term) - Growth	10	49,25,575	0	1000.00	0.00
Religare Short Term Plan - A, Growth	10	68,08,650	0	1000.00	0.00
				20,500	500.00

ii) Investment in Govt. or Trust Securities

National Saving Certificate				10.54	0.21
(Held in the name of Directors & Pledged with Government Authorities)				10.54	0.21

B] CURRENT INVESTMENT

Investment in Mutual Funds

Liquid Benchmark Daily Dividend	1000	0	1	0.00	0.01
JM High Liquidity Fund Instl. Plan Daily Dividend	10	21,33,015	20,80,397	222.48	208.37
JP Morgan India Liquid Fund-Super Instl. Daily Dividend Plan	10	20,79,225	19,43,638	208.09	194.52
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	93,063	86,951	98.40	91.94
DSP BlackRock Liquidity Fund	1000	24,824	23,216	248.31	232.23
HDFC Liquid Fund Premium Plan	10	87,43,863	0	1066.30	0.00
Taurus Liquid Fund - Institutional Growth	10	0	34,168	0.00	400.00
Templeton India Treasury Management Account Institutional Plan - Growth.	10	0	27,170	0.00	450.00
JM High Liquidity Fund - Super Institutional Plan - Growth	10	0	35,93,611	0.00	600.00
Peerless Liquid Fund - Super Institutional Growth	10	0	34,36,839	0.00	400.00

Total Unquoted Investments

Total Investments

1843.58	2577.07
22354.12	3077.28
22354.12	3077.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

19 Inventories

(at cost or net realizable value whichever is lower, for basis valuation, please refer note no. 3(e))

	As at 31st March, 2013	As at 31st March, 2012
Raw materials	17997.46	28761.14
Work-in-progress	5852.28	4014.67
Finished goods	19838.35	13488.98
Traded goods	170.85	0.00
Stores and spares	5299.39	3785.25
Others		
- Fuel	446.16	996.34
- Packing Material	337.24	528.08
- By products	356.58	240.70
- Food and Beverages	355.22	274.16
- Construction Materials	233.70	0.00
- Carbon Credits	57.79	786.35
	<u>1786.69</u>	<u>2825.63</u>
	50945.02	52875.67
Group Share in Joint Ventures	467.72	434.03
Total	<u><u>51412.74</u></u>	<u><u>53309.70</u></u>

20 Trade receivables

(Unsecured, considered good, unless otherwise stated)

Considered good

Outstanding for a period exceeding 6 months	3715.07	1842.61
Others	83624.62	25574.83
	<u>87339.69</u>	<u>27417.44</u>

Considered Doubtful

Outstanding for a period exceeding 6 months	142.55	233.09
	<u>87482.24</u>	<u>27650.53</u>
Less: Provision for Doubtful Debts	(142.55)	(233.09)

	<u>87339.69</u>	<u>27417.44</u>
Group Share in Joint Ventures	1641.38	1611.53
Total	<u><u>88981.07</u></u>	<u><u>29028.97</u></u>

21 Cash and bank balances
21.1 Cash & cash equivalents

Balances with banks in current accounts	3888.66	17626.94
Bank deposits with original maturity upto 3 months	119.71	10260.77
Cash on hand	589.51	234.58
	<u>4597.88</u>	<u>28122.29</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

	As at 31st March, 2013	As at 31st March, 2012
21.2 Other Bank Balances		
- Unpaid Dividend with banks	227.37	205.52
- Margin Money with banks	74.68	176.40
- Deposit with original maturity for more than 3 months but less than 12 months	358.29	345.27
- Bank deposits with original maturity of more than 12 months	22.93	17.39
	683.27	744.58
Group Share in Joint Ventures	5281.15	28866.87
Total	631.79	244.72
	5912.94	29111.59
22 Short-term loans and advances (Unsecured, considered good, unless otherwise stated)		
Loans and advances to related parties (see note no 45)	38.92	1.17
Advance recoverable in cash or in kind		
- Considered Good	0.00	350.48
- Considered Doubtful	0.00	95.31
	0.00	445.79
Less: Provision for doubtful advances	0.00	95.31
	0.00	350.48
Others		
- Prepaid expenses	611.73	531.52
- Advances to suppliers	4934.04	957.61
- Advances recoverable in cash or in kind	334.65	2357.64
- Security deposits	1685.08	64.73
- Inter-corporate Deposits		
Considered Good	175.00	1050.00
Considered Doubtful	0.00	377.35
	175.00	1427.35
Less: Provision for Doubtful Inter-corporate deposits	0.00	377.35
	175.00	1050.00
- Balances in Excise, Service Tax and VAT Accounts	3739.71	3660.24
	11519.13	8973.39
Group Share in Joint Ventures	327.45	534.71
Total	11846.58	9508.10
23 Other current assets		
Asset held for sale	374.77	0.00
Insurance claim lodged	985.08	88.34
Un amortised premium on forward contract	405.10	0.00
Interest accrued	104.16	182.56
	1869.11	270.90
Group Share in Joint Ventures	15.21	0.12
Total	1884.32	271.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

	2012-2013	2011-2012
24 Revenue from operations		
Sale of products	237313.59	228256.09
Sale of services	67635.07	51631.55
Other operating revenues	13098.33	1487.37
	318046.99	281375.01
Less: Excise duty	8105.59	5897.01
	309941.40	275478.00
Group Share in Joint Ventures	6700.43	7537.64
Total	316641.83	283015.64
25 Other income		
Interest Income		
- on bank deposits	115.74	166.31
- on Inter corporate deposits	43.70	174.84
- on Income tax refund	76.75	0.00
- on others	71.16	275.38
- on long term investments	7.16	6.23
	314.51	622.76
Dividend Income		
- on long term investments	41.28	154.88
- on current investments	133.46	40.37
- from joint venture company	216.76	78.44
	391.50	273.69
Profit on sale of investments (Net)		
- on long term investments	134.86	2082.69
- on current investments	415.36	391.21
	550.22	2473.90
Provision for doubtful debts written back	5.60	10.66
Liabilities written back	774.33	254.03
Net gain on foreign currency translation and transaction	0.00	1.72
Profit on retirement /disposal of fixed assets (Net)	0.00	6.26
Rental income from operating leases	609.96	772.56
Miscellaneous income	437.59	263.01
	3083.71	4678.59
Group Share in Joint Ventures	44.78	2.10
Total	3128.49	4680.69
26 Cost of materials consumed		
Raw Materials consumed	92120.32	63533.99
Packing Materials consumed	4902.35	2928.97
Cost of food and Beverages	4259.10	3443.68
	101281.77	69906.64
Group Share in Joint Ventures	6010.51	6054.49
Total	107292.28	75961.13
27 Purchases of Stock-in-Trade		
Purchases of Stock-in-Trade	2013.96	1365.65
Total	2013.96	1365.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

	2012-2013	2011-2012
28 Changes in inventories		
Opening Stock		
Finished Goods	13488.99	5778.28
Material-in-process	4014.67	1030.30
By-products	240.70	10.94
Carbon Credits	786.35	523.84
	18530.71	7343.36
Less : Closing Stock		
Finished Goods	20009.21	13488.98
Material-in-process	5275.59	4014.67
Erection and commissioning work-in-progress	576.69	0.00
By-products	356.58	240.70
Carbon Credits	57.79	786.35
	26275.86	18530.70
Excise Duty on Stock of Finished Goods (Net)	77.10	860.36
(Increase) / Decrease in Stock	(7668.05)	(10326.98)
29 Employee benefits expense		
Salaries and wages	13250.74	11300.10
Contribution to provident and other funds	744.16	641.52
Expense on ESOP (Net)	1.06	(4.78)
Gratuity	265.23	208.08
Staff welfare expenses	517.57	506.37
	14778.76	12651.29
Group Share in Joint Ventures	91.27	99.43
Total	14870.03	12750.72
30 Finance costs		
Interest expense	10681.23	6043.88
Interest on deferred credit	182.05	0.00
Other borrowing costs	953.92	485.35
Loss on foreign currency transactions and translation	1153.53	2288.02
	12970.73	8817.25
Group Share in Joint Ventures	231.02	91.74
Total	13201.75	8908.99
31 Depreciation and amortization expense		
Depreciation and amortization on Tangible assets	16068.44	14143.09
Amortization of Intangible assets	722.62	534.29
Depreciation on Investment property	1.73	1.67
Amortization of Investment property	0.17	0.17
Depreciation written back	0.00	(90.92)
	16792.96	14588.30
Group Share in Joint Ventures	273.13	313.83
Total	17066.09	14902.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

32 Other expenses

	2012-2013	2011-2012
Stores and Spare Consumed	4228.09	6111.86
Power and Fuel	33991.25	31481.63
Entertainment tax	10204.08	8303.52
Erection, Procurement & Commissioning Cost	12499.25	0.00
Distributors' share	20227.51	17010.60
Other exhibition cost	766.76	745.26
Amalgamation Expenses	568.07	0.00
Freight and Octroi	4272.94	2697.83
Insurance	741.54	683.95
Excise Duty, Custom Duty and Sales Tax	548.36	834.73
Production Labour Charges	1036.94	397.08
Processing Charges	1706.77	699.99
Outsourced Personnel Cost	1678.53	1339.33
Property Rent and Conducting Fees	9266.62	8094.47
Common Facility Charges	2523.59	2454.90
Factory Expenses	1215.46	809.07
Repairs to		
- Buildings	474.57	278.79
- Machinery	2165.07	4191.83
- Others	504.42	499.05
	3144.06	4969.67
Directors' Sitting Fees	9.00	11.15
Commission to Director	609.54	1275.04
Rent	239.53	200.73
Rates and Taxes	1045.84	862.59
Service Tax	1947.02	1420.20
Travelling and Conveyance	1980.45	1621.70
Communication expenses	422.47	369.70
Legal and Professional Fees and Expenses	3130.88	2815.79
Lease Rentals and Hire Charges	1005.13	653.70
Loss on retirement /disposal of fixed assets (Net)	559.59	50.58
Net loss on foreign currency translation and transaction	8351.63	12201.26
Provision for trade receivables	23.78	163.47
Provision for doubtful advances	0.00	298.60
Provision for diminution in value of investments - Long term (Net)	486.28	4189.04
Bad debts and remission net of provision for doubtful debts of Rs. 103.00 Lacs (previous year Rs. Nil))	18.08	96.10
Expenditure on Sustainable Development Plan	73.71	80.48
Commission	407.02	326.90
Royalty	1392.26	775.72
Purchase of Carbon Credits	0.00	8751.52
Miscellaneous Expenses	6815.78	6961.00
	137137.81	129759.16
Group Share in Joint Ventures	590.61	718.89
Total	137728.42	130478.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

33. Securities and terms of repayment –

A. In respect of secured loans

In respect of loans taken by GFL :

Rupee Term Loan of Rs. NIL (previous year Rs. 1111.05 lacs) from Oriental Bank of Commerce was secured by the way 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, excluding assets related to Company's 18 MW coal based captive power plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, 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, except for R23 incineration project. The term loan was repaid in 16 equal quarterly instalments starting from 31st May 2008 and carried interest @ 8.50% p.a.

Foreign Currency Term Loan of Rs. 23489.85 lacs (previous year Rs. 24929.24 lacs) from Axis Bank Limited is secured by way of first charge on all movable and immovable assets of Mahidad (36 MW), Gujarat, and exclusive charge on movable fixed asset of DPTFE plant located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Further, the lender also has a charge/lien over the Receivables and escrow account relating to Mahidad (36 MW). The term loan is repayable in 40 equal quarterly instalments starting from 15th June 2012 and carries interest @ 3 months LIBOR plus 4.25% p.a. Out of total sanctioned ECB of USD 49 million, ECB of USD 25 million is at the rate of 11.26% p.a. w.e.f. 11th October 2012, being hedged.

Foreign Currency Term Loan of Rs. 8940.24 lacs (previous year Rs. 8379.58 lacs) from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/ mortgage/hypothecation on movable and immovable fixed assets including cash flow and receivables of project assets, Mahidad (14 MW). Further, the lender also has a charge/lien over the escrow account. Company is in the process of creation of security on the said loan. The term loan is repayable in 20 equal half yearly instalments starting from 20th September 2013 and carries interest @ 6 months LIBOR plus 4.14% p.a.

Foreign Currency Term Loan of Rs. 6774.75 lacs (previous year Rs. 9033.00 lacs) from DBS Bank Limited is secured by first pari passu charge over moveable fixed assets of the Company at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch except assets pertaining to 18 MW coal based captive power plant, DPTFE & PTPTFE plant. The term loan is repayable in 16 equal quarterly instalments starting from 16th April 2012 and carries interest @ 8.65% p.a.

Foreign Currency Term Loan of Rs. 1400.13 lacs (previous year Rs. 2800.25 lacs) from BNP Paribas Limited is secured by hypothecation of all movable property of the Company's 18 MW coal based captive power plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. The term loan is repayable in 16 equal quarterly instalments starting from 9th April 2010 and carries interest @ 7.07% p.a.

Foreign Currency Term Loan of Rs. 417.28 lacs (previous year Rs. 1955.55 lacs) from Citibank NA is secured by first pari passu charge over Company's fixed assets situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat (Security is yet to be created). The term loan is repayable in 16 equal quarterly instalments starting from 3rd July 2009 and carries interest @ 6 months LIBOR plus 4.00% p.a.

Working Capital Loans of Rs. 1559.82 lacs (previous year Rs. 3014.61 lacs) from HDFC Bank Limited 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. The loan was repayable on demand and carries interest @ 11.00% p.a.

Working Capital Loans in the form of buyers credit of Rs. 1590.57 lacs (previous year Rs. 5410.46 lacs) and over draft facility of Rs. 2870.00 lacs (previous year Nil) from The Royal Bank of Scotland is secured by way of first pari passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future of the Company's unit at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Buyers credit is repayable in 30 days to 330 days carrying interest ranging @ 1 month LIBOR plus 1.65% to 11 month LIBOR plus 1.65%, and overdraft facility is repayable on demand and carries interest @ 9.90% p.a.

In respect of loans taken by IRL Group :

1. Foreign currency term loan from ICICI bank (Singapore) in 2 tranches taken by IRL
 - a. Rs. 3,26,33,58,000 (previous year Rs. 3,05,25,60,000) from ICICI Bank Limited carrying an interest rate of 6 months Libor+4.14% per annum, repayable in 20 equal half yearly installments starting from 3rd August 2013 and last installment falling due on 3rd February 2023 for 50 MW Dangri.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

- b. Rs. 1,27,97,48,235 (previous year Rs.1,19,70,82,353) from ICICI Bank Limited carrying an interest rate of 6 months Libor+4.14% per annum, repayable in 20 half yearly installments starting from 20th September 2013 and last installment falling due on 20th March 2023 for 20 MW Dangri.

Both the tranches are secured by way of:

- a) Exclusive charge over all the borrower's immovable assets, all present and future movable fixed assets identified under the project assets and Ossiya-1 i.e. 19.5 MW.
 - b) Exclusive charge over the escrow account to be opened with ICICI Bank Limited, India (Escrow Bank) for project Dangri and ossiya-1.
 - c) Exclusive charge on all project documents, rights, titles, permits, approvals in respect of all the assets of the project including power purchase agreement and wheeling agreements and all project documents including all insurance policies relating to project, project book debts, operating cash flows, revenue of whatsoever nature including "Certified Emission Reduction (CER) receivables.
 - d) First pari passu with ICICI Bank, Hong Kong over immovable assets and all present and future movable fixed assets identified at project of Gude Panchgani 23.1 MW.
 - e) First pari-passu charge over the escrow account w.r.t. Gude Panchgani.
2. Foreign currency term loan from ICICI bank (Hong Kong):

Foreign currency term loan of Rs. 54,85,49,477 (previous year Rs. 68,81,64,842) from ICICI Bank Limited carrying an interest rate of 5.86 % p.a. repayable in 38 equal quarterly installments starting from 20th December 2007 and last installment falling due in March 2017.

These loans are secured by way of:

- a) First mortgage/charge/security interest on all of the company's present and future assets pertaining to the Gude Panchgani project including all movable properties.
 - b) ICICI bank have a charge/lien over the escrow account (to be opened with ICICI), where the cash flows out of the project (sale proceeds from the power sold to Maharashtra State Electricity Board) are to be deposited by the company. The security cover is yet to be created.
3. Details of term loan from International Finance Corporation taken by IRLJ
- a) Foreign currency term loan from International Finance Corporation is secured by hypothecation of all movable and immovable fixed assets including cash flow and receivables of project assets of its Dangri (64MW) wind farm.
 - b) Corporate guarantee of Inox Renewables Limited.
 - c) Terms of repayment (including current maturities).

The term loan is repayable in 28 instalments starting from 14th October 2013 and the rate of interest on the loan is six months LIBOR and relevant spread of 4.25 % i.e. 11.44% per annum for the current year.

In respect of loans taken by IWL Group:

Term loan from bank of Rs. 7500.00 lacs is secured against equitable mortgage of fixed assets of Una and Rohika Plants, carrying interest at the rate of 11.85% p.a. and repayable in 20 quarterly installments starting from 01.02.2013.

Term loan from other parties of Rs. 5625.00 lacs is secured against first pari passu charge on entire current assets of the Company, both present and future, carrying interest at the rate of 12.25% p.a. and repayable in 4 quarterly installments starting from 02.03.2014.

Working capital short term loans from Banks amounting to Rs. 1305.34 lacs are repayable on demand and are secured by current assets.

Foreign currency short term loans from Banks amounting to Rs. 10725.39 lacs are repayable as per terms of availment and are secured by current assets.

In respect of loans taken by ILL :

- a) Term loan from Axis Bank amounting to Rs. 220.29 lacs (previous year Rs. 660.81 lacs) carries interest @ bank base rate + 2.75 % p.a. which is in the range of 11.75% to 12.75% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Burdhan, Indore Central, Rajarhat

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

(Kolkata), Jayanagar (Bangalore), Siliguri and Maleshwaram (Bangalore) multiplexes. The loan is repayable in 16 equal quarterly installments beginning from 31st December, 2009.

- b) Term loan from Axis Bank amounting to Rs. 3510.00 lacs (previous year Rs. Nil) carries interest @ bank base rate + 1.25 % p.a. which is 11.25% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaypur, Bhuvaneshwar, Bhopal and five future properties. The loan is repayable in 16 equal quarterly installments beginning from 30th June, 2013.
- c) Term loan from Axis Bank amounting to Rs. 91.96 lacs (previous year Rs.1108.63 lacs) carries interest @ bank base rate + 2.75 % p.a. which is 12.75% and is secured against first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future. The loan is repayable in 18 equal quarterly installments beginning from 1st April, 2009 . The loan is further secured by first charge by way of equitable mortgage of property at Anand, Gujarat.
- d) Term loan from Axis Bank amounting to Rs. 500.00 lacs (previous year Rs. Nil) carries interest @ bank base rate + 2.25 % p.a. which is 12.25% and is secured against first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future. The loan is repayable in 10 equal quarterly installments beginning from 1st April, 2013. The loan is further secured by first charge by way of equitable mortgage of property at Anand, Gujarat.
- e) Term loan from Citi Bank amounting to Rs. 499.99 lacs (previous year Rs.1166.66 lacs) carries interest @ 8.75% p.a. and is secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune, Thane, Rajapark (Jaipur) and Madurai multiplexes and four future properties. The loan is repayable in 12 equal quarterly installments beginning from 29th January, 2011.
- f) Term loan from ING Vysya Bank amounting to Rs. 777.79 lacs (previous year Rs. 1944.44 lacs) carries interest @ 9.5% p.a. and is secured by charge on immovable property situated at Nariman Point and exclusive charge on all the current and fixed assets situated at Vizag Beach Road, Vizag CMR Mall, Kanpur, Belgaum, J.P.Nagar (Bangalore), Kharghar multiplexes and one future multiplexes. The loan is repayable in 36 equal monthly installments beginning from 1st December, 2010.
- g) Short Term loan from Axis Bank amounting to Rs. 800.00 lacs (previous year Rs.Nil) carries interest @ bank base rate + 1.75 % p.a. which is 11.75% and is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaypur, Bhuvaneshwar, Bhopal and five future properties. The loan is repayable in 3 equal monthly installments beginning from 30th November, 2013.
- h) Bank overdraft is secured against first charge on the entire current assets of the erstwhile Fame India Ltd, both present and future; and extension of first charge on the entire movable fixed assets of the erstwhile Fame India Ltd, both present and future. Further secured by first charge by way of equitable mortgage of property at Anand, Gujarat.

B. In respect of Unsecured loans

In respect of loans taken by GFL :

Foreign Currency working capital unsecured loans from various banks amounting to Rs.15039.53 lacs (previous year Rs. 23483.54 lacs) are repayable in the period ranging from 178 days to 355 days carrying interest ranging @ 1 month LIBOR plus 1.5% to LIBOR plus 1.95%.

Working Capital unsecured rupee loans from various banks amounting to Rs.12500.00 lacs (previous year Rs. 5000.00 lacs) are repayable in the period ranging from 89 days to 180 days carrying interest ranging @ 9.50% to 10.00%.

Unsecured overdraft facility from The Royal Bank of Scotland amounting to Rs.12060.15 lacs (previous year Rs. Nil) is repayable on demand carrying interest @ 9.90%.

In respect of loans taken by ILL :

The inter-corporate deposits are repayable in 3-5 years from the date of the respective deposits beginning from 8th June 2014 and carry interest in the range of 10% to 11%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

34. Exceptional items in respect of ILL:

During the previous year, the levy of service tax on renting of immovable property was upheld by several High Courts. ILL has preferred a Special Leave Petition before the Hon'ble Supreme Court which is pending and the ILL has made the payments in this regard as directed by the Hon'ble Supreme Court. In these circumstances, the ILL had provided for service tax on renting of immovable properties. The amount of such service tax of Rs. 973.29 lacs being the charge for the period upto 31st March, 2011 was shown as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2012.

The movement in the provision for service tax account is as under:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Opening Balance	1328.71	Nil
Provided during the year (including Rs. Nil - previous year Rs. 1797.51 lacs for earlier years)	33.51	2631.65
Amount paid and adjusted during the year	329.08	1302.94
Closing balance	1033.14	1328.71

35. During the year ended 31st March, 2006, ILL had issued 5,00,000 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 ILL 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.

Following stock options have been granted to the employees:

On 29th January 2007 (First Grant)	244,120 shares
On 27th October 2009 (Second Grant)	33,332 shares

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 ILL using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1st April 2012	10,000
Granted during the year	Nil
Lapsed during the year	Nil
Exercised during the year	5,000
Outstanding as on 31st March 2013	5,000
Exercisable as on 31st March 2013	Nil
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 as under:

Options granted on 27th October 2009	1.08 years
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As per the terms of the Scheme of Amalgamation (referred to in Note no. 1(H)), the stock options granted by erstwhile Fame India Limited ("Fame") to its employees automatically stand cancelled. ILL will issue stock options to the eligible employees of Fame either under (i) existing or revised ESOP Scheme of ILL or (ii) a distinct and separate employee stock option plan formed and organized for granting stock options to employees of Fame. These stock options will be granted in the ratio of 5 options (each option being equal to one share) of ILL for every 8 options (each option being equal to one share) held under ESOP of Fame.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

36. In respect of income-tax matters of ILL:-

ILL's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted by appellate authorities. Provision for current tax is made on this basis to the extent the entertainment tax exemption is held as capital receipt.

37. Contingent liabilities not provided for in respect of :-

Particulars	Amount (Rs. in Lacs)	
	2012-2013	2011-2012
(a) Claims against company not acknowledged as debt	2429.59	1639.64
(b) Other money for which company is contingently liable		
Income Tax (including TDS matters)	8722.69	5499.75
Service Tax	1021.65	563.70
Excise duty	849.66	755.45
Custom duty	1227.33	4.36
Electricity Duty	1204.86	1204.86
Municipal Tax	621.28	596.59
Entertainment Tax	1043.85	2.22
Stamp Duty	263.81	263.81

Claims in respect of labour matters and Custom duty on import of cinematographic films

Amount is not ascertainable

(c) In the earlier years the Company had received CIT(A) order for the Assessment Year 2008-09 and for the AY 2009-10, wherein the CIT(A) has confirmed the action of the Assessing Officer in respect of

- treatment of Investment activity of the Company in respect of investment in shares as a business activity and
- the re-computation of the amount of deduction u/s 80IA by applying the regulatory prices in respect of power generated at its captive power units.

The Company has not accepted the orders of the CIT(A) and has preferred appeal before ITAT, Ahmedabad. The said issues were decided in favour of the Company by CIT(A) in earlier years. Consequently, the amount of demands in respect of the above are included in the amount of contingent liabilities in para (A) including for subsequent years where assessment orders are received.

- Entertainment tax includes Rs. 1040.83 lacs in respect of Pune Multiplex demand notice received pertaining to exemption period and for which ILL is contesting the matter by way of appeal before appropriate Authority.
- ILL has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of Rs. 60.07 lacs and reimbursement of the cost of fit-outs of Rs. 902.83 lacs incurred by the Company and carried forward as capital work-in-progress. The party has made a counter claim of Rs. 675.86 lacs towards rent for lock in period and other costs which is included in (a) above. An arbitration petition filed by the Company under section 9 of the Arbitration and Conciliation Act, 1996 before the Court of District Judge, Chandigarh was dismissed vide order dated 11 November 2011. At present the matter is pending before the Arbitrator.
- ILL may be required to charge additional cost of Rs. 389.83 lacs (previous year Rs. Nil) towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, in favour of the appeal made by the Multiplex Association of India is passed in favour of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

38. Commitments:

- (a) Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances, is Rs. 21069.42 lacs (previous year Rs. 18198.98 lacs).
- (b) The exemption from payment of Entertainment Tax in respect of multiplexes, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective State Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far by the Company, which is liable to be paid if the relevant multiplex ceases operations prior to completing the minimum period of operations in terms of the respective policies of the States – Rs. 15730.92 lacs (previous year Rs. 6852.52 lacs).

39. In respect of Entertainment Tax liability and its treatment in these accounts: -

- a. 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. 382.07 lacs (previous year Rs. 413.37 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March, 2013 is Rs. 3389.17 lacs (previous year Rs. 3007.10 lacs).
- b. In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Honourable High Court of Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.

40. The major components of the net deferred tax assets and liability are as under :

In respect of Deferred Tax Assets (Net):

S.No.	Particulars	Amount (Rs. in Lacs)	
		2012-2013	2011-2012
(A)	Deferred Tax Assets		
(i)	Expenditure allowable on payment basis	13.22	12.24
(ii)	Unabsorbed losses	6302.87	0.00
(iii)	Others	0.15	15.88
	Total	6316.24	28.12
(B)	Deferred Tax Liabilities		
(i)	Depreciation	4667.71	0.00
(ii)	Others	0.00	0.00
	Total	4667.71	0.00
	Net Deferred Tax Assets (A-B)	1648.53	28.12

IRL and IRL(J) have entered into power purchase agreements with the distribution companies for 19 years for sale of power generation and will have certain revenues and sufficient taxable profit after the tax holiday period against which the deferred tax assets shall be adjusted. Provision of deferred tax asset in compliance of the notified Accounting Standard 22 on 'Accounting for Taxes on Income' has been made as these companies have unabsorbed depreciation which can be carried forward infinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

In respect of Deferred Tax Liabilities (Net):

S.No.	Particulars	Amount (Rs. in Lacs)	
		2012-2013	2011-2012
(A)	Deferred Tax Liabilities		
(i)	On account of difference between tax depreciation and depreciation/amortisation charged in books	21370.58	17002.42
(ii)	Others	0.00	595.67
	Total	21370.58	17598.09
(B)	Deferred Tax Assets		
(i)	Expenditure allowable on payment basis	1033.99	645.67
(ii)	Others	218.01	104.74
	Total	1252.00	750.41
	Net Deferred Tax Liability (A-B)	20118.59	16847.68

41. 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)	
	2012-2013	2011-2012
(i) Gross carrying amount of asset given on operating lease included in Buildings block of fixed assets	914.52	914.52
(ii) Accumulated Depreciation as at the end of the year	105.91	91.00
(iii) Depreciation for the year	14.90	14.90
(iv) Future minimum lease payments -		
(a) Not later than one year	637.43	523.94
(b) Later than one year and not later than five years	1915.70	1869.69
(c) Later than five years	0.00	0.00
(v) 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.		

b) In respect of plant taken on operating lease:

The plants taken on operating lease are for an initial non-cancellable period of ten years, which can be further extended at the mutual agreement. The future minimum lease payments under these lease arrangements are as under:-

S.No.	Payable in future	Amount (Rs. in Lacs)	
		2012-2013	2011-2012
a)	Not later than one year	80.28	74.66
b)	Later than one year and not later than five years	277.02	312.30
c)	Later than five years	161.25	206.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

c) Operating leases for some of the multiplexes of Inox Leisure Limited Group ("ILL Group")

ILL 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 are included in 'Property Rent and Conducting Fees' charged in the Statement of Profit and Loss.

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

S.No.	Payable in future	Amount (Rs. in Lacs)	
		2012-2013	2011-2012
a)	Not later than one year	9555.49	8073.47
b)	Later than one year and not later than five years	38906.33	33253.75
c)	Later than five years	99840.68	77970.61
	Total	148302.50	119297.83

d) In respect of other operating leases for premises (offices and residential accommodations for employees) - generally, these lease arrangements range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals are included in 'Property Rent and Conducting Fees' charged in the Statement of Profit and Loss.

42. Provisions:

a) ILL has recognised following provision towards estimated liability in respect of amalgamation expenses / municipal taxes payable for one of its multiplexes & estimated liability as under :-

Particulars	Amalgamation Expenses		Municipal Taxes	
	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Opening Balance	Nil	Nil	154.60	131.80
Provided during the year	500.00	Nil	52.80	52.80
Paid during the year	Nil	Nil	Nil	30.00
Closing balance	500.00	Nil	207.40	154.60

43. ILL has recognised a provision towards MVAT as under:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Opening Balance	39.61	39.61
Paid during the year	Nil	Nil
Closing balance	39.61	39.61

44. In respect of ILL, the arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of Rs. 18.28 lacs. (previous year Rs. 18.23 lacs). Total amount of interest receivable upto 31st March, 2013 is Rs.129.82 lacs (previous year Rs. 111.54 lacs). The said award has been challenged before the District Court and the matter is pending.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

45. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Holding Company- Inox Leasing & Finance Limited

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

Joint Venture

Xuancheng Hengyuan Chemical Technology Co. Ltd. (XHCT Co. Ltd)

Swanston Multiplex Cinema Private Limited (SMCPL) – joint venture of a subsidiary

Swarnim Gujarat Fluorspar Private Limited (Incorporated on 19th June,2012)

Associate of a subsidiary

Megnasolace City Private Limited

Key Management Personnel (KMP)

Mr. V K Jain (Managing Director)

Mr. D K Sachdeva (Whole Time Director)

Mr. J S Bedi (Whole Time Director)

Mr. G Arumugam (Whole Time Director) upto 22nd June , 2012

Mr. Alok Tandon – Manager of Inox Leisure Limited

Mr. Rajiv Patni – Manager of amalgamating Company Fame India Ltd.

Mr. David Kaufmann – Manager of GFL Americas LLC, U.S.A.

Mr. Devansh Jain-(Whole Time Director) in Inox Wind Limited

(w.e.f. 1st November, 2012 – earlier classified under relative of KMP)

Mr. Rajeev Gupta (Whole Time Director) in Inox Wind Limited w.e.f. 1st April 2012

Relatives of Key Management Personnel

Mr. D K Jain (Father of Mr. V K Jain)

Mr. P K Jain (Brother of Mr. V K Jain)

Mr. Devansh Jain (Son of Mr. V.K. Jain) – classified as KMP

w.e.f. 1st November, 2012 on becoming a whole-time director in IWL.

Mr. Cody Kaufmann (Son of Mr. David Kaufmann)

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 Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

(ii) Particulars of transactions

Amount Rs. in Lacs

Particulars	Holding Holding		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
A) Transactions during the year												
Sales of Goods												
Inox Air Products Limited									8.54	25.18	8.54	25.18
Others									0.05	0.03	0.05	0.03
Total									8.59	25.21	8.59	25.21
Purchase of Assets												
David Kaufmann					0.00	45.34					0.00	45.34
Total					0.00	45.34					0.00	45.34
Purchase of Goods												
Inox Air Products Limited									243.16	424.74	243.16	424.74
Inox India Limited									1704.44	578.59	1704.44	578.59
XHCT Co. Ltd			567.81	569.58							567.81	569.58
Total			567.81	569.58					1947.60	1003.33	2515.41	1572.91
Inter corporate deposit repaid												
Inox Leasing & Finance Limited	600.00	1200.00									600.00	1200.00
Devansh Trading & Finance Private Limited									600.00	0.00	600.00	0.00
Siddhapavan Trading & Finance Private Limited									500.00	0.00	500.00	0.00
Total	600.00	1200.00							1100.00	0.00	1700.00	1200.00
Inter corporate deposit received												
Inox Leasing & Finance Limited	1100.00	0.00									1100.00	0.00
Devansh Trading & Finance Private Limited									600.00	0.00	600.00	0.00
Siddhapavan Trading & Finance Private Limited									500.00	0.00	500.00	0.00
Total	1100.00	0.00							1100.00	0.00	2200.00	0.00
Interest Paid/Interest paid on Debentures												
Inox Leasing & Finance Limited	27.12	139.48									27.12	139.48
Devansh Trading & Finance Private Limited									59.48	17.50	59.48	17.50
Inox Chemicals Private Limited									16.88	17.50	16.88	17.50
Siddhapavan Trading & Finance Private Limited									52.38	17.50	52.38	17.50
Siddho Mal Investments Private Limited									16.88	17.50	16.88	17.50
Total	27.12	139.48							145.62	70.00	172.74	209.48
Equity shares Subscribed												
Swarnim Gujarat Fluorspar Pvt. Ltd.			1.25	0.00							1.25	0.00
Total			1.25	0.00							1.25	0.00
Equity shares of Inox Wind Ltd issued												
Devansh Trading & Finance Private Limited									250.00	0.00	250.00	0.00
Inox Chemicals Private Limited									250.00	0.00	250.00	0.00
Siddhapavan Trading & Finance Private Limited									250.00	0.00	250.00	0.00
Siddho Mal Investments Private Limited									250.00	0.00	250.00	0.00
Total									1000.00	0.00	1000.00	0.00
Dividend Received												
XHCT Co. Ltd			216.76	78.44							216.76	78.44
Total			216.76	78.44							216.76	78.44
Expenses (Repairs)												
Refron Valves Limited									0.90	2.85	0.90	2.85
Total									0.90	2.85	0.90	2.85



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

Amount Rs. in Lacs

Particulars	Holding Holding		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Reimbursement of expenses (paid)												
Inox Air Products Limited									6.46	8.01	6.46	8.01
Inox India Limited									0.00	0.08	0.00	0.08
Inox Leasing & Finance Limited	0.95	0.57									0.95	0.57
SMCPL			2.18	4.87							2.18	4.87
Total	0.95	0.57	2.18	4.87					6.46	8.09	9.59	13.53
Reimbursement of expenses (received)												
Inox India Limited									5.50	4.62	5.50	4.62
Inox Leasing & Finance Limited	0.55	0.32									0.55	0.32
SMCPL			3.50	3.85							3.50	3.85
Swarnim Gujarat Fluorspar Pvt. Ltd.			51.01	0.00							51.01	0.00
Total	0.55	0.32	54.51	3.85					5.50	4.62	60.56	8.79
Project hiring charges received												
SMCPL			5.06	14.51							5.06	14.51
Total			5.06	14.51							5.06	14.51
Rent Received												
Inox Air Products Limited									144.90	144.90	144.90	144.90
Others									0.72	0.72	0.72	0.72
Total									145.62	145.62	145.62	145.62
Rent paid												
Inox Air Products Limited									0.60	0.60	0.60	0.60
Devansh Gases Private Limited									19.50	18.00	19.50	18.00
Inox Leasing & Finance Limited	60.00	48.00									60.00	48.00
Others					1.20	1.20					1.20	1.20
Total	60.00	48.00			1.20	1.20			20.10	18.60	81.30	67.80
O&M Charges & Lease Rents paid												
Inox Air Products Limited									202.56	137.96	202.56	137.96
Total									202.56	137.96	202.56	137.96
Errection & Commissioning Charges												
Inox Air Products Limited									0.00	30.00	0.00	30.00
Total									0.00	30.00	0.00	30.00
Remuneration paid												
Mr. V K Jain					574.19	567.31					574.19	567.31
Others					331.27	236.50	3.14	5.38			334.41	241.88
Total					905.46	803.81	3.14	5.38			908.60	809.19
Professional fees												
Mr. David Kaufmann-Manager					54.91	46.40					54.91	46.40
Mr. Cody Kaufmann							37.42	28.92			37.42	28.92
Total					54.91	46.40	37.42	28.92			92.33	75.32
Commission paid												
Mr. D K Jain							609.54	1275.04			609.54	1275.04
Mr. David Kaufmann-Manager					6.83	8.00					6.83	8.00
Total					6.83	8.00	609.54	1275.04			616.37	1283.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013
Amount Rs. in Lacs

Particulars	Holding Holding		Joint Venture		Key Management Personnel (KMP)		Relative of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sitting Fees paid												
Mr. D K Jain							1.20	1.60			1.20	1.60
Mr. P K Jain							0.00	0.20			0.00	0.20
Total							1.20	1.80			1.20	1.80
B) Amounts outstanding												
Amount payable												
Mr. V K Jain					348.69	350.14					348.69	350.14
Mr. D K Jain							421.19	881.05			421.19	881.05
Others	0.33	0.00	74.00	106.39	16.45	15.87	0.00	0.45	128.27	139.09	219.05	261.80
Total	0.33	0.00	74.00	106.39	365.14	366.01	421.19	881.50	128.27	139.09	988.93	1492.99
Inter - corporate deposits received												
Inox Leasing & Finance Limited	1100.00	600.00									1100.00	600.00
Total	1100.00	600.00									1100.00	600.00
Debentures Outstanding												
Devansh Trading & Finance Private Limited									0.00	250.00	0.00	250.00
Inox Chemicals Private Limited									0.00	250.00	0.00	250.00
Siddhapavan Trading & Finance Private Limited									0.00	250.00	0.00	250.00
Siddho Mal Investments Private Limited									0.00	250.00	0.00	250.00
Total									0.00	1000.00	0.00	1000.00
Interest on Debentures accrued but not paid												
Devansh Trading & Finance Private Limited									0.00	15.75	0.00	15.75
Inox Chemicals Private Limited									0.00	15.75	0.00	15.75
Siddhapavan Trading & Finance Private Limited									0.00	15.75	0.00	15.75
Siddho Mal Investments Private Limited									0.00	15.75	0.00	15.75
Total									0.00	63.00	0.00	63.00
Amount Receivables												
a) Trade Receivables												
Inox Air Products Limited									0.00	0.46	0.00	0.46
Total									0.00	0.46	0.00	0.46
b) Loans & Advances												
Swarnim Gujarat Fluorspar Pvt. Ltd.			51.01	0.00							51.01	0.00
Total			51.01	0.00							51.01	0.00

46. Outstanding derivatives and other un-hedged foreign currency exposure as at Balance Sheet date:

a) Derivative outstanding as at Balance Sheet date:

(Figures in Lacs)

S. No	Nature of Contract	Foreign Currency	Buy/Sell	2012-2013	2011-2012	Purpose
a)	Forward Contracts	USD	Sell	0.00	604.50	Hedging of Receivable
b)	Forward Contracts	EURO	Sell	100.00	1,470.00	Hedging of Receivable
c)	Forward Contracts	USD	Buy	210.58		Hedging of Loan and Interest Rate of Loan
d)	Currency and Interest Rate Swap	USD	Buy	55.79		Hedging of Loan and Interest Rate of Loan
e)	Currency and Interest Rate Swap	USD	Buy	415.59	257.50	Hedging of Loan and Interest Rate of Loan
f)	Interest Rate Swap (Notional Principal)	USD	Buy	-	135.26	Hedging of Loan and Interest Rate of Loan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

b) Foreign currency exposure not hedged as at Balance Sheet date:

S. No.	Particulars	2012-2013 (Amount in lacs in respective currency)							2011-2012 (Amount in lacs in respective currency)					
		USD	EURO	JPY	GBP	CHF	YUAN	AUD	USD	EURO	JPY	GBP	CHF	YUAN
a)	Receivables	91.96	206.49	-	2.01	-	-	-						
b)	Payables	268.86	51.98	336.98	2.06	1.45	-	0.66	21.74	9.12	19.40	0.03	0.47	-
c)	Advances Received	0.41	-	-	-	-	-	-	7.15	130.25	-	-	-	-
d)	Advances Paid	61.40	1.67	15.06	0.03	2.37	-	-	10.50	2.77	352.04	-	-	-
e)	ECB/FCNRB	1820.05	-	-	-	-	-	-	1663.70	-	-	-	-	-
f)	PCFC	0.00	-	-	-	-	-	-	219.08	-	-	-	-	-
g)	Buyers Credit	191.66	122.44	-	-	-	-	-	348.85	-	-	-	-	-
h)	Interest Payable	9.08	-	-	-	-	-	-	2.50	-	-	-	-	-
i)	Investments	46.65	-	-	-	-	225.91	-	28.86	-	-	-	-	225.91
j)	FCCB liability		-	-	-	-	-	-	-	-	-	-	-	-
k)	YTM on FCCB		-	-	-	-	-	-	-	-	-	-	-	-

47. Segment Information

A) Information about Primary (Business) Segments.

Particulars	Amount Rs. in Lacs	
	Year Ended 31.03.2013	Year Ended 31.03.2012
[I] Segment Revenue		
i. Chemicals	167615.54	213207.66
ii. Wind Energy Business	106032.77	62136.91
iii. Power	8143.13	4910.53
iv. Theatrical Exhibition	76701.73	64745.45
v. Others, Un-allocable and Corporate	3143.60	4680.84
Total Segment Revenue	361636.77	349681.39
Less : Inter Segment Revenue		
- Wind Energy Business	41866.45	61985.06
Total External Revenue	319770.32	287696.33
[II] Segment Result		
i. Chemicals	65016.29	107828.38
ii. Wind Energy Business	16917.97	2350.30
iii. Power	5703.73	946.92
iv. Theatrical Exhibition	5290.67	2773.61
Total Segment Result	92928.66	113899.21
Add/(Less): Un-allocable Income /(Expenses) (Net)	(5143.11)	(3132.03)
Less : Interest expenses	13201.75	8908.99
Total Profit Before Tax	74583.80	101858.19
Less : Taxation (Net)	19366.82	24281.50
Net Profit After Tax	55216.98	77576.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013
Amount Rs. in Lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
[III] Other Information		
a] Segment Assets		
i. Chemicals	289733.00	279199.97
ii. Wind Energy Business	78571.38	33576.29
iii. Power	116547.49	88441.53
iv. Theatrical Exhibition	77700.37	50104.91
v. Others, Un-allocable and Corporate	91073.71	67103.49
Total	653625.95	518426.19
b] Segment Liabilities		
i. Chemicals	17530.77	28579.38
ii. Wind Energy Business	23774.16	13622.70
iii. Power	10258.36	3005.04
iv. Theatrical Exhibition	17884.43	10445.98
v. Others, Un-allocable and Corporate	234572.12	175623.91
Total	304019.84	231277.01
c] Capital Expenditure (Including Capital Advances)		
i. Chemicals	20826.24	82952.30
ii. Wind Energy Business	3512.58	3264.69
iii. Power	41148.04	30757.97
iv. Theatrical Exhibition	9066.44	3460.06
v. Others, Un-allocable and Corporate	732.00	735.37
Total	75285.30	121170.39
d] Depreciation & Amortization		
i. Chemicals	9818.50	7883.96
ii. Wind Energy Business	1069.92	758.58
iii. Power	1601.42	2267.62
iv. Theatrical Exhibition	4312.63	3750.37
v. Others, Un-allocable and Corporate	263.62	241.59
Total	17066.09	14902.12
e] Non-cash expenses (other than depreciation)		
i. Chemicals	18.06	16.75
ii. Wind Energy Business	0.00	0.00
iii. Power	0.00	0.00
iv. Theatrical Exhibition	14.07	256.06
v. Others, Un-allocable and Corporate	486.28	4904.31
Total	518.41	5177.12

B) Information about Secondary (Geographical) Segments.
Amount Rs. in Lacs

Particulars	2012-2013	2011-2012
Domestic	218334.35	127356.69
Overseas	98307.48	155658.95
Total	316641.83	283015.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013
C) Notes

- 1) The Group 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. Theatrical Exhibition – Operating & managing multiplexes and cinema theatres.
 - d. Wind Energy Business – Manufacture of Wind Turbine Generators (WTG), Erection & Commissioning services and Operations & Maintenance services for WTG.
- 2) Inter-segment revenue comprises of:
 - a. Wind Turbine Generators manufactured by Wind Energy business segment (including Erection and Commissioning services) and capitalized as fixed assets in other segments and is priced at estimated market value.
 - b. Operations & Maintenance services provided by Wind Energy business segment to other segments and is priced at estimated market value.
- 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. The main manufacturing facilities of chemicals business in India 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. All multiplexes/theatres are located in India. The entire revenue of WTG segment is from domestic market. 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.

48. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 680.25 lacs (previous year Rs. 561.56 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and Rs. 16.84 lacs (previous year Rs. 0.39 lacs) is included in pre-operative expenses.
- b) Defined Benefit Plans: In respect of Gratuity and Leave Encashment – as per Actuarial valuation.

Particulars	Amount Rs. in Lacs			
	Gratuity 2012-2013	Gratuity 2011-2012	Leave Encashment 2012-2013	Leave Encashment 2011-2012
1. Change in Benefit Obligation				
Liability at the beginning of the year	548.23	428.52	233.70	181.95
Interest Cost	46.22	34.39	18.72	13.26
Current Service Cost	137.41	124.51	113.68	104.58
Benefits paid	(17.91)	(15.21)	(30.42)	(39.42)
Actuarial (Gain)/Loss	(67.99)	(23.97)	(67.61)	(26.67)
Liability at the end of the year	645.96	548.24	268.07	233.70
Add : Short term leave liability			177.43	157.47
Total Leave Liability			445.50	391.17
2. Expenses recognized in the Statement of Profit and Loss				
Current Service Cost	137.41	124.51	113.68	104.58
Interest Cost	46.22	34.39	18.72	13.26
Actuarial (Gain)/Loss	(67.99)	(23.97)	(67.61)	(26.67)
Expenses recognized in the Statement of Profit and Loss	115.64	134.93	64.79	91.17
On account of short term leave liability			19.96	42.59
Total leave liability			84.76	133.76
3. Actuarial Assumptions				
Discount Rate	8.06 %	8.57 %	8.06 %	8.57 %
Salary Escalation Rate	8.00%	8.00%	8.00%	8.00%
Retirement Age	60 Years			
Withdrawal Rates	5%			
Mortality	LIC (1994-96) published table of rates			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2013

4. Other disclosures : Experience Adjustment	2012-13	2011-12	2010-11	2009-10	2008-09
(i) Gratuity					
Present value of Defined benefit obligations	916.31	701.18	559.30	434.96	358.99
Experience (Gain)/Loss on obligation	(86.59)	(33.06)	(42.58)	(37.22)	(6.81)
(ii) Leave Encashment					
Present value of Defined benefit obligations	419.75	306.36	243.98	179.78	202.72
Experience (Gain)/Loss on obligation	(102.98)	(51.72)	8.02	(116.76)	9.72

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.

49. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006;
Amount Rs. in Lacs
Particulars

Principal amount due to suppliers under MSMED Act, 2006 at the year end.	3.69	13.98
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.06	0.01
Payment made to suppliers (other than interest) beyond the appointed date during the year	14.46	53.59
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	0.02	0.16
Interest due and payable to suppliers under MSMED Act for payments already made.	0.17	0.48
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	3.35	3.15

50. Calculation of Earnings Per Share (EPS):-Pending
Particulars

a) Amount used as the numerator - Profit after taxation (Rs. in lacs)	54335.75	78005.19
b) Equity shares outstanding at the beginning & end of the year – (Nos.)	109850000	109850000
c) Nominal value of each share – (Re)	1	1
d) Basic and Diluted Earnings per share (Rs.)	49.46	71.01

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

S. SWARUP
Director

S. P. JAIN
Director

M. Y. Kulkarni
Partner

DEEPAK ASHER
Director & Group Head
(Corporate Finance)

O. P. LOHIA
Director

B. V. DESAI
Company Secretary

Place : Pune
Dated : 30th May, 2013

Place : Noida
Dated : 30th May, 2013



**Statement pursuant to exemption under Section 212 (8) of the Companies Act, 1956
relating to subsidiary companies of Gujarat Fluorochemicals Limited
for the Financial Year 2012-2013**

S. No.	Particulars	Name of Subsidiary Company (including subsidiaries of subsidiaries)										Amount Rs. in Lacs	
		Inox Infrastructure Limited	Gujarat Fluorochemicals Americas LLC, U.S.A.*	Gujarat Fluorochemicals Singapore Pte. Limited*	GFL GM Fluorspar SA*	Inox Wind Limited	Inox Renewables Limited	Inox Leisure Limited	Inox Wind Infrastructure Services Limited	Inox Renewables (Jaisalmer) Limited			
a)	Capital	5,000.00	929.29	1,419.97	554.16	4,000.00	305.00	9,612.46	5.00	10,605.00			
b)	Reserves	325.17	262.88	57.56	(401.54)	25,278.51	42,030.22	41,193.72	273.28	864.54			
c)	Total Assets	5,333.59	2,314.82	1,483.92	1,257.82	90,691.74	124,425.52	99,689.73	8,164.58	39,624.91			
d)	Total Liabilities	8.42	1,122.65	6.39	1,105.20	61,413.22	82,090.30	48,883.56	7,886.30	28,155.37			
e)	Investments (other than investment in subsidiary)	5,312.17	0.00	0.00	0.00	0.00	0.00	18,454.96	0.20	0.00			
f)	Turnover	14.00	2,726.42	26.23	0.00	99,944.76	13,226.69	76,528.55	8,904.11	820.75			
g)	Profit/(Loss) before taxation	112.80	(161.12)	(13.08)	(321.13)	14,953.76	1,455.18	2,936.11	404.56	202.82			
h)	Provision for taxation	4.89	(64.32)	1.64	0.00	194.15	(945.51)	1,091.49	131.28	(661.73)			
i)	Profit/(Loss) after taxation	107.91	(96.80)	(14.72)	(321.13)	14,759.61	2,400.70	1,844.62	273.28	864.54			
j)	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			

* Exchange rate as on 31st March, 2013 : 1 USD : Rs. 54.28



GUJARAT FLUORO CHEMICALS 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-SIXTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, the 23rd August, 2013** at 3.30 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 FLUORO CHEMICALS 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

ofbeing a member/members of

GUJARAT FLUORO CHEMICALS 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-SIXTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, the 23rd August, 2013** and at any adjournment thereof.

Signed this day of..... 2013.

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.



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