



**GUJARAT  
FLUOROCHEMICALS  
LIMITED**



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ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India

Website : [www.gfl.co.in](http://www.gfl.co.in)

CIN : L24110 GJ1987 PLC009362

**FORM A**

**Covering letter of the annual audit report to be filed with the stock exchanges**

|    |  |  |  |
|----|--|--|--|
| 1. | Name of the Company                            | Gujarat Fluorochemicals Limited                          |  |
| 2. | Annual financial statements for the year ended | 31 March 2014  |  |
| 3. | Type of Audit observation                      | Un-qualified   |  |
| 4. | Frequency of observation                       | Not applicable   |  |
| 5. | To be signed by-                               | Name and Signature                                       |  |
|    | Managing Director                              | Shri Vivek Jain  |  |
|    | Chief Finance Officer                          | Shri Manoj Agrawal                                       |  |
|    | Auditor of the company                         | M/s Patankar & Associates<br>By Partner Mr. M Y Kulkarni |  |
|    | Audit Committee – Chairman                     | Shri Shanti Prasad Jain<br>Independent Director          |  |

Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153

Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel.: +91 (120) 6149600 Fax : +91 (120) 6149610

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Email to [info@gfl.co.in](mailto:info@gfl.co.in)



Creating the right formula  
for **growth**



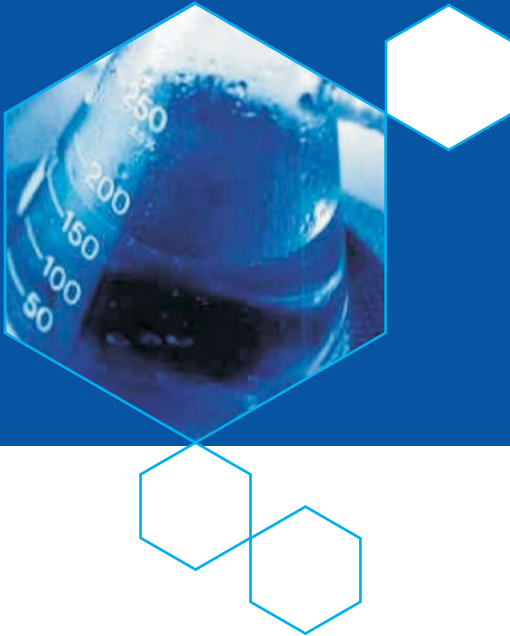
GUJARAT  
FLUOROchemicals  
LIMITED



GROUP COMPANY

**27th Annual Report 2013-14**

Creating the right formula  
for **growth**



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## GUJARAT FLUORO CHEMICALS LIMITED

### TWENTY-SEVENTH ANNUAL GENERAL MEETING

Wednesday, the 10<sup>th</sup> September, 2014

at 3.30 p.m.

at

Survey No. 16/3, 26 & 27

Village 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 Devendra Kumar Jain

Shri Shailendra Swarup

Shri Pavan Jain

Shri Vivek Jain

Shri Dinesh Kumar Sachdeva

Shri Jitendra Singh Bedi

Shri Om Prakash Lohia

Dr. S. Rama Iyer

Shri Deepak Asher

Shri Shanti Prasad Jain

*Non-Executive Director*

*Independent Director*

*Non-Executive Director*

*Managing Director*

*Whole-Time Director*

*Whole-Time Director*

*Independent Director*

*Independent Director*

*Director and Group Head*

*Corporate Finance*

*Independent Director*

### Audit Committee

Shri Devendra Kumar Jain

Shri Shanti Prasad Jain

Shri Shailendra Swarup

### Company Secretary

Shri Bhavin Desai

### Auditors

M/s. Patankar & Associates

Chartered Accountants

### Bankers

The Royal Bank of Scotland

DBS Bank Ltd.

BNP Paribas

Axis Bank Limited

Societe Generale

ICICI Bank Limited

HDFC Bank Limited

Citibank N.A.

Yes Bank Limited

ING Vysya Bank Limited

Indusind Bank Limited

Kotak Mahindra Bank Limited

### Registered Office

Survey Number 16/3, 26 & 27,

Village 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 Plant

Survey No. 16/3, 26 & 27, Village Ranjitnagar 389 380, Taluka Ghoghama, District Panchmahal, Gujarat - State

### Dahej Plant

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

## GUJARAT FLUOROchemicals LIMITED

**Registered office:** Survey no 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal  
**CIN:** L24110GJ1987PLC009362, **Website:** www.gfl.co.in, **Email id :** contact@gfl.co.in

### NOTICE

NOTICE is hereby given to the Members of **Gujarat Fluorochemicals Limited** that the **Twenty-Seventh Annual General Meeting** of the Company will be held at the Registered Office of the Company at Survey No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal, Gujarat, on Wednesday, the 10<sup>th</sup> September, 2014, at 03:30 pm, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014, the Balance Sheet and Cash Flow Statement as at that date, the report of the Auditors thereon and the report of the Board of Directors for the said year.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Shri Deepak Asher (DIN: 00035371) who retires by rotation and being eligible offers himself for re-appointment.
4. 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

5. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Shri Shailendra Swarup (DIN: 00167799), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."
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 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Shri Om Prakash Lohia (DIN: 00206807), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."
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 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Dr. S Rama Iyer (DIN: 00076549), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."
8. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Shri Shanti Prasad Jain (DIN: 00023379), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019."



9. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Special Resolution :
- “RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modifications or re-enactment thereof, for the time being in force, Shri Dinesh Kumar Sachdeva (DIN: 00050740) be re-appointed, as Whole-time Director of the Company for a further period of one year commencing from 29<sup>th</sup> November, 2014 on such terms and conditions including remuneration as set out below, with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Dinesh Kumar Sachdeva, subject to the same not exceeding limits specified under Schedule V to the Companies Act, 2013 or any statutory modifications (s) thereof:
- Remuneration of upto Rs 30 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.
- In addition to remuneration within the above range, Shri Dinesh Kumar Sachdeva 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.”
- “RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”
10. 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 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modifications or re-enactment thereof, for the time being in force, Shri Jitendra Singh Bedi (DIN: 01670022) be re-appointed, as Whole-time Director of the Company for a further period of one year commencing from 1<sup>st</sup> December, 2014 on such terms and conditions including remuneration as set out below, with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Jitendra Singh Bedi, subject to the same not exceeding limits specified under Schedule V to the Companies Act, 2013 or any statutory modifications (s) thereof:
- 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.
- 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.”
- “RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”
11. 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 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modifications or re-enactment thereof, for the time being in force, Shri Paresh Nanubhai Trivedi (DIN: 02559529) be appointed, as Whole-time Director of the Company for a period from 22<sup>nd</sup> October, 2013 to 27<sup>th</sup> June, 2014 on such terms and conditions including remuneration as set out below, with the liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Paresh Nanubhai Trivedi, subject to the same not exceeding limits specified under Schedule V to the Companies Act, 2013 or any statutory modifications (s) thereof:
- Remuneration of upto Rs 41 lacs.
- 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.
- In addition to remuneration within the above range, Shri Paresh Nanubhai Trivedi 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.”
- “RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

12. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
- “RESOLVED THAT in supersession of earlier resolution passed under Section 293(1)(d) of the Companies Act, 1956 by Shareholders on 29<sup>th</sup> September, 2007 and subject to the provisions of Section 180(1) (c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include GFL Committee of Directors for Operations), for borrowing from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores only).”
- “RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”
13. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
- “RESOLVED THAT in supersession of earlier resolution passed under Section 293(1)(a) of the Companies Act, 1956 by Shareholders on 29<sup>th</sup> September, 2007, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include GFL Committee of Directors for Operations) under Section 180 (1) (a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores only).”
- “RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”
14. To consider and, if, thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:
- “RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 2,40,000/- (Rupees Two Lacs Forty Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s. Kailash Sankhlecha & Associates, Cost Auditors (Membership no M / 12055) of the Company for conducting the audit of the cost records of the Company for the financial year ending March 31, 2015, be and is hereby ratified and confirmed.
- “RESOLVED FURTHER THAT the Board of Directors of the Company or be and is hereby authorised to do all such acts, deeds & things and to take all such steps as they may deem necessary, proper or expedient to give effect to this resolution.”
15. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of sub-section (1) of the Section 197 and other applicable provisions of the Companies Act, 2013 (Act), Shri Devendra Kumar Jain (DIN: 00029782), Director of the Company be paid remuneration by way of commission for a period of five financial years commencing from the financial year 2014-15, of an amount equal to one percent of the net profits of the Company to be computed in accordance with the provisions of Section 198 of the said Act.”
- “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.”





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

“RESOLVED THAT, in compliance Section 188 of the Companies Act, 2013 (hereinafter referred to as “Act”) read with Rule (15) of the Companies (Meeting of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Act, and subject to other approvals, consents, permissions and sanctions of authorities as may be necessary, consent of the Company be and is given to the Board of Directors to enter into the following transactions continuing as on date and also to renew these transactions from time to time at anytime in future, with the Related Parties as defined under Section 2 of the Act:

| Name of Related Party                           | Nature of relationship as defined under the Companies Act, 2013   | Nature and Particulars of Contract  | Amount per annum (Rs in lacs) |
|---|---|---|-------------------------------|
| Inox Wind Limited                               | 2 (76) (viii) – Subsidiary Company.   | Purchase of Power   | 195.00                        |
|   |   | Sale of Spare Parts   | 15.00                         |
|   |   | Sharing of Noida office facilities of the Company on long term basis (Receipt of office facilities charges) | 41.00                         |
| Inox Wind Infrastructure Services Limited       | 2 (76) (viii) – Step down Subsidiary Company.   | Operation & Maintenance charges for Windmills   | 417.00                        |
| Inox India Limited                              | 2 (76) (v) – Shri Devendra Kumar Jain, Shri Pavan Jain and Shri Vivek Jain are Directors and holding more than two percent share capital. | Purchase of Assets & disposable cylinders   | 2650.00                       |
| Gujarat Fluorochemicals Americas LLC, USA       | 2 (76) (viii) – Subsidiary Company.   | Sale of Poly Tetra Fluoro Ethylene  | 5200.00                       |
| Gujarat Fluorochemicals GmbH, Germany           | 2 (76) (viii) – Subsidiary Company.   | Sale of Poly Tetra Fluoro Ethylene  | 7100.00                       |
| Xuancheng HengYuan Chemical Technology Co. Ltd  | 2 (76) (viii) – Joint Venture Company.  | Purchase of Anhydrous Hydro Fluoric Acid  | 220.00                        |
| Inox Leisure Limited                            | 2 (76) (viii) – Subsidiary Company.   | Sale of Refrigerant gases R-22  | 1.00                          |
| Devansh Gases Private Limited                   | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Taking the residential premises on lease at New Delhi (Payment of lease rent)                               | 24.00                         |
| Inox Leasing and Finance Limited                | 2 (76) (viii) – Holding Company.  | Taking office premises on lease at Mumbai (Payment of lease rent)   | 68.00                         |
| Devansh Trading and Finance Private Limited     | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (Receipt of office facilities charges)                    | 0.13                          |
| Siddhapavan Trading and Finance Private Limited | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (Receipt of office facilities charges)                    | 0.13                          |
| Inox Chemicals Private Limited                  | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (Receipt of office facilities charges)                    | 0.13                          |
| Siddhomal Investment Private Limited            | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (Receipt of office facilities charges)                    | 0.13                          |
| Devansh Gases Private Limited                   | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (receipt of office facilities charges)                    | 0.13                          |
| Rajni Farms Private Limited                     | 2 (76) (iv) – Shri Pavan Jain and Shri Vivek Jain are Director and Member.  | Sharing of Delhi office facilities of the Company (Receipt of office facilities charges)                    | 0.13                          |
| Shri Dinesh Kumar Sachdeva                      | 2 (76) (i) – Whole-time Director.   | Taking on lease residential premises at Vadodara (Payment of lease rent)                                    | 1.20                          |

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters and things as may be necessary to give effect to the above resolution.”

By Order of the Board of Directors

Noida  
29<sup>th</sup> July, 2014

**Bhavin Desai**  
Company Secretary

**Notes :**

1. 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.
2. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company. However, a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business as set out above is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will be closed from 03<sup>rd</sup> September, 2014 to 10<sup>th</sup> September, 2014 (both days inclusive).
5. Those Members who have not received interim dividend and / or final dividend for 2007-08 and / or 2008-09 and / or 2009-10 and / or 2010-11 and / or 2011-12 and / or 2012-13 and / or 2013-14 declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents.
6. Appointment / Re-appointment of Directors:  
The information required to be provided under clause 49 of the Listing Agreement in respect of Director/s being appointed /re-appointed is given herein below:

|                                      |  |
|--------------------------------------|--|
| <b>Name of the Director</b>          | <b>Shri Deepak Asher</b>   |
| Director Identification Number       | 00035371   |
| Date of appointment on Board         | 22 <sup>nd</sup> January, 2008   |
| Date of Birth                        | 15 <sup>th</sup> January, 1959   |
| Experience                           | Shri Deepak Asher, graduated in Commerce and Law, and is a Chartered Accountant and a Cost Accountant by profession. He has been associated with the Inox Group for more than twenty five years now, in different capacities. He is the founder President of the Multiplex Association of India, and was awarded the Theatre World Newsmaker of the Year Award for his contribution to the cinema exhibition industry. He has been responsible for spearheading the Group's diversification into the cinema and CDM businesses, and now its foray into the wind energy business. |
| Directorship held in other companies | <ol style="list-style-type: none"> <li>1. Gujarat Fluorochemicals Limited</li> <li>2. Inox Leisure Limited</li> <li>3. Inox Infrastructure Limited</li> <li>4. Inox Wind Limited</li> <li>5. Inox Renewables Limited</li> <li>6. Inox Renewables (Jaisalmer) Limited</li> <li>7. Swanston Multiplex Cinemas Private Limited</li> <li>8. GFL GM (Fluorspar) SA</li> </ol>   |



|                                  |  |
|----------------------------------|--|
| Committee Memberships            | <p><b>Gujarat Fluorochemicals Limited</b></p> <ul style="list-style-type: none"> <li>• GFL Committee of Directors for Operations</li> <li>• GFL Committee of Directors for Wind Power Projects</li> <li>• Inox Wind Limited Committee for Fund Raising Initiatives</li> <li>• Corporate Social Responsibility Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Leisure Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholders Relationship Committee</li> <li>• Nomination and Remuneration Committee</li> <li>• Corporate Social Responsibility Committee</li> </ul> <p><b>Inox Wind Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholders Relationship Committee</li> <li>• Issue Committee</li> <li>• IWL Committee of Board of Directors for Operations</li> </ul> <p><b>Inox Infrastructure Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> </ul> <p><b>Inox Renewables Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• IRL Committee of Board of Directors for Operations</li> </ul> <p><b>Inox Renewables (Jaisalmer) Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• IRJL Committee of Board of Directors for Operations</li> </ul> |
| No of shares held in the Company | 0  |

|                                      |  |
|--------------------------------------|--|
| <b>Name of the Director</b>          | <b>Shri Dinesh Kumar Sachdeva</b>  |
| Director Identification Number       | 00050740   |
| Date of appointment on Board         | 29 <sup>th</sup> November, 1996  |
| Date of Birth                        | 12 <sup>th</sup> December, 1944  |
| Experience                           | Shri Dinesh Kumar Sachdeva is B.Tech (Chemical Engineering) from the Indian Institute of Technology, Kharagpur, and has over 42 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  |
| <b>Name of the Director</b>          | <b>Shri Jitendra Singh Bedi</b>  |
| Director Identification Number       | 01670022   |
| Date of appointment on Board         | 31 <sup>st</sup> October, 2006   |
| Date of Birth                        | 13 <sup>th</sup> August, 1953  |
| Experience                           | Shri Jitendra Singh Bedi is a Chemical Engineer and has over 36 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  |

|                                      |   |
|--------------------------------------|---|
| <b>Name of the Director</b>          | <b>Shri Paresh Nanubhai Trivedi</b>   |
| Director Identification Number       | 02559529  |
| Date of appointment on Board         | 22 <sup>nd</sup> October, 2013  |
| Date of Birth                        | 22 <sup>nd</sup> November, 1962   |
| Experience                           | Shri Paresh Nanubhai Trivedi is a Chemical Engineer with 29 years' experience. He was previously with India's largest petrochemical company and has experience in projects, operations, technology, R&D, SHE. |
| Directorship held in other companies | GM Breweries Limited  |
| Committee Memberships                | Nil   |
| No of shares held in the Company     | 0   |

|                                      |   |
|--------------------------------------|---|
| <b>Name of Director</b>              | <b>Shri Shailendra Swarup</b>   |
| Director Identification Number       | 00167799  |
| Date of appointment on Board         | 1 <sup>st</sup> January, 1988   |
| Date of Birth                        | 20 <sup>th</sup> November, 1944   |
| Experience                           | Shri Shailendra Swarup is a law graduate and a Senior Advocate. He is practising in the High Court and Supreme Court of India. He has over 44 years of experience in handling various legal matters. He is also on the Board of several professionally managed companies. Shri Swarup was a Member of the Task Force on Corporate Governance constituted by the Confederation of Indian Industry under the Chairmanship of Shri Rahul Bajaj. He was a member of Consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr. AS Ganguly. |
| Directorship held in other companies | <ol style="list-style-type: none"> <li>1. India Thermit Corporation Limited</li> <li>2. Subros Limited</li> <li>3. Bengal &amp; Assam Company Limited</li> <li>4. Eros Energy Private Limited</li> <li>5. Vis Legis Consult Private Limited</li> <li>6. Xerox India Enterprises Private Limited</li> <li>7. Kangaroo Properties Private Limited</li> <li>8. Dev Valley Devcon Private Limited</li> <li>9. Inox Infrastructure Limited</li> <li>10. JK Paper Limited</li> <li>11. Gujarat Fluorochemicals Limited</li> </ol>   |
| Committee Memberships                | <b>Gujarat Fluorochemicals Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> </ul> <b>Inox Infrastructure Limited</b> <ul style="list-style-type: none"> <li>• Audit Committee</li> </ul>   |
| No of shares held in the Company     | 10000 Shares  |

|                                |  |
|--------------------------------|--|
| <b>Name of the Director</b>    | <b>Shri Om Prakash Lohia</b>   |
| Director Identification Number | 00206807   |
| Date of appointment on Board   | 31 <sup>st</sup> October, 2006   |
| Date of Birth                  | 26 <sup>th</sup> May, 1949   |
| Experience                     | 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 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"> <li>1. Indo Rama Synthetics (India) Limited</li> <li>2. Lohia Industries Private Limited</li> <li>3. Indo Rama Retail Holdings Private Limited</li> <li>4. Maharashtra Airport Development Company Limited</li> <li>5. Federation of Indian Chamber of Commerce &amp; Industry</li> <li>6. Gujarat Fluorochemicals Limited</li> </ol> |
| Committee Memberships                | <p><b>Gujarat Fluorochemicals Limited</b></p> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee</li> </ul>  |
| No of shares held in the Company     | 0  |

|                                      |  |
|--------------------------------------|--|
| <b>Name of the Director</b>          | <b>Dr S Rama Iyer</b>  |
| Director Identification Number       | 00076549   |
| Date of appointment on Board         | 19 <sup>th</sup> December, 2007  |
| Date of Birth                        | 19 <sup>th</sup> August, 1931  |
| Experience                           | Dr. S Rama Iyer is B E Chemical Engineer and has done his M Tech and Ph. D from Indian Institute of Technology, Mumbai. He is involved with Process Technology, Design Engineering, Project Management and Construction Management of large projects both in India and abroad. He is receipt of Distinguished Alumnus award from Indian Institute of Technology, Mumbai in the year 1996, Achiever of the Year Award from Chemtech Foundation in the year 2003 and Business Leader of the Year Award from Chemtech Foundation in the year 2005.  |
| Directorship held in other companies | <ol style="list-style-type: none"> <li>1. Deepak Fertilisers and Petrochemicals Corporation Limited</li> <li>2. Thirumalai Chemicals Limited</li> <li>3. L&amp;T Infotech Limited</li> <li>4. Equirus Capital Private Limited</li> <li>5. Inox Wind Limited</li> <li>6. Inox Wind Infrastructure Services Limited</li> <li>7. Inox Renewables Limited</li> <li>8. Inox Renewables (Jaisalmer) Limited</li> <li>9. Gujarat Fluorochemicals Limited</li> </ol>   |
| Committee Memberships                | <p><b>Deepak Fertilisers and Petrochemicals Corporation Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Operations &amp; Project Committee</li> </ul> <p><b>Thirumalai Chemicals Limited</b></p> <ul style="list-style-type: none"> <li>• Business Review Committee</li> </ul> <p><b>Inox Wind Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Wind Infrastructure Services Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Renewables Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Renewables (Jaisalmer) Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> |
| No of shares held in the Company     | 10000 Shares   |

|                                      |   |
|--------------------------------------|---|
| <b>Name of the Director</b>          | <b>Shri Shanti Prasad Jain</b>  |
| Director Identification Number       | 00023379  |
| Date of appointment on Board         | 22 <sup>nd</sup> May, 2009  |
| Date of Birth                        | 1 <sup>st</sup> February, 1940  |
| Experience                           | Shri Shanti Prasad Jain is a leading Chartered Accountant and practising since 1963. He has specialized in taxation matters of various reputed companies and banks.   |
| Directorship held in other companies | <ol style="list-style-type: none"> <li>1. Inox Wind Limited</li> <li>2. Inox Wind Infrastructure Services Limited</li> <li>3. Inox Renewables Limited</li> <li>4. Inox Renewables (Jaisalmer) Limited</li> <li>5. Inox Infrastructure Limited</li> <li>6. Gujarat Fluorochemicals Limited</li> </ol>  |
| Committee Memberships                | <p><b>Gujarat Fluorochemicals Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Wind Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Stakeholders Relationship Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Wind Infrastructure Services Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Renewables Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Renewables (Jaisalmer) Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Corporate Social Responsibility Committee</li> <li>• Nomination and Remuneration Committee</li> </ul> <p><b>Inox Infrastructure Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> </ul> |
| No of shares held in the Company     | 1000  |

7. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Annual Report for Financial Year 2013- 2014 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 request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their email addresses registered with the Registrar and Share Transfer Agents.

#### 8. Voting through electronic means

i. In compliance with provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide e-voting facility to all Members through the e-voting platform of CDSL. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e-voting on the resolutions placed by the company on the e-voting system. Instructions and manner of e-voting process can be downloaded from the link <https://www.evotingindia.com>. **E-voting is optional**. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 25<sup>th</sup> July, 2014.



**The process and instructions for e-voting are as under:**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN*  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)   |
|   | <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field.</li> </ul>  |
|   | <ul style="list-style-type: none"> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>                      |
| DOB#  | Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details#  | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.   |
|   | <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date i.e. 25<sup>th</sup> July, 2014</b> in the <b>Dividend Bank details field</b>.</li> </ul> |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- i. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii. The voting period begins on 03<sup>rd</sup> September, 2014 (9:00 am) and ends on 05<sup>th</sup> September, 2014 (6:00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25<sup>th</sup> July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25<sup>th</sup> July, 2014.
- III. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- IV. M/s Samdani Shah and Associates, Practicing Company Secretary (Certificate of Practice Number 2863) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Director or Company Secretary of the Company.
- VI. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.gfl.co.in](http://www.gfl.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange Limited.





## ANNEXURE TO THE NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013

### Item No. 5 to 8

Shri Shailendra Swarup (DIN: 00167799), Shri Om Prakash Lohia (DIN: 00206807), Dr S Rama Iyer (DIN: 00076549) and Shri Shanti Prasad Jain (DIN: 00023379) are on the Board of the Company as Independent Directors for a period of more than 10 years and hold this position as per the current provisions of the Listing Agreement.

It is proposed to appoint Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain as Independent Directors under Section 149 of the Companies Act, 2013 (Act) and Clause 49 of the Listing Agreement to hold office for 5 (five), consecutive years for a term up to 31<sup>st</sup> March, 2019 and they shall not be included in the total number of directors liable to retire by rotation at the Annual General Meeting.

Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain for the office of Directors of the Company.

The Company has also received declarations from Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain are independent of the management.

Brief resume of Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain, nature of their experience in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Note no 6 of the Notice.

Copy of the letters for respective appointments of Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain are interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice with regard to their respective appointments. The relatives of Shri Shailendra Swarup, Shri Om Prakash Lohia, Dr S Rama Iyer and Shri Shanti Prasad Jain may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The directors commend the proposed Resolutions as stated at Item No. 5 to 8 of the Notice be approved.

### Item No 9

At the Twenty-Sixth Annual General Meeting of the Company, the Members had re-appointed Shri Dinesh Kumar Sachdeva (DIN 00050740) as a Whole-Time Director of the Company for a period of one year from 29<sup>th</sup> November, 2013 to 28<sup>th</sup> November, 2014. It is desirable that the Company should continue to avail his services of Shri Dinesh Kumar Sachdeva who has attained age of seventy years considering his valuable services to the Company as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution at Item No. 9 of the Notice 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 10

At the Twenty-Sixth Annual General Meeting of the Company, the Members had re-appointed Shri Jitendra Singh Bedi (DIN: 01670022) as a Whole-Time Director of the Company for a period of one year from 1<sup>st</sup> December, 2013 to 30<sup>th</sup> November, 2014. 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 at Item No. 10 of the Notice be approved.

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

#### Item No 11

At the Meeting of the Board of Directors of the Company held on 22<sup>nd</sup> October, 2013, it had appointed Shri Paresh Nanubhai Trivedi (DIN: 02559529) as an Additional and Whole-Time Director of the Company for a period of one year from 22<sup>nd</sup> October, 2013. However, prior to the completion of the tenure of his office, Shri Paresh Nanubhai Trivedi has resigned as Director and Whole-time Director with effect from 27<sup>th</sup> June, 2014. It is proposed that the Company should ratify his appointment as a Director and Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution at Item No. 11 of the Notice be approved.

None of the Directors of the Company is concerned or interested in the proposed Resolution.

#### Items No 12 and 13

The Shareholders of the Company had, vide resolution dated 29<sup>th</sup> September, 2007, authorized the Board of Directors of the Company to;

- borrow monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 1,500 crores at any point of time; and
- creation of a mortgage or charge for the said borrowings, as security by way of mortgage/hypothecation on the Company's assets in favour of Company's Bankers/Financial Institutions/other investing agencies and trustees for the amounts borrowed i.e. upto Rs. 1,500 crores, including interest, charges, etc., payable thereon

under the provisions of Section 293(1) (d) and 293 (1) (a) of the Companies Act, 1956 respectively by way of Ordinary Resolutions.

Under Section 180 of the Companies Act, 2013, ("the Act") the above powers of the Board are required to be exercised only with the consent of the Shareholders by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until 11<sup>th</sup> September, 2014.

The approval of the Shareholders for the said borrowings and creation of mortgage or charge for the said borrowing or to sale, lease or otherwise dispose off whole or substantially the whole of undertaking of the Company is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180 (1) (a) of the Act, respectively as mentioned in Item Nos. 12 and 13 of the Notice. **As per the provisions of Section 110 of the Companies Act, 2013 read with Rule 26 of the Companies (Management and Administration) Rules, 2014, a Special Resolution to be passed under Section 180 (1) (a) of the Act requires to be passed by voting through a Postal Ballot only. Accordingly, the Postal Ballot form is sent with this Notice of Annual General Meeting and e-voting facility is provided to the Shareholders to cast their vote on the Item no 13 of the Notice. All the Shareholders are requested to kindly refer to the instructions given on the Postal Ballot form.**

The Directors commend the proposed Resolutions at Item Nos. 12 and 13 of the Notice be approved.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the proposed Resolutions at Item Nos. 12 and 13.



**Item No 14**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015.

The directors commend the proposed Resolution as stated at Item No 14 of the Notice be approved.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

**Item No 15**

Section 197 of the Companies Act, 2013 (Act) permits payment of remuneration to a director who is not in whole time employment of the Company, with the approval of the Shareholders in General Meeting.

Shri Devendra Kumar Jain (DIN: 00029782), Director of your Company, has given valuable guidance to the Company on various aspects of general management, corporate governance and business. It is, therefore, desirable to continue to avail his services for future growth and better prospects of the Company and pay remuneration to him as is permissible under Section 197 of the Companies Act, 2013.

The Directors commend that the proposed resolution as stated at Item No. 15 of the Notice be approved.

None of Directors of the Company are concerned or interested in the proposed Resolution, except Shri Devendra Kumar Jain himself, and Shri Pavan Jain and Shri Vivek Jain, being relatives of Shri Devendra Kumar Jain, to the extent of payment of commission to Shri Devendra Kumar Jain, Director of the Company. The relatives of Shri Devendra Kumar Jain may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

**Item No 16**

Section 188 of the Companies Act, 2013 (Act) states that no company shall enter into transactions with Related Party as defined under Section 2 (76) of the said Act except with the consent of the Board and Shareholders of the Company which are either not (a) in Ordinary Course of Business or (b) on arm's length basis or otherwise. The Company had entered into the transactions with Related Parties as mentioned in item no 16 of the Notice prior to commencement of the Act which are continuing as on date. In view the requirements of the referred Section as also Clause 49 of the Listing Agreement effective from 01<sup>st</sup> October, 2014, the Company is required to obtain approval of the Shareholders in respect of Related Party transactions which are continuing one prior to the commencement of the Act.

The Directors commend that the proposed resolution as stated at Item No. 16 of the Notice be approved.

None of Directors of the Company are concerned or interested in the proposed Resolution, except Shri Devendra Kumar Jain or Shri Pavan Jain or Shri Vivek Jain either for himself through relatives in all the companies mentioned in the resolution and Shri Deepak Asher who is Director of Inox Wind Limited.

By Order of the Board of Directors

Noida  
29<sup>th</sup> July, 2014

**Bhavin Desai**  
Company Secretary

**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-Seventh Annual Report for the year ended 31st March, 2014.

#### 1. FINANCIAL RESULTS

Following are the working results for the year 2013-2014:

|   | (Rs. in Lacs)    |                  |
|---|------------------|------------------|
|   | <b>2013-2014</b> | <b>2012-2013</b> |
| <b>Continuing Operations</b>  |                  |                  |
| Net Sales / Income from Operations  | 113487           | 150416           |
| Other Operating Income  | 607              | 9192             |
| Total Income from Operations  | 114094           | 159608           |
| Less: Total Expenses  | 105287           | 99019            |
| Profit from operations before other income and finance cost and exceptional items | 8807             | 60589            |
| Add: Other Income   | 6506             | 5690             |
|   | 15313            | 66279            |
| Less: Finance Cost  | 5528             | 6895             |
| Profit from ordinary activities after finance cost but before exceptional items   | 9785             | 59384            |
| Profit from ordinary activity before Taxation                                     | 9785             | 59384            |
| Provision for Taxation  | 2243             | 19594            |
| <b>Profit for the year from Ordinary Activity</b>                                 | <b>7442</b>      | <b>39790</b>     |
| <b>Discontinuing Operations</b>   |                  |                  |
| Profit / (Loss) before Tax  | 0                | 65               |
| Tax Expense   | 0                | 21               |
| Net Profit / (Loss)   | 0                | 44               |
| <b>Net Profit / (Loss) for the year</b>   | <b>7442</b>      | <b>39834</b>     |
| Profit brought forward form earlier year  | 722              | 374              |
| Profit available for appropriations   | <b>8164</b>      | <b>40208</b>     |
| <b>Appropriations</b>   |                  |                  |
| Transferred to General Reserves   | 3000             | 35000            |
| Interim Dividend  | 0                | 1648             |
| Proposed Dividend subject to approval of the Shareholders                         | 3845             | 2197             |
| Tax on Dividend   | 653              | 640              |
| Balance Carried forward to Balance Sheet  | 666              | 723              |
| <b>TOTAL</b>  | <b>8164</b>      | <b>40208</b>     |

#### (2) MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2013-14

##### a. PTFE / Chemicals Business

###### Industry structure and developments

Total global PTFE market is around 150000 tpa, of which 60% is granular and 40% is fine powder and aqueous dispersion grades. The market is growing at a CAGR of 3-4% for last several years. However, it had witnessed significant upheaval during last 3-4 years. After having seen a period of shortage and rising prices, the market entered a period of surplus and falling prices. During the financial year the prices remained subdued and demand sluggish, though there have been some signs of recovery towards the end of the year. Going forward, demand is expected to get a boost due to increased usage in architectural and household applications.



In terms of supply, the industry is dominated by two kinds of players – long term, high quality, large players from developed countries, who command around 50% market share, and new players from developing countries who have around 50% market share. There is a distinct shift occurring towards the later.

The Company entered the PTFE business in 2008, and in a short span of time, became a significant player in the global market. The Company is perceived as a high quality PTFE supplier, who works closely with customers to meet their requirements. 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 fine powders and aqueous dispersion PTFE. Consistent with its commitment towards the environment, the Company manufactures fine powder and aqueous dispersion PTFE grades manufactured by using environment friendly surfactant technology.

Your company has managed to retain its market share and has added a number of key customers with its relentless marketing efforts. In its efforts to be closer to the customer, your Company has incorporated a subsidiary in Germany, in addition to the subsidiary in the US.

Indian market for PTFE is around 3000 – 3500 tpa, 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, established players are moving to higher value added polymers, leaving the space in the traditional PTFE markets for players like your Company. The Company also plans to enter the segment of higher value added fluoropolymers and fluoroelastomers in the near future. Due to its continued marketing efforts the Company has been able to increase its market penetration and enlarge its customer base.

The Company enjoys a significant competitive advantage, because of its integrated operations. It is amongst the most integrated players globally, 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. The Company has enlarged its sales field force both in domestic as well as in international market to further increase its market share.

### **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. Your company also sees major opportunities in US, Latin America and Far East to boost its sales and global market share. The Company has accordingly deployed sales personnel in these markets to achieve this goal.

Some of the significant threats include further capacity expansions in China, and the impact of such expansion on PTFE prices.

### **Segment-wise product-wise performance**

Caustic Soda accounts for around 25% of the Company's sales in value terms. Caustic soda sales, though increased by 8% in volume terms compared to last year, dropped by around 4% in value terms, largely due to lower price realisations.

Chloromethanes account for around 19% of the Company's sales in value terms. Chloromethane sales has increased by around 15% in value terms, due to higher price realisations despite remaining the same in volume terms.

PTFE accounts for around 38% of the Company's sales in value terms. PTFE sales recorded increase by 34% in volume terms and 12% in value terms.

Around 24% of the Company's PTFE sales last financial year came from the domestic market and more than 76% of PTFE sales came from the export markets, in value terms. The Company witnessed a 21% fall in its PTFE exports in value terms.

A bulk of the Company's PTFE sales, more than 78%, comes from granular PTFE (including modified granular) with dispersion PTFE accounting for 18%, and APTFE for around 4%. Granular PTFE sales increased by around 9%.

## **Outlook**

The demand sluggishness and consequently subdued prices witnessed in the previous year spilled over in this year too. However, the US economy in particular, fuelled by shale gas discovery, is expected to do well in the coming year. This is expected to boost the global economy. Therefore, the Company expects the growth momentum in PTFE sales to pick up during this coming financial year.

With the introduction of fine powder and aqueous dispersion grades of PTFE in the product mix and growth in the modified and compounding businesses, the Company expects 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 chloromethanes, 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.

The Company has launched several profit improvement, cost reduction and energy saving projects some of which have already started yielding good results. During the forthcoming financial year there will be significant contribution on revenues and profitability from these projects.

## **Risk and concerns**

As indicated in the "threats" section, the key risk includes increased competition and impact on pricing, due to any additional capacities set up by Chinese manufacturers.

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 and its increased efforts in the market to retain and expand customers and enhance market share.

## **b. 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 owns 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. Inox Wind Limited also, through its 100% subsidiary Inox Wind Infrastructure Services Limited, offers 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 2014, Inox Wind Limited has emerged as one of the largest wind power solutions provider in the country.

Inox Renewables Limited, and its 100% subsidiary Inox Renewables (Jaisalmer) Limited, own and operate wind farms. By March 2014, Inox Renewables Limited with its subsidiary operates around 213.1 MW on wind capacity, making it one of the large wind IPPs in the country today.

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.

## **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.



### **(3) RESPONSIBILITY STATEMENT**

Your Directors would like to confirm that

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

### **4. DIVIDEND**

Your Directors have recommended dividend of Rs 3.50 per share (350%) subject to approval of the Members. The total dividend pay-out (including dividend distribution tax on dividend pay-out) for the year will be Rs 4498 lacs.

### **5. DIRECTORS**

Shri Deepak Asher (DIN: 00035371) retires by rotation and being eligible, offer himself for re-appointment.

Shri Shailendra Swarup (DIN: 00167799), Shri Om Prakash Lohia (DIN: 00206807), Dr. S Rama Iyer (DIN: 00076549) and Shri Shanti Prasad Jain (DIN: 00023379), Independent Directors of the Company were appointed as Independent Directors of the Company by the Board of Directors at its meeting held on 29<sup>th</sup> May, 2014 for a period of five consecutive years with effect from 1<sup>st</sup> April, 2014 subject to approval of Members at the ensuing Annual General Meeting.

The Board of Directors has re-appointed Shri Dinesh Kumar Sachdeva (DIN 00050740) and Shri Jitendra Singh Bedi (DIN: 01670022) 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. Shri Paresch Trivedi who was appointed by the Board of Directors as an Additional and Whole-time Director at its meeting held on 22<sup>nd</sup> October, 2013 had resigned as Director and Whole-time Director with effect from 27<sup>th</sup> June, 2014. The appointment of Shri Paresch Trivedi and payment of remuneration to him during the said period is placed for approval of Members.

Necessary resolutions in respect of Directors seeking appointment / 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**

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

### **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. A certificate has been received from them that their appointment, if made, will be in compliance with the provisions of the Companies Act, 2013.

### **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 41.74 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 and Dahej Plant. 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.

#### **16. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In compliance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases.

During the period under review, no case was filed with the Committee.

By Order of the Board of Directors

Noida  
29<sup>th</sup> July, 2014

**Devendra Kumar 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 Plant:**

- Process optimisation of both HF and HCFC plant resulting in significant reduction in Natural Gas and Power consumption. This is achieved without any investment.
- Replacement of old Chillers in Chilled water system resulted in 2% power reduction in Chilling system.

##### **Dahej Plant:**

- DC power in CA Plant reduced by 25 KWH by efficient operation against Budget for the financial year 2013-14 (Average Power) i.e. 2845 KWH.
- AC power in CA Plant reduced by 30 units due to increased production and consistent membrane efficiency. AC power reduced from 2576 KWH/MT to 2525 KWH/MT against budget for the financial year 2013-14.
- CA plant Auxiliary power reduced from 295 to 285 KWH/MT.
- Steam consumption norm reduced in CMS plant from 2.35 to 2.30 MT.
- TFE Plant NG consumption reduced from 16.5 to 15.5 MMBTU/MT.
- Water pumping energy reduced in TFE-I & II cooling tower by 5040 KWH/Day.
- Two chillers (-35) and (-15), both operated at (-35) to save 4385 KWH/Day in TFE-II utilities.
- Pumping energy for chilled brine reduced by 2160 KWH/Day in TFE Plant utilities.
- Out of 4, 3 DI water generation plants operated in PTFE and saved 2200 KWH/Day.
- Daily steam consumption reduction by 2 TPD at SPTFE.
- Steam consumption reduced in DPTFE from 18.5 to 16 TPD.
- 4000 units/day saved by stopping one CT in Power Plant.
- ID/FD fan power saving of 1500 KWH/Day achieved by increasing boiler bed height.
- Condensate recovery improved by power plant from 65% to 80%.
- STG-2 power generation increased, post wet steam washing by 12000 KWH/Day.
- Filter water pumping energy reduction by 720 KWH/Day.
- 289 KWH/Day saved by implementation of temperature and humidity based control mechanism for AHU's at DPTFE.

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

##### **Ranjitnagar Plant:**

1. Upgrading Cross flow cooling towers for HCFC plant to Counter Current Cooling Tower with high efficiency fills and drift eliminator will result in better cooling efficiency thus saving in refrigeration system power consumption.

##### **Dahej Plant:**

1. Study and evolution started for next generation fluoropolymer products.
  - a. PFA
  - b. FEP
  - c. Other Fluorochemicals
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 and resource consumption and its consequential effect on cost of production.

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

|                   |             |                            | <b>Consumption per unit of production</b> | <b>Current Year</b> | <b>Previous Year</b> |
|-------------------|-------------|----------------------------|---|---------------------|----------------------|
| <b>A</b>          | 1           | A                          | <b>Dahej Plant</b>                        |                     |                      |
|                   |             |                            | <b>Power and Fuel Consumption</b>         |                     |                      |
|                   |             |                            | Electricity                               |                     |                      |
|                   |             |                            | Purchased                                 |                     |                      |
|                   |             |                            | Units (in lacs)                           | 2778                | 2096                 |
|                   |             |                            | Total Amount (Rs in lacs)                 | 15589               | 12654                |
|                   |             |                            | Rate/Unit (Rs.)                           | 6                   | 6                    |
|                   |             |                            | Own Generation                            |                     |                      |
|                   |             |                            | Units (in lacs)                           | 2201                | 2727                 |
|                   |             |                            | Total Amount (Rs in lacs)                 | 9625                | 16078                |
|                   |             |                            | Rate/Unit (Rs.)                           | 4                   | 6                    |
|                   |             |                            | Coal                                      |                     |                      |
|                   |             |                            | Quantity (MT)                             | 150332              | 138333               |
|                   |             |                            | Total amount (Rs in lacs)                 | 6197                | 5719                 |
| Average Rate (Rs) | 4122        | 4134                       |   |                     |                      |
| 3                 | Furnace Oil | Quantity (k. ltrs.)        | 81  | 74                  |                      |
|                   |             | Total Amount (Rs. in lacs) | 40  | 33                  |                      |
|                   |             | Average Rate (Rs.)         | 49  | 44                  |                      |
| 4                 | RLNG SCM    | Quantity (scm)             | 210                                       | 422                 |                      |
|                   |             | Total Amount (Rs. in lacs) | 5918                                      | 8310                |                      |
|                   |             | Average Rate (Rs.)         | 28  | 20                  |                      |
| <b>B</b>          | 1           |                            | <b>Consumption per unit of production</b> |                     |                      |
|                   |             |                            | Ranjitnagar (Fluorochemicals) Plant       |                     |                      |
|                   |             |                            | Electricity KWH/MT                        | 761                 | 740                  |
|                   |             |                            | Fuel Oil LTR/MT                           | 2                   | 2                    |
|                   |             |                            | RLNG SCM/MT                               | 267                 | 280                  |
|                   |             |                            | Coal                                      | 0                   | 0                    |
|                   |             |                            | Others                                    | 0                   | 0                    |
|                   |             |                            | Dahej (Chloroalkalies)                    |                     |                      |
|                   |             |                            | Electricity KWH/MT                        | 1460                | 2015                 |
|                   |             |                            | Fuel Oil LTR/MT                           | 0.01                | 0.07                 |
| 3                 | RLNG SCM/MT | 36                         | 141                                       |                     |                      |
|                   |             | 4                          | Coal Qty MT/Coal Power unit lacs          | 193                 | 217                  |
|                   |             |                            |   | 5                   | Others               |



**(B) TECHNOLOGY ABSORPTION**

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

**Ranjitnagar Plant :**

**Research and Development**

**(1) Specific Area in which R & D carried out :**

- i. Development of TFE based process & non-TFE based process for the manufacturing of EDFA, a valuable intermediate for Agro and Pharma Industries.
- ii. Development of commercially viable process for manufacture of 2-Bromo heptafluoropropane and RfA, key intermediates for Agro-industries.
- iii. Development of process for manufacture of DHA, an intermediate in Agro-industries.
- iv. Development of process for manufacture of EDFAA, an Agro-intermediate.
- v. Development of process for the manufacture of DFMSC.
- vi. Development of process for the manufacture of Difluoro acetone.

**(2) Benefits derived as a result of the above R & D :**

- i. Process for manufacture of EDFA by non-TFE route has been established. The commercial production has been started and the first 25 MT consignment will be supplied to BASF by mid-August.
- ii. Process for manufacture of 2-Bromoheptafluoro propane has been established. Commercial production will be started soon and the first 2 MT consignment will be supplied to PI Industries by mid-August. From September onwards it will be continuous supply of 15 MT/ month to PI Industries.
- iii. Process for the manufacture of EDFA by TFE route has been established.
- iv. Process for the manufacture of DHA has been established.
- v. Process for the manufacture of RfA has been established.
- vi. Process for the manufacture of DFMSC has been established.
- vii. Process for the manufacture of Difluoro acetone has been established.

**(3) Future Plan of Action :**

- i. Development of process for manufacture of Pyrazole derivative for PI industries.
- ii. Development of process for manufacture of Trifluoro acetyl chloride for LONZA.
- iii. Development of process for manufacture of 2-bromo-5-fluoro benzotrifluoride for BASF.
- iv. Development of process for manufacture of 3,5-difluoro aniline for BASF.
- v. Commercial Production of DHA as per requirement from Syngenta.
- vi. Commercial production of EDFAA as per requirement of PI Industries.

**Dahej Plant :**

**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:**

- i. Development of PTFE Semi free flow moulding grade for Iso-static and large dimension sheets moulding.
- ii. Development of Aqueous PTFE dispersion grades for Metal coating and Glass fabric coating.
- iii. Development of high wear resistance PTFE filled grade for hydraulic sealing applications.

- iv. Development of special PTFE moulding grade for porous PTFE articles for Automobile and Optical application.
- v. Development of suspension and emulsion PTFE based micro-powder grades for various applications like plastic additives, coating additives, ink additives.
- vi. Development of modified PTFE fine powder grades for transparent tube application in automobile and semiconductor industry.

**(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. PTFE micropowder product approvals in Plastic blends, Anti corrosive coatings and Inks & food grade applications.
- iii. Technical support to marketing team in development of new applications and product approval in critical applications.
- iv. Customer satisfaction through better product and services as a part of the Company's policy to grow along with the company's valued customers.

**(3) Future plan of action:**

- i. Speciality fluoropolymer FKM, shall be commissioned in this year. The special rubber product has high end application in automotive and various industries for non corrosive and high resilient properties.
- ii. All dispersion grades of Dispersion PTFE shall be converted to non PFOA surfactants. Thus the product will enter into all application grades in the international market by fulfilling safety & health regulation.
- iii. To reduce the carbon footprint a CO2 plant to be added to capture the vented CO2 and make dry ice and liquid CO2 for utilization in food preservation and carbonated beverages.

**(C) HEALTH, SAFETY & ENVIRONMENT**

**Ranjitnagar Plant :**

1. 16\*2=32 m3 per day Sewage Treatment Plants commissioned.
2. Medical tests for all employees reviewed and implemented depending on risk assessment.

**Dahej Plant :**

1. Recruitment of 2 Nos MBBS doctors with CIH at the OHC for round the clock coverage.
2. Introduction of weekly visits of a Dietician to inculcate healthy eating habits in our employees, train the canteen staff on further improving hygiene and guide them on preparation of healthy food.
3. TMT introduced for employees aged 45 yrs and above
4. New, efficient & easy to understand Work Permit System (with pictures of PPE) introduced at site.
5. Liquid chlorine storage at site reduced substantially. Chlorine bullets safety further enhanced by erection of a triple barrier cross link fence in front.
6. Monthly interaction with neighbouring companies and sharing relevant HSE information for better understanding of hazards across the companies.
7. Safety trainings started in Night shift also to cover all employees
8. All the three statutory parameters (COD, pH & Flow) for treated effluent discharge, have been connected to the GPCB XGN thus providing continuous readings of these parameters to GPCB.
9. As an eco-friendly initiative, bricks manufacturing using flyash & brine sludge started on trial basis.
10. 150 TPD Sewage treatment plant (STP) commissioned.



**Technology absorption, adaptation and innovation:**

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

**Ranjitnagar Plant:**

- i. Indigenous technology developed for the non-TFE based manufacture of EDFA has been successfully commercialized.
- ii. Process for the manufacture of EDFAA has been successfully commercialized.
- iii. Patent application filing is under progress for non-TFE based process for manufacture of EDFA.
- iv. Patent application has been filed for TFE based process for the manufacture of EDFA.
- v. Patent application filing is under progress for process for the manufacture of RfA.

**Dahej Plant:**

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

- i. During the current year, technology absorption completed in various modified & non modified grades of dispersion PTFE for application in low & high reduction ratios of extrusion.
- ii. Market build up took place in cable & wire application in automotive and aerospace where high end dispersion PTFE has established its properties.
- iii. Aq dispersed PTFE has successfully established in metal coating & impregnated application in the domestic & international market and certified for Non PFOA based safety regulation.
- iv. Technology of surfactant recovery from the spent resin has been absorbed by in house R&D experiments. First process trial in commercial grade started in plant. This will enable recycling of costly surfactant and save huge cost.
- v. Modified grade granular PTFE has been developed and accepted for high end application by processor for thin skive sheet & liner application.
- vi. Low particle size & high BD free flow grade granular PTFE launched into the European market for Iso-static moulding application.

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

- i. Improvements in operational efficiency.
- ii. Cost reduction in all operation steps
- iii. Product quality improvement and sustenance
- iv. People development by training, awareness and interactions
- v. Clean environment and zero accidents

**(D) 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  
29<sup>th</sup> July, 2014

**Devendra Kumar 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 eleven Directors of which one is Managing Director and three 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 Agreement with the Stock Exchanges.

During the year, 2013-2014, the Board met four times on following dates, namely, 30<sup>th</sup> May, 2013, 14<sup>th</sup> August, 2013, 22<sup>nd</sup> October, 2013 and 14<sup>th</sup> February, 2014.

The following table gives details of the Board of Directors, details of attendance of Directors of Board Meetings, at the Annual General Meeting, number of other directorship (including the Company) and 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 Devendra Kumar Jain       | Non-Independent Director | 4                      | No       | 12  | 5                    | 4                      |
| Shri Shailendra Swarup         | Independent Director     | 4                      | No       | 11  | 2                    | -                      |
| Shri Vivek Jain                | Managing Director        | 4                      | No       | 18  | 10                   | -                      |
| Shri Dinesh Kumar Sachdeva     | Whole-time Director      | -                      | Yes      | -   | -                    | -                      |
| Shri Pavan Jain                | Non-Independent Director | -                      | No       | 17  | 7                    | 6                      |
| Shri Om Prakash Lohia          | Independent Director     | 2                      | No       | 6   | 1                    | -                      |
| Shri Jitendra Singh Bedi       | Whole-time Director      | 1                      | No       | -   | -                    | -                      |
| Dr S Rama Iyer                 | Independent Director     | 3                      | No       | 9   | 11                   | -                      |
| Shri Deepak Asher              | Non-Independent Director | 4                      | Yes      | 8   | 14                   | 4                      |
| Shri Shanti Prasad Jain        | Independent Director     | 4                      | No       | 6   | 3                    | 13                     |
| Shri Paresh Nanubhai Trivedi** | Whole-Time Director      | 1                      | No       | 1   | 0                    | -                      |

(\*) Committee membership includes member of Audit, Share Transfer, Share Transfer & Investor Grievance and committee chairmanship includes chairman of Audit committee and Share Transfer & Investor Grievance committee.

(\*\*) Ceased to be a Director and Whole-time Director with effect from 27<sup>th</sup> June, 2014.

### 3. Audit Committee

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

| Name                     | Category | Attendance     |                   |                    |                     |
|--------------------------|----------|----------------|-------------------|--------------------|---------------------|
|                          |          | 30th May, 2013 | 14th August, 2013 | 22nd October, 2013 | 14th February, 2014 |
| Shri Devendra Kumar Jain | Director | Yes            | Yes               | Yes                | Yes                 |
| Shri Shailendra Swarup   | Director | Yes            | Yes               | Yes                | Yes                 |
| Shri Shanti Prasad 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. The Chairman of Audit Committee was unable to attend last Annual General Meeting due to unavoidable circumstances.

### 4. Directors Remuneration

The Board of Directors approves the remuneration of Directors before it is placed to the Shareholders for their approval. The remuneration payable to the Managing Director, Whole-time Directors and commission to Shri Devendra Kumar Jain was approved by the Board of Directors. The Remuneration Committee being optional is not formed so far. The following are the details of remuneration drawn by Directors:

#### Remuneration paid during 2013-2014

| 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, Notice Period, Severance Fee |            |                     |         |             |         |                    |        |                    |          |       |          |  |
|------------------------------|--|--|---|---|------------|---------------------|---------|-------------|---------|--------------------|--------|--------------------|----------|-------|----------|--|
| Shri Vivek Jain              | Relative of Shri Devendra Kumar Jain and Shri Pavan Jain | Managing Director                              | <table border="0"> <tr> <td>Particulars</td> <td>Rs.in Lacs</td> </tr> <tr> <td>Salary &amp; Allowances</td> <td>: 37.50</td> </tr> <tr> <td>Perquisites</td> <td>: 48.77</td> </tr> <tr> <td>Contribution To PF</td> <td>: 4.50</td> </tr> <tr> <td>Commission</td> <td>: 387.68</td> </tr> <tr> <td>Total</td> <td>: 478.45</td> </tr> </table> | Particulars                                     | Rs.in Lacs | Salary & Allowances | : 37.50 | Perquisites | : 48.77 | Contribution To PF | : 4.50 | Commission         | : 387.68 | Total | : 478.45 | Service Contract<br>01.01.2013 to<br>31.12.2017                                |
| Particulars                  | Rs.in Lacs   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Salary & Allowances          | : 37.50  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Perquisites                  | : 48.77  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Contribution To PF           | : 4.50   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Commission                   | : 387.68   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Total                        | : 478.45   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Shri Dinesh Kumar Sachdeva   | None   | Whole-Time Director                            | <table border="0"> <tr> <td>Particulars</td> <td>Rs.in Lacs</td> </tr> <tr> <td>Salary</td> <td>: 16.02</td> </tr> <tr> <td>Allowances</td> <td>: 17.82</td> </tr> <tr> <td>Perquisites</td> <td>: 1.20</td> </tr> <tr> <td>Contribution To PF</td> <td>: 1.92</td> </tr> <tr> <td>Total</td> <td>: 36.96</td> </tr> </table>                     | Particulars                                     | Rs.in Lacs | Salary              | : 16.02 | Allowances  | : 17.82 | Perquisites        | : 1.20 | Contribution To PF | : 1.92   | Total | : 36.96  | Service Contract<br>29.11.2012 to<br>28.11.2013<br>29.11.2013 to<br>28.11.2014 |
| Particulars                  | Rs.in Lacs   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Salary                       | : 16.02  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Allowances                   | : 17.82  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Perquisites                  | : 1.20   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Contribution To PF           | : 1.92   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Total                        | : 36.96  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Shri Jitendra Singh Bedi     | None   | Whole-Time Director                            | <table border="0"> <tr> <td>Particulars</td> <td>Rs.in Lacs</td> </tr> <tr> <td>Salary</td> <td>: 19.91</td> </tr> <tr> <td>Allowances</td> <td>: 39.69</td> </tr> <tr> <td>Perquisites</td> <td>: 0.00</td> </tr> <tr> <td>Contribution To PF</td> <td>: 2.39</td> </tr> <tr> <td>Total</td> <td>: 61.99</td> </tr> </table>                     | Particulars                                     | Rs.in Lacs | Salary              | : 19.91 | Allowances  | : 39.69 | Perquisites        | : 0.00 | Contribution To PF | : 2.39   | Total | : 61.99  | Service Contract<br>01.12.2012 to<br>30.11.2013<br>01.12.2013 to<br>30.11.2014 |
| Particulars                  | Rs.in Lacs   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Salary                       | : 19.91  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Allowances                   | : 39.69  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Perquisites                  | : 0.00   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Contribution To PF           | : 2.39   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Total                        | : 61.99  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Shri Paresh Nanubhai Trivedi | None   | Whole-Time Director                            | <table border="0"> <tr> <td>Particulars</td> <td>Rs.in Lacs</td> </tr> <tr> <td>Salary</td> <td>: 10.65</td> </tr> <tr> <td>Allowances</td> <td>: 11.21</td> </tr> <tr> <td>Perquisites</td> <td>: 2.50</td> </tr> <tr> <td>Contribution To PF</td> <td>: 1.27</td> </tr> <tr> <td>Total</td> <td>: 25.63</td> </tr> </table>                     | Particulars                                     | Rs.in Lacs | Salary              | : 10.65 | Allowances  | : 11.21 | Perquisites        | : 2.50 | Contribution To PF | : 1.27   | Total | : 25.63  | Service Contract<br>22.10.2013 to<br>27.06.2014                                |
| Particulars                  | Rs.in Lacs   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Salary                       | : 10.65  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Allowances                   | : 11.21  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Perquisites                  | : 2.50   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Contribution To PF           | : 1.27   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Total                        | : 25.63  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Shri Devendra Kumar Jain     | Relative of Shri Pavan Jain and Shri Vivek Jain          | Director                                       | <table border="0"> <tr> <td>Particulars</td> <td>Rs.in Lacs</td> </tr> <tr> <td>Commission</td> <td>: 96.92</td> </tr> </table>   | Particulars                                     | Rs.in Lacs | Commission          | : 96.92 |             |         |                    |        |                    |          |       |          |  |
| Particulars                  | Rs.in Lacs   |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |
| Commission                   | : 96.92  |  |   |   |            |                     |         |             |         |                    |        |                    |          |       |          |  |

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

| <b>Name of the Director</b> | <b>Total Rupees</b> |
|-----------------------------|---------------------|
| Shri Devendra Kumar Jain    | 1,60,000            |
| Shri Shailendra Swarup      | 1,60,000            |
| Dr S Rama Iyer              | 60,000              |
| Shri Deepak Asher           | 80,000              |
| Shri Shanti Prasad Jain     | 1,60,000            |

## 5. Shareholders and Investors Grievance Committee

The Committee comprises of three members viz Shri Devendra Kumar Jain, Director, Shri Pavan Jain, Director and Shri Vivek Jain, Managing Director of the Company. The Committee approves the share transfers and issue of duplicate share certificates after the same are processed and approved by the Company's Registrar and Share Transfer Agent viz Link Intime India Private Limited. Shri Bhavin Desai, Company Secretary is Compliance Officer of the Company. During the year the company has received 19 complaints which were replied / resolved to the satisfaction of the shareholders and no requests for transfer were pending for approval as on 31<sup>st</sup> March, 2014.

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

| <b>Name</b>              | <b>Category</b>   | <b>Attendance</b> |
|--------------------------|-------------------|-------------------|
| Shri Devendra Kumar Jain | Director          | 7                 |
| Shri Vivek Jain          | Managing Director | 7                 |
| Shri Pavan Jain          | Director          | 0                 |

## 6. General Body Meetings

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

| <b>Year</b> | <b>Location</b>   | <b>Date</b> | <b>Time</b> |
|-------------|---|-------------|-------------|
| 2010-2011   | Survey No.16/3, 26 & 27, Ranjitnagar – 389 380<br>Taluka Ghoghamba, Dist. Panchmahal, Gujarat | 15.07.2011  | 03.30 pm    |
| 2011-2012   | Same as above   | 27.07.2012  | 03.30 pm    |
| 2012-2013   | Same as above   | 23.08.2013  | 03.30 pm    |

### Note

No special resolution was passed at the last Annual General Meeting held on 23<sup>rd</sup> August, 2013.

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 15<sup>th</sup> March, 2011 by sending Postal Ballot Notice to the Shareholders of the Company who have conveyed their assent to the said resolution.

One special resolution at Item No. 13 of the Notice of Annual General Meeting is proposed to be passed by way of a Postal Ballot at the ensuing Annual General Meeting of the Company. Details of Postal Ballot as required under the Listing Agreement are given in the Notice of Annual General Meeting.

## 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 Financial Express 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 : Wednesday, 10<sup>th</sup> September, 2014
- 9.2 Financial Year : April to March
- 9.3 Book Closure Date : 3<sup>rd</sup> September, 2014 to 10<sup>th</sup> September, 2014
- 9.4 Dividend Payment Date : On or before 25<sup>th</sup> September, 2014
- 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, Kolkata 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)<br>(in Rs.) |                    |                  |                      | National Stock Exchange (NSE)<br>(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, 2013     | 286.00                                  | 306.55             | 115074           | 478.76               | 274.30                                    | 306.00             | 533387           | 1583.90              |
| May, 2013       | 276.00                                  | 301.10             | 91614            | 379.59               | 275.00                                    | 302.30             | 454367           | 1300.87              |
| June, 2013      | 250.10                                  | 299.90             | 165508           | 1015.19              | 251.25                                    | 296.90             | 1418280          | 3916.37              |
| July, 2013      | 245.20                                  | 288.10             | 60963            | 250.88               | 244.95                                    | 289.65             | 511431           | 1389.53              |
| August, 2013    | 190.00                                  | 256.00             | 260689           | 682.76               | 189.05                                    | 255.00             | 1209899          | 2672.90              |
| September, 2013 | 220.00                                  | 261.60             | 64285            | 251.39               | 218.10                                    | 261.00             | 697735           | 1717.20              |
| October, 2013   | 217.00                                  | 262.40             | 577818           | 1529.03              | 228.40                                    | 262.00             | 776628           | 1894.13              |
| November, 2013  | 232.10                                  | 261.00             | 60614            | 213.43               | 227.60                                    | 258.45             | 302950           | 740.79               |
| December, 2013  | 225.10                                  | 251.30             | 221740           | 618.06               | 225.00                                    | 251.95             | 655036           | 1533.16              |
| January, 2014   | 225.00                                  | 282.85             | 186633           | 893.08               | 224.10                                    | 282.90             | 1284189          | 3274.53              |
| February, 2014  | 222.00                                  | 244.85             | 149954           | 395.69               | 221.00                                    | 244.75             | 350760           | 816.80               |
| March, 2014     | 224.00                                  | 331.50             | 542518           | 2452.59              | 223.60                                    | 331.90             | 2686286          | 7915.13              |

**9.8 Company's share price performance in comparison to BSE Sensex based on share price on 31<sup>st</sup> March, 2014**

| Period    | % change         |        | Company in comparison to Sensex |
|-----------|------------------|--------|---------------------------------|
|           | Co's share price | Sensex |                                 |
| 2013-2014 | -41.78           | 18.67  | -60.45                          |

**Company's share price performance in comparison to NIFTY based on share price on 31<sup>st</sup> March, 2014**

| Period    | % change         |       | Company in comparison to Nifty |
|-----------|------------------|-------|--------------------------------|
|           | Co's share price | Nifty |                                |
| 2013-2014 | -41.44           | 17.53 | -58.97                         |

**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, 2014**

| Shareholding of nominal value of Rs | No of shareholders | % to total | Number of shares | Amount in Rs | % to total |
|-------------------------------------|--------------------|------------|------------------|--------------|------------|
| 1 - 500                             | 9536               | 69.54      | 998906           | 998906       | 0.91       |
| 501 to 1000                         | 2755               | 20.09      | 2586188          | 2586188      | 2.35       |
| 1001 to 2000                        | 530                | 3.87       | 916766           | 916766       | 0.83       |
| 2001 to 3000                        | 193                | 1.41       | 519095           | 519095       | 0.47       |
| 3001 to 4000                        | 102                | 0.74       | 379982           | 379982       | 0.35       |
| 4001 to 5000                        | 133                | 0.97       | 643948           | 643948       | 0.59       |
| 5001 to 10000                       | 194                | 1.41       | 1457515          | 1457515      | 1.33       |
| 10001 and above                     | 270                | 1.97       | 102347600        | 102347600    | 93.17      |
| Total                               | 13713              | 100.00     | 109850000        | 109850000    | 100.00     |

**Shareholding pattern of the Company as on 31 March, 2014 is as under :**

| Sr. No.  | Category  | No of shares held | % of total share holding |
|----------|---|-------------------|--------------------------|
| <b>A</b> | <b>Shareholding of Promoters and Promoters' Group</b> |                   |                          |
| 1        | Indian Promoters                                      | 7,69,26,815       | 70.03                    |
|          | Sub-Total of A  | 7,69,26,815       | 70.03                    |
| <b>B</b> | <b>Non-Promoters Holding</b>                          |                   |                          |
| 1        | Institutions  |                   |                          |
| a        | Mutual Funds and UTI                                  | 21,89,291         | 1.99                     |
| b        | Banks, Financial Institutions, Insurance Companies    | 32,914            | 0.03                     |
| c        | Central / State Government                            | 1,000             | 0.00                     |
| d        | Foreign Institutional Investors                       | 17,58,036         | 1.60                     |
| e        | OBC   | 0                 | 0.00                     |
| f        | Foreign Company                                       | 2,000             | 0.00                     |
|          | Sub-Total of B (1)                                    | 39,83,241         | 3.63                     |



| Sr. No. | Category                   | No of shares held   | % of total share holding |
|---------|----------------------------|---------------------|--------------------------|
| 2       | Non-Institutions           |                     |                          |
| a       | Bodies Corporate           | 1,28,52,165         | 11.70                    |
| b       | Individual                 | 1,46,62,380         | 13.35                    |
| c       | Non-Resident               | 7,47,011            | 0.68                     |
| f       | Clearing Member            | 6,51,788            | 0.59                     |
| g       | Others                     | 26,600              | 0.02                     |
|         | Sub-Total B (2)            | 2,89,39,944         | 26.34                    |
|         | Sub-Total of B (1) + B (2) | 3,29,23,185         | 29.97                    |
|         | <b>Grand Total (A+B)</b>   | <b>10,98,50,000</b> | <b>100.00</b>            |

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

| Sr No | Name of Non-Executive Director | No of shares held | % of total share holding |
|-------|--------------------------------|-------------------|--------------------------|
| 1     | Shri Devendra Kumar Jain       | 20,100            | 0.02                     |
| 2     | Shri Pavan Jain                | 20,100            | 0.02                     |
| 3     | Shri Shailendra Swarup         | 10,000            | 0.01                     |
| 4     | Shri Shanti Prasad Jain        | 1,000             | 0.00                     |

**9.12 Dematerialization of shares**

Approximately 98.31% of the shares issued by the Company have been dematerialized upto 31st March, 2014.

**Liquidity**

Company's shares are traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Relevant data of Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the Financial Year 2013-2014 is given 9.7 above.

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

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

**Dahej Plant**

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, 2<sup>nd</sup> Floor, Old Padra Road, Vadodara 390 007

**9.15 Code of Conduct**

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

**9.16 CEO / CFO Certification**

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

## DECLARATION

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2014.

29<sup>th</sup> July, 2014  
Noida

**Vivek Jain**  
Managing Director

By Order of the Board of Directors

Noida  
29<sup>th</sup> July, 2014

**Devendra Kumar Jain**  
Director

**Vivek Jain**  
Managing Director

## CERTIFICATE

To the Members of Gujarat Fluorochemicals Limited

We have examined the compliance of conditions of corporate governance by Gujarat Fluorochemicals Limited, for the year ended on 31<sup>st</sup> March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement, in all material respect except that the Chairman of the Audit Committee had not attended the last Annual General Meeting of the Company for the reasons mentioned in paragraph 3 of the Corporate Governance Report prepared by the Company.

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  
29<sup>th</sup> July, 2014

**MY Kulkarni**  
Partner  
Membership No. 35524



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUJARAT FLUOROCEMICALS 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 31<sup>st</sup> March, 2014, 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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 31<sup>st</sup> March, 2014;
- 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - e. On the basis of written representation received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, 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: 29<sup>th</sup> May, 2014

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

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT FLUOROchemicals LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014 – REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.**

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. 16249 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.



Particulars of dues of Income Tax, Service Tax , Custom duty , Excise Duty or Cess, which have not been deposited on account of disputes, are as under:

| <b>Name of the Statute</b>              | <b>Nature of dues</b>  | <b>Period to which it relates</b> | <b>Amount (Rs. in lacs)</b> | <b>Forum where dispute is pending</b>                         |
|---|--|-----------------------------------|-----------------------------|---|
| Income Tax Act, 1961                    | Penalty u/s 271 C for non deduction of TDS on discounts and rebates  | 2007-08 to 2009-10                | 122.73                      | Commissioner of Income Tax (Appeals)-VI, Vadodara             |
| Finance act, 2004 and Service Tax Rules | Service tax credit taken on outward Freight  | April 2005 to March 2006          | 2.43                        | Commissioner of Central Excise & Customs (Appeals), Vadodara  |
| Finance act, 2004 and Service Tax Rules | Penalty for Cenvat Credit availed on input services in respect of Coal Captive power plant                           | 2009-10 & 2010-11                 | 20.54                       | Commissioner of Central Excise & Customs (Appeals), Vadodara  |
| Finance act, 2004 and Service Tax Rules | Penalty on delay payment of Service tax on Banking & Financial services in respect of External Commercial Borrowings | September 2004 to June 2007       | 6.85                        | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| Finance act, 2004 and Service Tax Rules | Short payment of Service tax on Consulting Engineering services in respect of R & D cess                             | April 2009 to September 2009      | 1.20                        | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| Central Excise Act, 1944                | Excise Duty on freight recovered from customers  | April 2007 to November 2007       | 338.00                      | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| Central Excise Act, 1944                | Cenvat Credit availed on Capital goods   | April 2006 to August 2011         | 48.06                       | Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad |
| Central Excise Act, 1944                | Excise Duty on freight recovered from customers  | April 2012 to December 2012       | 134.84                      | Customs, Excise and Service Tax Appellate Tribunal, 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: 29<sup>th</sup> May, 2014

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



**Balance Sheet as at 31 st March, 2014**

Amount (Rs. in Lacs)

|                                    | Note No. | As at 31 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
|------------------------------------|----------|------------------------------------|------------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                                    |                                    |
| <b>(1) Shareholders' Funds</b>     |          |                                    |                                    |
| (a) Share capital                  | 4        | 1098.50                            | 1098.50                            |
| (b) Reserves and surplus           | 5        | 251370.78                          | 248427.15                          |
|                                    |          | <b>252469.28</b>                   | <b>249525.65</b>                   |
| <b>(2) Non-current liabilities</b> |          |                                    |                                    |
| (a) Long-term borrowings           | 6        | 29310.33                           | 33442.58                           |
| (b) Deferred tax liabilities (Net) | 43       | 20199.17                           | 15831.53                           |
| (c) Other Long term liabilities    | 7        | 235.98                             | 205.20                             |
| (d) Long-term provisions           | 8        | 741.93                             | 719.18                             |
|                                    |          | <b>50487.41</b>                    | <b>50198.49</b>                    |
| <b>(3) Current liabilities</b>     |          |                                    |                                    |
| (a) Short-term borrowings          | 9        | 35202.18                           | 45620.07                           |
| (b) Trade payables                 | 10       | 12018.86                           | 10229.37                           |
| (c) Other current liabilities      | 11       | 10095.09                           | 14075.06                           |
| (d) Short-term provisions          | 12       | 5015.49                            | 3042.88                            |
|                                    |          | <b>62331.62</b>                    | <b>72967.38</b>                    |
| <b>TOTAL</b>                       |          | <b>365288.31</b>                   | <b>372691.52</b>                   |
| <b>II. ASSETS</b>                  |          |                                    |                                    |
| <b>(1) Non-current assets</b>      |          |                                    |                                    |
| (a) Fixed assets                   |          |                                    |                                    |
| (i) Tangible assets                | 13       | 159458.70                          | 160526.28                          |
| (ii) Intangible assets             | 14       | 3353.40                            | 1954.21                            |
| (iii) Capital work-in-progress     |          | 42823.38                           | 39099.15                           |
| (b) Non-current investments        | 15       | 25418.38                           | 26907.58                           |
| (c) Long-term loans and advances   | 16       | 41277.80                           | 39305.10                           |
| (d) Other non current assets       | 17       | 1.00                               | 0.53                               |
|                                    |          | <b>272332.66</b>                   | <b>267792.85</b>                   |
| <b>(2) Current assets</b>          |          |                                    |                                    |
| (a) Current investments            | 18       | 20962.50                           | 20500.00                           |
| (b) Inventories                    | 19       | 31695.40                           | 42111.20                           |
| (c) Trade receivables              | 20       | 31671.92                           | 33088.80                           |
| (d) Cash and bank balances         | 21       | 848.03                             | 1925.86                            |
| (e) Short-term loans and advances  | 22       | 5581.82                            | 5782.99                            |
| (f) Other current assets           | 23       | 2195.98                            | 1489.82                            |
|                                    |          | <b>92955.65</b>                    | <b>104898.67</b>                   |
| <b>TOTAL</b>                       |          | <b>365288.31</b>                   | <b>372691.52</b>                   |

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

**D. K. JAIN**  
Director

**M. Y. Kulkarni**  
Partner

**DEEPAK ASHER**  
Director & Group Head  
(Corporate Finance)

**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014

## Statement of Profit and Loss for the year ended 31st March, 2014

|   |          | Amount (Rs. in Lacs) |                  |
|---|----------|----------------------|------------------|
|   | Note No. | 2013-2014            | 2012-2013        |
| <b>(A) CONTINUING OPERATIONS</b>  |          |                      |                  |
| I. Revenue from operations  | 24       | <b>122023.98</b>     | 167713.68        |
| Less: Excise Duty   |          | <b>7930.40</b>       | 8105.59          |
|   |          | <b>114093.58</b>     | 159608.09        |
| II. Other income  | 25       | <b>6505.95</b>       | 5690.38          |
| <b>III. Total Revenue (I + II)</b>  |          | <b>120599.53</b>     | <b>165298.47</b> |
| <b>IV. Expenses:</b>  |          |                      |                  |
| Cost of materials consumed  | 26       | <b>32084.16</b>      | 30347.28         |
| Purchases of Stock-in-Trade   | 27       | <b>92.52</b>         | 209.56           |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 28       | <b>4104.84</b>       | (7508.26)        |
| Employee benefits expense   | 29       | <b>8069.45</b>       | 7453.33          |
| Finance costs   | 30       | <b>5528.46</b>       | 6894.60          |
| Depreciation and amortization expense   | 31       | <b>10170.12</b>      | 9638.27          |
| Other expenses  | 32       | <b>50765.54</b>      | 58879.70         |
| <b>Total expenses</b>   |          | <b>110815.09</b>     | <b>105914.48</b> |
| V. Profit before tax (III-IV)   |          | <b>9784.44</b>       | <b>59383.99</b>  |
| VI. (A) Tax expense:  |          |                      |                  |
| (1) Current tax   |          | <b>1340.00</b>       | 16804.83         |
| (2) MAT credit entitlement  |          | <b>(110.00)</b>      | 0.00             |
| (3) Deferred tax  |          | <b>1137.93</b>       | 2763.80          |
|   |          | <b>2367.93</b>       | 19568.63         |
| (B) Taxation pertaining to earlier years                                      |          | <b>(25.29)</b>       | 25.11            |
| <b>VII Profit for the year from continuing operations (V-VI)</b>              |          | <b>7441.80</b>       | <b>39790.25</b>  |
| <b>(B) DISCONTINUED OPERATIONS</b>  |          |                      |                  |
| VIII Profit before tax from ordinary activities                               | 47       | <b>0.00</b>          | 65.25            |
| IX Tax Expenses   |          |                      |                  |
| -Tax on ordinary activities -Current Tax                                      |          | <b>0.00</b>          | 21.17            |
| X Profit from discontinued operations (VIII-IX)                               |          | <b>0.00</b>          | 44.08            |
| <b>(C) TOTAL OPERATIONS</b>   |          |                      |                  |
| XI Profit for the year (VII+X)  |          | <b>7441.80</b>       | <b>39834.33</b>  |
| XII Earnings per equity share:  |          |                      |                  |
| A) Basic and diluted Earnings Per Share of Re 1 each                          |          |                      |                  |
| - from ordinary activities (Continuing Operations)                            | 44       | <b>6.77</b>          | 36.22            |
| B) Basic and diluted Earnings Per Share of Re 1 each                          |          |                      |                  |
| - Total Operations  | 44       | <b>6.77</b>          | 36.26            |

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

**D. K. JAIN**  
Director

**M. Y. Kulkarni**  
Partner

**DEEPAK ASHER**  
Director & Group Head  
(Corporate Finance)

**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014



## Cash Flow Statement for the year ended 31 st March, 2014

Amount (Rs. in Lacs)

### A Cash flow from operating activities

|  | 2013-2014       | 2012-2013       |
|--|-----------------|-----------------|
| Profit before tax from continuing operations             | 9784.44         | 59383.99        |
| Profit before tax from discontinued operations           | 0.00            | 65.25           |
| Profit before tax  | 9784.44         | 59449.24        |
| <u>Adjustments for :</u>                                 |                 |                 |
| Depreciation and Amortisation from continuing operations | 10170.12        | 9638.27         |
| Loss on retirement /disposal of fixed assets (Net)       | 5.00            | 104.64          |
| Provision for diminution in value of investments         | 393.72          | 486.28          |
| Provision for doubtful debts (Net)                       | (0.83)          | (0.88)          |
| Bad debts and remissions                                 | 16.85           | 18.06           |
| Liabilities and provisions written back                  | (329.57)        | (649.02)        |
| Amounts written-off                                      | 13.15           | 4.87            |
| Unrealised Foreign exchange (gain)/loss (Net)            | (353.98)        | 583.24          |
| Income in respect of investing activities (Net)          | (4926.23)       | (4011.27)       |
| Finance costs  | 5528.46         | 6894.60         |
|  | 10516.69        | 13068.79        |
| Operative profit before working capital changes          | 20301.13        | 72518.03        |
| <u>Adjustments for :</u>                                 |                 |                 |
| Other Long term liabilities                              | 30.78           | 0.00            |
| Long-term provisions                                     | 22.75           | 98.02           |
| Trade payables   | 1789.49         | (1862.70)       |
| Other current liabilities                                | (542.14)        | (10553.24)      |
| Short-term provisions                                    | 44.82           | 112.09          |
| Long-term loans and advances                             | (51.07)         | (116.18)        |
| Inventories  | 10415.80        | (671.03)        |
| Trade receivables  | 1310.38         | (8445.43)       |
| Short-term loans and advances                            | 1900.82         | (305.01)        |
| Other current assets                                     | 489.21          | (371.14)        |
|  | 15410.84        | (22114.62)      |
| Cash generated from operations                           | 35711.97        | 50403.41        |
| Income-tax paid (Net)                                    | (2371.41)       | (13696.40)      |
| <b>Net cash from operating activities</b>                | <b>33340.56</b> | <b>36707.01</b> |

**Amount (Rs. in Lacs)**
**B Cash flow from investing activities**

|  | 2013-2014         | 2012-2013  |
|--|-------------------|------------|
| Purchase of fixed assets (including change in capital work in progress and capital advances)                     | <b>(14402.60)</b> | (17720.19) |
| Sale of fixed assets   | <b>189.70</b>     | 90.36      |
| Purchase of shares of subsidiary company   | <b>(3036.56)</b>  | (992.92)   |
| Purchase of other investments  | <b>(49406.93)</b> | (73016.77) |
| Redemption/Sale of Investments   | <b>54259.51</b>   | 55899.96   |
| Inter-corporate and other loans given (Net)  | <b>2471.00</b>    | (11370.00) |
| Interest and Dividend received (Net of expenses)   | <b>2330.82</b>    | 2766.15    |
| Movement in bank fixed deposits with original maturity of more than three months and margin money deposits (Net) | <b>(7.73)</b>     | 101.85     |
| Adjustment for receivables on investment account   | <b>(980.70)</b>   | 13.52      |
| <b>Net cash (used in) investment activities</b>  | <b>(8583.49)</b>  | (44228.04) |

**C Cash flow from financing activities**

|  |                   |            |
|--|-------------------|------------|
| Proceeds/(Repayment) from/of Long Term Loan (Net)        | <b>(7579.66)</b>  | (9766.98)  |
| Proceeds/(Repayment) from/of Short Term Loan (Net)       | <b>(7701.11)</b>  | 7295.80    |
| Proceeds/(Repayment) from/of Cash Credit/Overdraft (Net) | <b>(2322.54)</b>  | 1415.21    |
| Finance costs  | <b>(5656.59)</b>  | (6720.63)  |
| Dividend paid (Including Tax on Dividend)                | <b>(2570.38)</b>  | (3830.12)  |
| <b>Net cash (used in) financing activities</b>           | <b>(25830.28)</b> | (11606.72) |

**Net increase/(decrease) in cash and cash equivalent**

|   |                |          |
|---|----------------|----------|
| Cash and cash equivalents as at the beginning of the year | <b>1627.55</b> | 20755.30 |
| Cash and cash equivalents as at the end of the year       | <b>555.34</b>  | 1627.55  |

As per our report of even date attached

**For PATANKAR & ASSOCIATES**

Chartered Accountants

**M. Y. Kulkarni**

Partner

Place : Pune

Dated : 29<sup>th</sup> May, 2014

**V. K. JAIN**

Managing Director

**DEEPAK ASHER**

Director & Group Head  
(Corporate Finance)

Place : Noida

Dated : 29<sup>th</sup> May, 2014

**S. SWARUP**

Director

**O. P. LOHIA**

Director

**S. P. JAIN**

Director

**S. RAMA IYER**

Director

**D. K. JAIN**

Director

**B. V. DESAI**

Company Secretary



## Notes to Financial Statements for the year ended 31st March, 2014

### 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 Tetrafluorethylene (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 Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

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) 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 periods commencing on or after 1<sup>st</sup> 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.

#### B) 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.

#### 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

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.

#### E) 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.

#### F) 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. Income from sale of Renewable Energy Certificate is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer. 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.

#### 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

## Notes to Financial Statements for the year ended 31st March, 2014

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 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 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.

### 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<sup>th</sup> 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<sup>st</sup> April, 2011.

As stipulated in the Notification, the Company has exercised the option to adopt the following policy irrevocably for accounting periods commencing from 1<sup>st</sup> 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

(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.

### L) 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.

### M) 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, 2014

Amount Rs. in Lacs

**4 Share Capital****4.1 Equity**

Authorized

20,00,00,000 Equity Shares of Re 1 each

Issued and Subscribed and Fully Paid Up

10,98,50,000 Equity Shares of Re 1 each

**Total**

| As at 31st March, 2014 | As at 31st March, 2013 |
|------------------------|------------------------|
| <b>2000.00</b>         | 2000.00                |
| <b>1098.50</b>         | 1098.50                |
| <b>1098.50</b>         | 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 year the Company has paid interim dividend of Rs. Nil per equity share (previous year Re. 1.50 per equity share).

Further, final dividend of Rs. 3.50 per equity share (previous year Rs. 2.00 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 &amp; Finance Limited

| Nos.                              | Rs in Lacs         |
|-----------------------------------|--------------------|
| <b>57,715,310</b><br>(57,715,310) | 577.15<br>(577.15) |

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

Inox Leasing &amp; Finance Limited

Devansh Trading &amp; Finance Private Limited

Siddhapavan Trading &amp; Finance Private Limited

| Nos.                              | holding %                 |
|-----------------------------------|---------------------------|
| <b>57,715,310</b><br>(57,715,310) | <b>52.54%</b><br>(52.54%) |
| <b>6,662,360</b><br>(6,662,360)   | <b>6.06%</b><br>(6.06%)   |
| <b>5,576,440</b><br>(5,576,440)   | <b>5.08%</b><br>(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

## Notes to Financial Statements for the year ended 31st March, 2014

### 5 Reserves and surplus

Amount Rs. in Lacs

|  | As at 31st March, 2014 | As at 31st March, 2013 |
|--|------------------------|------------------------|
| Capital Reserves   |                        |                        |
| As per last Balance Sheet                                    | <b>12644.93</b>        | 12644.93               |
| Capital Redemption Reserve                                   |                        |                        |
| As per last Balance Sheet                                    | <b>59.30</b>           | 59.30                  |
| General Reserve  |                        |                        |
| As per last Balance Sheet                                    | <b>235000.00</b>       | 200000.00              |
| Add: Transfer from Surplus in the Statement of Profit & Loss | <b>3000.00</b>         | 35000.00               |
|  | <b>238000.00</b>       | 235000.00              |
| Surplus in the Statement of Profit & Loss                    |                        |                        |
| As per last Balance Sheet                                    | <b>722.92</b>          | 374.03                 |
| Add: Profit for the year                                     | <b>7441.80</b>         | 39834.33               |
| Less : Appropriations  |                        |                        |
| Interim Dividend   | <b>0.00</b>            | 1647.75                |
| Proposed Dividend  | <b>3844.75</b>         | 2197.00                |
| Tax on Dividend  | <b>653.42</b>          | 640.69                 |
| General Reserve  | <b>3000.00</b>         | 35000.00               |
|  | <b>666.55</b>          | 722.92                 |
| <b>Total</b>   | <b>251370.78</b>       | 248427.15              |

### 6 Long-term borrowings

#### 6.1 Term Loans

|  |                 |                 |
|--|-----------------|-----------------|
| Secured Loans  |                 |                 |
| From Banks   |                 |                 |
| - Foreign Currency Loans   | <b>35292.25</b> | 41022.24        |
| Less: Current maturities of Long-term borrowings<br>(Disclosed under Note no. 11: Other current liabilities) | <b>5981.92</b>  | 7579.66         |
| <b>Total</b>   | <b>29310.33</b> | <b>33442.58</b> |

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

### 7 Other Long-term liabilities

|                   |               |        |
|-------------------|---------------|--------|
| Security Deposits | <b>235.98</b> | 205.20 |
| <b>Total</b>      | <b>235.98</b> | 205.20 |

### 8 Long-term provisions

|                                 |               |        |
|---------------------------------|---------------|--------|
| Provision for employee benefits |               |        |
| - For Gratuity                  | <b>569.79</b> | 510.61 |
| - For Leave benefits            | <b>172.14</b> | 208.57 |
| <b>Total</b>                    | <b>741.93</b> | 719.18 |





## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

|                                      | As at 31st March, 2014 | As at 31st March, 2013 |
|--------------------------------------|------------------------|------------------------|
| <b>9 Short-term borrowings</b>       |                        |                        |
| <b>9.1 Secured Loans</b>             |                        |                        |
| From Banks                           |                        |                        |
| Cash Credit/Overdraft                | <b>2107.28</b>         | 4429.82                |
| Packing credit /Buyers credit/Others |                        |                        |
| - Rupee Loan                         | <b>2500.00</b>         | 0.00                   |
| - Foreign Currency Loans             | <b>4627.41</b>         | 1590.57                |
|                                      | <b>9234.69</b>         | 6020.39                |
| <b>9.2 Unsecured Loans</b>           |                        |                        |
| From Banks                           |                        |                        |
| Cash Credit/Overdraft                | <b>0.00</b>            | 12060.15               |
| Packing credit /Buyers credit/Others |                        |                        |
| - Rupee Loan                         | <b>17500.00</b>        | 12500.00               |
| - Foreign Currency Loans             | <b>8467.49</b>         | 15039.53               |
|                                      | <b>25967.49</b>        | 39599.68               |
| <b>Total</b>                         | <b>35202.18</b>        | <b>45620.07</b>        |

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

|  |                 |                 |
|--|-----------------|-----------------|
| <b>10 Trade Payables</b>   |                 |                 |
| Trade Payables   | <b>1.09</b>     | 2.28            |
| - dues to Micro and Small Enterprises (see note no. 45)                              | <b>12017.77</b> | 10227.09        |
| - others   |                 |                 |
| <b>Total</b>   | <b>12018.86</b> | 10229.37        |
| <b>11 Other Current Liabilities</b>  |                 |                 |
| Current maturities of long-term debt<br>(for nature of securities refer note no. 33) | <b>5981.92</b>  | 7579.66         |
| Interest accrued but not due on borrowings   | <b>202.93</b>   | 331.06          |
| Creditors for capital expenditure  | <b>1977.38</b>  | 3310.83         |
| Security deposits  | <b>301.94</b>   | 315.86          |
| Advances from customers  | <b>434.59</b>   | 291.37          |
| Unpaid dividends (see note below)  | <b>211.75</b>   | 223.63          |
| Statutory dues and taxes payable   | <b>984.58</b>   | 2022.65         |
| <b>Total</b>   | <b>10095.09</b> | <b>14075.06</b> |

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.

|                                 |                |         |
|---------------------------------|----------------|---------|
| <b>12 Short-term provisions</b> |                |         |
| Provision for employee benefits |                |         |
| - For Gratuity                  | <b>137.55</b>  | 135.35  |
| - For Leave benefits            | <b>379.77</b>  | 337.15  |
|                                 | <b>517.32</b>  | 472.50  |
| Provision for Proposed Dividend | <b>3844.75</b> | 2197.00 |
| Tax on Proposed Dividend        | <b>653.42</b>  | 373.38  |
|                                 | <b>4498.17</b> | 2570.38 |
| <b>Total</b>                    | <b>5015.49</b> | 3042.88 |

# Notes to Financial Statements for the year ended 31st March, 2014

## 13 - TANGIBLE ASSETS

(Rs. in Lacs)

| Particulars                  | Gross Block      |                |              | Depreciation/Amortization |                  |                 | Net Block      |              |                  |                  |
|------------------------------|------------------|----------------|--------------|---------------------------|------------------|-----------------|----------------|--------------|------------------|------------------|
|                              | As at 1-Apr-13   | Additions      | Deductions   | Exchange differences      | As at 31-Mar-14  | As at 1-Apr-13  | For the year   | Deduction    | As at 31-Mar-14  | As at 31-Mar-13  |
| <b>Tangible Assets</b>       |                  |                |              |                           |                  |                 |                |              |                  |                  |
| Land                         |                  |                |              |                           |                  |                 |                |              |                  |                  |
| - Freehold Land              | 21.86            |                |              |                           | 21.86            |                 |                |              | 21.86            | 21.86            |
| - Leasehold Land             | 4741.41          |                |              |                           | 4741.41          | 210.71          | 48.33          |              | 4482.37          | 4530.70          |
| Buildings                    | 22340.63         | 634.15         |              |                           | 22974.78         | 2626.98         | 678.34         |              | 19669.46         | 19713.65         |
| Plant and Equipments         | 166063.84        | 5488.53        |              | 2123.40                   | 173675.77        | 31593.82        | 8776.74        |              | 133305.21        | 134470.02        |
| Furniture and Fixtures       | 1111.47          | 147.05         |              |                           | 1258.52          | 314.92          | 74.15          |              | 869.45           | 796.55           |
| Vehicles                     | 559.21           | 9.47           | 31.06        |                           | 537.62           | 235.88          | 47.34          | 25.17        | 279.57           | 323.33           |
| Office Equipment             | 1222.17          | 248.99         | 8.98         |                           | 1462.18          | 552.00          | 84.57          | 5.17         | 830.78           | 670.17           |
| <b>Total Tangible Assets</b> | <b>196060.59</b> | <b>6528.19</b> | <b>40.04</b> | <b>2123.40</b>            | <b>204672.14</b> | <b>35534.31</b> | <b>9709.47</b> | <b>30.34</b> | <b>159458.70</b> | <b>160526.28</b> |
| Previous year                | 186764.22        | 7851.00        | 424.04       | 1869.41                   | 196060.59        | 26312.09        | 9303.29        | 81.07        | 35534.31         |                  |

Note: Buildings includes offices given on operating lease.

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Gross Block                      | As at 31/03/2014 | As at 31/03/2013 |
| Depreciation charge for the year | 914.52           | 914.52           |
| Accumulated Depreciation         | 14.91            | 14.91            |
| Net Block Value                  | 120.82           | 105.91           |
|                                  | 793.71           | 808.61           |

## 14 - INTANGIBLE ASSETS

(Rs. in Lacs)

| Particulars                    | Gross Block    |                |            | Depreciation/Amortization |                 |                | Net Block     |           |                 |                 |
|--------------------------------|----------------|----------------|------------|---------------------------|-----------------|----------------|---------------|-----------|-----------------|-----------------|
|                                | As at 1-Apr-13 | Additions      | Deductions | Exchange differences      | As at 31-Mar-14 | As at 1-Apr-13 | For the year  | Deduction | As at 31-Mar-14 | As at 31-Mar-13 |
| <b>Intangible Assets</b>       |                |                |            |                           |                 |                |               |           |                 |                 |
| Technical Know How             | 2675.64        | 1704.88        |            | 153.69                    | 4534.21         | 790.37         | 450.52        |           | 3293.32         | 1885.27         |
| Software                       | 290.75         | 1.29           |            |                           | 292.04          | 221.81         | 10.15         |           | 60.08           | 68.94           |
| <b>Total Intangible Assets</b> | <b>2966.39</b> | <b>1706.17</b> | <b>-</b>   | <b>153.69</b>             | <b>4826.25</b>  | <b>1012.18</b> | <b>460.67</b> | <b>-</b>  | <b>3353.40</b>  | <b>1954.21</b>  |
| Previous year                  | 2908.68        | 57.71          | -          | -                         | 2966.39         | 677.20         | 334.98        | -         | 1012.18         |                 |



## Notes to Financial Statements for the year ended 31st March, 2014

### 15 - NON CURRENT INVESTMENTS

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

#### A1 UNQUOTED

##### i) Investment in Equity instrument

##### a) In subsidiary companies

| Face Value Rs. | Nos. As at 31st March, 2014 | Nos. As at 31st March, 2013 | As at 31st March, 2014 Amount (Rs. in Lacs) | As at 31st March, 2013 Amount (Rs. in Lacs) |
|----------------|-----------------------------|-----------------------------|---|---|
|                | 10                          | 5,00,00,000                 | 5,00,00,000                                 | 5000.00                                     |
|                | 10                          | 30,49,400                   | 30,49,400                                   | 304.94                                      |
|                | 10                          | 15,00,00,000                | 2,99,99,400                                 | 3000.00                                     |
|                | USD 1                       | 27,36,000                   | 27,11,000                                   | 1435.37                                     |
|                |                             |                             |   | 21.82                                       |
|                |                             |                             |   | 1012.28                                     |

**10774.40**

10654.14

##### b) In Other companies

|  |    |          |          |         |
|--|----|----------|----------|---------|
|  |    |          |          |         |
|  |    |          | 1263.89  | 1263.89 |
|  | 10 | 12,500   | 12,500   | 1.25    |
|  | 1  | 5,62,500 | 5,62,500 | 60.75   |

**1325.89**

1325.89

Less: Provision for diminution in value of Investment

60.75

60.75

**1265.14**

1265.14

##### ii) Investment in Mutual Funds

|  |    |             |             |         |         |
|--|----|-------------|-------------|---------|---------|
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 50,00,000   | 0.00    | 500.00  |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 99,99,990   | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 99,99,990   | 0.00    | 1000.00 |
|  | 10 | 0           | 99,99,990   | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 99,99,990   | 0.00    | 1000.00 |
|  | 10 | 0           | 1,00,00,000 | 0.00    | 1000.00 |
|  | 10 | 0           | 49,25,575   | 0.00    | 1000.00 |
|  | 10 | 0           | 68,08,650   | 0.00    | 1000.00 |
|  | 10 | 2,00,00,000 | 0           | 2000.00 | 0.00    |
|  | 10 | 1,00,00,000 | 0           | 1000.00 | 0.00    |
|  | 10 | 1,00,00,000 | 0           | 1000.00 | 0.00    |
|  | 10 | 1,00,00,000 | 0           | 1000.00 | 0.00    |
|  | 10 | 50,00,000   | 0           | 500.00  | 0.00    |
|  | 10 | 1,00,00,000 | 0           | 1000.00 | 0.00    |
|  | 10 | 1,00,00,000 | 0           | 1000.00 | 0.00    |

## Notes to Financial Statements for the year ended 31st March, 2014

|  | Face Value<br>Rs. | Nos. As at<br>31st March,<br>2014 | Nos. As at<br>31st March,<br>2013 | As at<br>31st March,<br>2014<br>Amount (Rs. in Lacs) | As at<br>31st March,<br>2013<br>Amount (Rs. in Lacs) |
|--|-------------------|-----------------------------------|-----------------------------------|--|--|
| <b>15 NON CURRENT INVESTMENTS (Contd...)</b>               |                   |                                   |                                   |  |  |
| Birla Sun Life Fixed Term Plan-Sr.GY(366 Days)-Growth      | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| UTI Fixed term Income Plan Sr. XV-III(366 Day)-Growth      | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| SBI Debt Fund Sr.366 Days-29 Regular                       | 10                | 2,00,00,000                       | 0                                 | 2000.00  | 0.00   |
| JP Morgan India FMP Sr.21-Regular                          | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| Kotak FMP Series 104-Growth                                | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| IDFC Fixed Term Plan Sr.20 Regular                         | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| LIC Nomura MF FMP Sr.66-371 Days-Growth Plan               | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| Tata FMP Series 42-Scheme I-Plan                           | 10                | 2,00,00,000                       | 0                                 | 2000.00  | 0.00   |
| DSP BlackRock FMP S104-12Month-Regular-Growth-Dt.28.       | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
|  |                   |                                   |                                   | <b>20000.00</b>                                      | 20500.00   |
| Less : Current portion of Long Term Investments            |                   |                                   |                                   | 20000.00   | 20500.00   |
| (Disclosed under note no. 18 : Current Investments)        |                   |                                   |                                   |  |  |
|  |                   |                                   |                                   | <b>0.00</b>  | 0.00   |
| <b>iii) Investment in Venture Capital Fund</b>             |                   |                                   |                                   |  |  |
| Indiareit Fund Scheme III                                  | 100000            | 642.85                            | 759.57                            | 642.85   | 759.57   |
| Kshitij Venture Capital Fund                               | 385               |                                   | 2,50,000                          | 962.50   | 1675.00  |
| (670)  |                   |                                   |                                   | <b>1605.35</b>                                       | 2434.57  |
| Less : Current portion of Long Term Investments            |                   |                                   |                                   | 962.50   | 0.00   |
| (Disclosed under note no. 18 : Current Investments)        |                   |                                   |                                   | <b>642.85</b>  | 2434.57  |
| <b>Total Unquoted Investments</b>                          |                   |                                   |                                   | <b>12682.40</b>                                      | 14353.85   |
| <b>B) QUOTED</b>   |                   |                                   |                                   |  |  |
| <b>Investment in Equity instrument</b>                     |                   |                                   |                                   |  |  |
| <b>a) In subsidiary companies</b>                          |                   |                                   |                                   |  |  |
| Inox Leisure Limited                                       | 10                | 4,63,86,467                       | 4,06,15,092                       | 9012.47  | 4620.44  |
| Fame India Limited (see note no. 2 below)                  | 10                | 0                                 | 20,34,201                         | 0.00   | 1460.34  |
|  |                   |                                   |                                   | <b>9012.47</b>                                       | 6080.78  |
| <b>b) In Other companies</b>                               |                   |                                   |                                   |  |  |
| Advanta India Limited                                      | 10                | 2,15,979                          | 48,590                            | 539.17   | 598.39   |
| Clarus Finance & Securities Limited                        | 10                | 0                                 | 9,07,000                          | 0.00   | 560.13   |
| EIH Limited  | 2                 | 1,83,527                          | 4,39,950                          | 401.94   | 963.28   |
| Garware Wall Ropes Limited                                 | 10                | 28,669                            | 4,41,308                          | 69.69  | 729.88   |
| Housing Development & Infrastructure Limited               | 10                | 0                                 | 1,56,556                          | 0.00   | 1176.02  |
| HEG Limited  | 10                | 64,386                            | 1,16,000                          | 276.64   | 500.91   |
| K S Oil Limited  | 1                 | 1,92,093                          | 6,21,081                          | 215.74   | 552.01   |
| Mount Everest Mineral Water Limited                        | 10                | 21,74,592                         | 21,74,592                         | 2489.35  | 2489.35  |
| Praj Industries Limited                                    | 2                 | 4,97,630                          | 9,93,630                          | 1235.22  | 2461.04  |
| Prime Focus Limited  | 1                 | 0                                 | 7,72,560                          | 0.00   | 989.21   |
| Reliance Communication Limited                             | 5                 | 0                                 | 56,981                            | 0.00   | 362.76   |
| Taneja Aerospace & Aviation Limited                        | 5                 | 3,60,159                          | 3,65,559                          | 728.72   | 738.06   |
| Tantia Construction Limited                                | 10                | 2,09,895                          | 2,24,774                          | 313.01   | 332.94   |
|  |                   |                                   |                                   | <b>6269.48</b>                                       | 12453.98   |
| Less: Provision for diminution in value of Investment      |                   |                                   |                                   | 2545.97  | 5981.03  |
|  |                   |                                   |                                   | <b>3723.51</b>                                       | 6472.95  |
| <b>Total Equity shares</b>                                 |                   |                                   |                                   | <b>12735.98</b>                                      | 12553.73   |
| <b>Total Investments</b>                                   |                   |                                   |                                   | <b>25418.38</b>                                      | 26907.58   |
| Aggregate amount of quoted investments                     |                   |                                   |                                   | 15281.96   | 18534.76   |
| Market value of quoted investments                         |                   |                                   |                                   | 56339.55   | 31821.29   |
| Aggregate amount of unquoted investments                   |                   |                                   |                                   | 33705.65   | 34914.60   |
| Aggregate provision for diminution in value of investments |                   |                                   |                                   | 2606.72  | 6041.78  |

- The Company has provided undertakings to various lenders of its subsidiaries, i.e. Inox Wind Limited and Inox Renewables Limited, not to dilute its stake in these companies to below 51%.
- Erstwhile Fame India Limited was amalgamated with Inox Leisure Limited w.e.f. 01/04/2012 and consequently the Company received 12,71,375 Equity Shares of Inox Leisure Limited, in lieu of 20,34,201 Equity Shares of Fame India Limited on 10/07/2012.



## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

### 16 Long-term loans and advances

(Unsecured, considered good, unless otherwise stated)

|   | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------------------------|------------------------|
| Capital Advances  | 2847.97                | 2164.80                |
| Security Deposits   | 633.67                 | 626.47                 |
| Loans and advances to related parties (Refer Note No. 50) |                        |                        |
| Inter-corporate Deposits                                  |                        |                        |
| - to subsidiary companies                                 | 26849.00               | 29770.00               |
| Other loans and advances                                  |                        |                        |
| -Inter corporate Deposits to others                       | 100.00                 | 336.95                 |
| -Prepaid expenses   | 16.59                  | 25.15                  |
| -Advances recoverable in cash or in kind                  | 9.10                   | 66.67                  |
| -MAT Credit Entitlement                                   | 110.00                 | 0.00                   |
| -Income tax paid (Net of provisions)                      | 10711.47               | 6315.06                |
|   | <b>10947.16</b>        | <b>6743.83</b>         |
| <b>Total</b>  | <b>41277.80</b>        | <b>39305.10</b>        |

### 17 Other non-current assets

Non Current Bank balances (bank balances with original maturity of more than 12 months) - from note no. 21  
Interest accrued on above

|              |             |             |
|--------------|-------------|-------------|
|              | 1.00        | 0.50        |
|              | 0.00        | 0.03        |
| <b>Total</b> | <b>1.00</b> | <b>0.53</b> |

### 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, 2014 | Nos. As at 31st March, 2013 | As at 31st March, 2014 Amount (Rs. in Lacs) | As at 31st March, 2013 Amount (Rs. in Lacs) |
|--|----------------|-----------------------------|-----------------------------|---|---|
| Baroda Pioneer 367 Day FMP - Series 4 - Growth                   | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Birla Sun Life Fixed Term Plan - Series FH - Growth              | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Birla Sun Life Mutual Fund Fixed Term Plan - Series FI- Growth   | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| BNP Paribas Fixed Term Fund - Series 23D - Growth                | 10             | 0                           | 50,00,000                   | 0.00  | 500.00                                      |
| DSP BlackRock FMP - Series 47 - 12M - Growth                     | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| DSP BlackRock FMP - Series 48 - 12M - Growth                     | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| HDFC FMP 370D April 2012 (2) - Growth - Series XXI               | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| HDFC FMP 370D May 2012 (2) - Growth                              | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| IDBI FMP - 366 Days - Series - II (April 2012) - H - Growth      | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| IDFC Fixed Maturity Plan - 366 Days - Series 71 - Growth         | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| IDFC Fixed Maturity Plan 366 Days Series 73 - Growth             | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Kotak FMP Series 87-Growth                                       | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Religare FMP Series XIV Plan E370 Days - Growth                  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| SBI SDFS - 366 Days - 2 Growth                                   | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| Sundaram Fixed Term Plan - CS 367 Days - Growth                  | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| Taurus Fixed Maturity Plan 374 Days Series - S - Growth          | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| UTI Fixed Term Income Fund series XI-IX (368 days) - Growth Plan | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Kotak Bond (Short Term) - Growth                                 | 10             | 0                           | 49,25,575                   | 0.00  | 1000.00                                     |
| Religare Short Term Plan - A, Growth                             | 10             | 0                           | 68,08,650                   | 0.00  | 1000.00                                     |
| UTI Fixed Term Income Plan Sr. XV-II(367 Days)-Growth Plan       | 10             | 2,00,00,000                 | 0                           | 2000.00                                     | 0.00  |
| Birla Sun life FTP-Sr.GV(368 Days)-Growth                        | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |

## Notes to Financial Statements for the year ended 31st March, 2014

|   | Face Value<br>Rs. | Nos. As at<br>31st March,<br>2014 | Nos. As at<br>31st March,<br>2013 | As at<br>31st March,<br>2014<br>Amount (Rs. in Lacs) | As at<br>31st March,<br>2013<br>Amount (Rs. in Lacs) |
|---|-------------------|-----------------------------------|-----------------------------------|--|--|
| HDFC FMP 370D May 2013(1) Sr.26-Growth                | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| LIC Nomura FMP Sr.63-386 Days-Growth                  | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| HDFC FMP 366D May2013(1)Sr.26 Re                      | 10                | 50,00,000                         | 0                                 | 500.00   | 0.00   |
| HDFC FMP 366D May2013(2)Sr.26 Re                      | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| Religare Invesco FMP Sr.XIX PL-A3                     | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| Birla Sun Life Fixed Term Plan-Sr.GY(366 Days)-Growth | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| UTI Fixed term Income Plan Sr. XV-III(366 Day)-Growth | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| SBI Debt Fund Sr.366 Days-29 Regular                  | 10                | 2,00,00,000                       | 0                                 | 2000.00  | 0.00   |
| JP Morgan India FMP Sr.21-Regular                     | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| Kotak FMP Series 104-Growth                           | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| IDFC Fixed Term Plan Sr.20 Regular                    | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| LIC Nomura MF FMP Sr.66-371 Days-Growth Plan          | 10                | 1,50,00,000                       | 0                                 | 1500.00  | 0.00   |
| Tata FMP Series 42-Scheme I-Plan                      | 10                | 2,00,00,000                       | 0                                 | 2000.00  | 0.00   |
| DSP BlackRock FMP S104-12Month-Regular-Growth-Dt.28.  | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
|   |                   |                                   |                                   | <b>20000.00</b>                                      | 20500.00   |
| <b>ii) Investment in Venture Capital Bonds</b>        |                   |                                   |                                   |  |  |
| Kshitij Venture Capital Fund                          | 385               | 2,50,000                          | 0                                 | 962.50   | 0.00   |
|   |                   |                                   |                                   | <b>962.50</b>  | 0.00   |
| <b>Total Investments</b>                              |                   |                                   |                                   | <b>20962.50</b>                                      | 20500.00   |
| Aggregate amount of unquoted investments              |                   |                                   |                                   | <b>20962.50</b>                                      | 20500.00   |

### 19 Inventories

(for basis of valuation, please refer note no. 3(e))

|                     | As at 31st March, 2014 | As at 31st March, 2013 |
|---------------------|------------------------|------------------------|
| Raw materials       | 8792.76                | 13567.61               |
| Work-in-progress    | 2945.35                | 2561.72                |
| Finished goods      | 14456.15               | 19578.68               |
| Stock in trade      | 148.83                 | 170.85                 |
| Stores and spares   | 4405.50                | 5034.57                |
| Others              |                        |                        |
| - Fuel              | 309.73                 | 446.16                 |
| - Packing Materials | 269.71                 | 337.24                 |
| - By products       | 367.37                 | 356.58                 |
| - Carbon Credits    | 0.00                   | 57.79                  |
|                     | <b>946.81</b>          | 1197.77                |
| <b>Total</b>        | <b>31695.40</b>        | <b>42111.20</b>        |

### 20 Trade receivables

(Unsecured, considered good, unless otherwise stated)

#### Considered good

|   |                 |          |
|---|-----------------|----------|
| Outstanding for a period exceeding 6 months | 1702.33         | 1585.63  |
| Others                                      | 29969.59        | 31503.17 |
|   | <b>31671.92</b> | 33088.80 |

#### Considered Doubtful

|   |              |       |
|---|--------------|-------|
| Outstanding for a period exceeding 6 months | 14.70        | 15.53 |
|   | <b>14.70</b> | 15.53 |

Less: Provision for trade receivables

|              |                 |          |
|--------------|-----------------|----------|
|              | <b>31686.62</b> | 33104.33 |
|              | <b>(14.70)</b>  | (15.53)  |
| <b>Total</b> | <b>31671.92</b> | 33088.80 |



## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

|   | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------------------------|------------------------|
| <b>21 Cash and bank balances</b>                              |                        |                        |
| <b>21.1 Cash &amp; cash equivalents</b>                       |                        |                        |
| Balances with banks in current accounts                       | 552.12                 | 1606.93                |
| Cash on hand  | 3.22                   | 20.62                  |
|   | <b>555.34</b>          | <b>1627.55</b>         |
| <b>21.2 Other Bank Balances</b>                               |                        |                        |
| - Unpaid Dividend   | 211.75                 | 223.63                 |
| - Margin Money against bank guarantees                        | 80.94                  | 74.68                  |
| - Bank deposits with original maturity of more than 12 months | 1.00                   | 0.50                   |
|   | <b>293.69</b>          | <b>298.81</b>          |
| Less: Amount disclosed under note no. 17                      |                        |                        |
| - Other non-current assets                                    | 1.00                   | 0.50                   |
|   | <b>292.69</b>          | <b>298.31</b>          |
| <b>Total</b>  | <b>848.03</b>          | <b>1925.86</b>         |
| <b>22 Short-term loans and advances</b>                       |                        |                        |
| (Unsecured, considered good, unless otherwise stated)         |                        |                        |
| Loans and advances to related parties (refer note number 50)  |                        |                        |
| To subsidiary companies                                       |                        |                        |
| - Inter corporate deposits                                    | 0.00                   | 500.00                 |
| - Other dues  | 382.14                 | 339.92                 |
|   | <b>382.14</b>          | <b>839.92</b>          |
| Share Application Money                                       | 32.00                  | 0.00                   |
|   | <b>414.14</b>          | <b>839.92</b>          |
| Prepaid expenses  | 210.39                 | 281.33                 |
| Advances to suppliers   | 1316.52                | 2219.44                |
| Advances recoverable in cash or in kind                       | 228.24                 | 69.55                  |
| Other receivables   | 1021.89                | 112.56                 |
| Inter-corporate Deposits -Other companies                     | 1186.95                | 0.00                   |
| Balances in Excise, Service Tax and VAT Accounts              | 1203.69                | 2260.19                |
| <b>Total</b>  | <b>5581.82</b>         | <b>5782.99</b>         |
| <b>23 Other current assets</b>                                |                        |                        |
| Asset held for sale   | 0.00                   | 185.00                 |
| Insurance claim lodged  | 0.00                   | 84.11                  |
| Un amortised premium on forward contract                      | 0.00                   | 405.10                 |
| Interest accrued on   |                        |                        |
| - Bank deposits   | 1.92                   | 1.68                   |
| - Inter corporate deposits                                    | 2182.34                | 806.53                 |
| - Others  | 11.72                  | 7.40                   |
|   | <b>2195.98</b>         | <b>815.61</b>          |
| <b>Total</b>  | <b>2195.98</b>         | <b>1489.82</b>         |

## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

### 24 Revenue from operations (Continuing operations)

 Sale of products  
 Other operating revenues

Less: Excise duty

**Total**

#### Details of sale of products

 Refrigerant Gases  
 Caustic Soda (Caustic Soda Lye & Flakes)  
 Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)  
 Poly Tetrafluoroethylene (PTFE)  
 Carbon Credit Revenue  
 Other products

Total

**Other operating revenues**
**Total**

### 25 Other income

Interest Income

- on bank deposits
- on Inter corporate deposits
- (i) from subsidiary companies
- (ii) from other companies
- on income tax refund
- others

Dividend Income

- on long term investments
- on current investments
- from joint venture company

Profit on sale of investments (Net)

- on long term investments (Net of reversal of provision for diminution of Rs. 3828.78 lacs (previous year Nil)
- on current investments

Provision for doubtful debts written back

Liabilities written back

Net gain on foreign currency translation and transactions

Rental income from operating leases

Miscellaneous income

**Total**

### 26 Cost of materials consumed

Raw Materials consumed

Packing Materials consumed

**Total**

#### Details of raw material consumed

Fluorspar

Chloromethanes

Methanol

Others

**Total**

|   | 2013-2014        | 2012-2013        |
|---|------------------|------------------|
| <b>24 Revenue from operations (Continuing operations)</b>   |                  |                  |
| Sale of products  | 121417.38        | 158521.47        |
| Other operating revenues  | 606.60           | 9192.21          |
|   | <b>122023.98</b> | <b>167713.68</b> |
| Less: Excise duty   | 7930.40          | 8105.59          |
| <b>Total</b>  | <b>114093.58</b> | <b>159608.09</b> |
| <b>Details of sale of products</b>  |                  |                  |
| Refrigerant Gases   | 12598.73         | 11707.40         |
| Caustic Soda (Caustic Soda Lye & Flakes)  | 27980.37         | 29170.71         |
| Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride)  | 21821.94         | 19009.02         |
| Poly Tetrafluoroethylene (PTFE)   | 43918.88         | 39258.56         |
| Carbon Credit Revenue   | 58.10            | 44169.26         |
| Other products  | 7108.96          | 7100.93          |
| Total   | 113486.98        | 150415.88        |
| <b>Other operating revenues</b>   | <b>606.60</b>    | <b>9192.21</b>   |
| <b>Total</b>  | <b>114093.58</b> | <b>159608.09</b> |
| <b>25 Other income</b>  |                  |                  |
| Interest Income   |                  |                  |
| - on bank deposits  | 7.32             | 39.09            |
| - on Inter corporate deposits   |                  |                  |
| (i) from subsidiary companies   | 2818.33          | 3151.11          |
| (ii) from other companies   | 112.90           | 37.74            |
| - on income tax refund  | 396.35           | 52.35            |
| - others  | 326.18           | 7.40             |
|   | <b>3661.08</b>   | <b>3287.69</b>   |
| Dividend Income   |                  |                  |
| - on long term investments  | 46.20            | 41.28            |
| - on current investments  | 5.21             | 2.15             |
| - from joint venture company  | 0.00             | 216.76           |
|   | <b>51.41</b>     | <b>260.19</b>    |
| Profit on sale of investments (Net)   |                  |                  |
| - on long term investments (Net of reversal of provision for diminution of Rs. 3828.78 lacs (previous year Nil) | 1137.29          | 134.86           |
| - on current investments  | 82.18            | 330.42           |
|   | <b>1219.47</b>   | <b>465.28</b>    |
| Provision for doubtful debts written back   | 4.56             | 5.60             |
| Liabilities written back  | 325.01           | 629.21           |
| Net gain on foreign currency translation and transactions   | 463.52           | 0.00             |
| Rental income from operating leases   | 661.77           | 609.12           |
| Miscellaneous income  | 119.13           | 433.29           |
| <b>Total</b>  | <b>6505.95</b>   | <b>5690.38</b>   |
| <b>26 Cost of materials consumed</b>  |                  |                  |
| Raw Materials consumed  | 28092.50         | 25444.93         |
| Packing Materials consumed  | 3991.66          | 4902.35          |
| <b>Total</b>  | <b>32084.16</b>  | <b>30347.28</b>  |
| <b>Details of raw material consumed</b>   |                  |                  |
| Fluorspar   | 7637.93          | 8718.32          |
| Chloromethanes  | 651.68           | 564.40           |
| Methanol  | 11025.33         | 8706.00          |
| Others  | 8777.56          | 7456.21          |
| <b>Total</b>  | <b>28092.50</b>  | <b>25444.93</b>  |





## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

|  | 2013-2014                                  | 2012-2013                                  |
|--|--|--|
| <b>27 Purchases of Stock-in-Trade</b>                                    |  |  |
| Purchases of Stock-in-Trade  | 92.52                                      | 209.56                                     |
| <b>Total</b>   | <b>92.52</b>                               | <b>209.56</b>                              |
| <b>Details of purchases of stock-in-trade</b>                            |  |  |
| Refrigerant Gases  | 60.75                                      | 38.00                                      |
| Speciality Chemicals   | 31.77                                      | 0.00                                       |
| PTFE Powder  | 0.00                                       | 171.56                                     |
| <b>Total</b>   | <b>92.52</b>                               | <b>209.56</b>                              |
| <b>28 Changes in inventories</b>   |  |  |
| <b>Opening Stock</b>   |  |  |
| Finished Goods   | 19749.54                                   | 11563.31                                   |
| Work-in-progress   | 2561.72                                    | 2549.91                                    |
| By-products  | 356.58                                     | 240.70                                     |
| Carbon Credits   | 57.79                                      | 786.35                                     |
|  | <b>22725.63</b>                            | <b>15140.27</b>                            |
| <b>Less : Closing Stock</b>  |  |  |
| Finished Goods   | 14604.98                                   | 19749.54                                   |
| Work-in-progress   | 2945.35                                    | 2561.72                                    |
| By-products  | 367.37                                     | 356.58                                     |
| Carbon Credits   | 0.00                                       | 57.79                                      |
|  | <b>17917.70</b>                            | <b>22725.63</b>                            |
| Excise Duty on Stock of Finished Goods (Net)                             | <b>(703.09)</b>                            | <b>77.10</b>                               |
| <b>( Increase) / Decrease in Stock</b>                                   | <b>4104.84</b>                             | <b>(7508.26)</b>                           |
| <b>Details of opening and closing stock</b>                              | <b>Closing Stock /<br/>(Opening Stock)</b> | <b>Closing Stock /<br/>(Opening Stock)</b> |
| <b>Finished Goods, By-Products &amp; Carbon Credits</b>                  |  |  |
| Refrigerant Gases  | 1960.87<br>(5387.62)                       | 5387.62<br>(2632.68)                       |
| Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride) | 628.15<br>(309.42)                         | 309.42<br>(416.75)                         |
| Poly Tetrafluoroethylene (PTFE)  | 11712.05<br>(13756.34)                     | 13756.34<br>(8270.28)                      |
| Carbon Credits   | 0.00<br>(57.79)                            | 57.79<br>(786.35)                          |
| Others   | 671.28<br>(652.74)                         | 652.74<br>(484.30)                         |
| <b>Total</b>   | <b>14972.35</b><br>(20163.91)              | <b>20163.91</b><br>(12590.36)              |
| <b>Work-in-progress</b>  |  |  |
| Refrigerant Gases  | 42.85<br>(39.78)                           | 39.78<br>(39.71)                           |
| Chloromethanes (Methylene Chloride, Chloroform and Carbon Tetrachloride) | 145.60<br>(58.98)                          | 58.98<br>(65.72)                           |
| Poly Tetrafluoroethylene (PTFE)  | 2752.42<br>(2458.80)                       | 2458.80<br>(2440.62)                       |
| Others   | 4.48<br>(4.16)                             | 4.16<br>(3.86)                             |
| <b>Total</b>   | <b>2945.35</b><br>(2561.72)                | <b>2561.72</b><br>(2549.91)                |

## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

|   | 2013-2014       | 2012-2013       |
|---|-----------------|-----------------|
| <b>29 Employee benefits expense</b>   |                 |                 |
| Salaries and wages  | 7324.46         | 6783.90         |
| Contribution to provident and other funds   | 328.10          | 303.87          |
| Gratuity  | 115.72          | 132.71          |
| Staff welfare expenses  | 301.17          | 232.85          |
| <b>Total</b>  | <b>8069.45</b>  | <b>7453.33</b>  |
| <b>30 Finance costs</b>   |                 |                 |
| Interest expense  | 4348.94         | 5808.98         |
| Other borrowing costs   | 63.85           | 140.97          |
| Net loss on foreign currency translation and transactions   | 1115.67         | 944.65          |
| <b>Total</b>  | <b>5528.46</b>  | <b>6894.60</b>  |
| <b>31 Depreciation and amortization expense</b>   |                 |                 |
| Depreciation on Tangible assets   | 9709.45         | 9303.29         |
| Amortization of Intangible assets   | 460.67          | 334.98          |
| <b>Total</b>  | <b>10170.12</b> | <b>9638.27</b>  |
| <b>32 Other expenses</b>  |                 |                 |
| Stores and Spare Consumed   | 4404.78         | 3728.42         |
| Power and Fuel  | 29920.73        | 29069.80        |
| Freight and Octroi  | 3382.80         | 3118.69         |
| Insurance   | 419.20          | 488.69          |
| Excise Duty, Custom Duty and Sales Tax  | 1085.53         | 548.36          |
| Production Labour Charges   | 1156.77         | 1036.94         |
| Processing Charges  | 80.63           | 72.24           |
| Factory Expenses  | 737.92          | 995.67          |
| Repairs to  |                 |                 |
| - Buildings   | 258.53          | 227.21          |
| - Machinery   | 2222.99         | 1516.24         |
| - Others  | 287.85          | 253.77          |
|   | <b>2769.37</b>  | 1997.22         |
| Directors' Sitting Fees   | 6.20            | 5.80            |
| Commission to Director  | 96.92           | 609.54          |
| Rent  | 174.66          | 204.07          |
| Rates and Taxes   | 241.95          | 230.48          |
| Travelling and Conveyance   | 1220.70         | 1096.55         |
| Communication expenses  | 164.68          | 162.20          |
| Legal and Professional Fees and Expenses  | 1671.51         | 2008.15         |
| Lease Rentals and Hire Charges  | 513.77          | 833.43          |
| Loss on retirement /disposal of fixed assets (Net)  | 5.00            | 104.64          |
| Net loss on foreign currency translation and transactions   | 0.00            | 8196.83         |
| Provision for doubtful debts  | 3.72            | 10.76           |
| Provision for diminution in value of investments (Net)- Long term                                     | 393.72          | 486.28          |
| Investment written off (net of provision of Rs. Nil (previous year Rs.568.50 lacs))                   | 0.00            | 6.50            |
| Bad debts and remission (net of provision for doubtful debts of Rs. Nil (previous year Rs.4.70 lacs)) | 16.85           | 18.06           |
| Expenditure on Sustainable Development Plan   | 41.74           | 73.71           |
| Commission  | 426.07          | 407.02          |
| Royalty   | 72.41           | 3.19            |
| Miscellaneous Expenses  | 1757.91         | 3366.46         |
| <b>Total</b>  | <b>50765.54</b> | <b>58879.70</b> |

## Notes to Financial Statements for the year ended 31st March, 2014

### 33. Securities and terms of loans taken:

#### a) Secured loans :

Foreign Currency Term Loan of Rs.21897.93 lacs (previous year Rs.23489.85 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. 11<sup>th</sup> October, 2012, being hedged.

Foreign Currency Term Loan of Rs. 8877.81 lacs (previous year Rs. 8940.24 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. The lender has charge/lien on companies investment in mutual fund (2 crore unit of Tata Fixed Maturity plan series 42 Scheme I plan A Growth mutual fund, Folio No 2661548/08) of Rs. 20 crore only. The term loan is repayable in 20 equal half yearly instalments starting from 20<sup>th</sup> September, 2013 and carries interest @ 6 months LIBOR plus 4.14% p.a.

Foreign Currency Term Loan of Rs. 4516.50 lacs (previous year Rs.6774.75 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 14<sup>th</sup> April, 2012 and carries interest @ 8.65% p.a.

Foreign Currency Term Loan of Rs. Nil (previous year Rs. 1400.13 lacs) from BNP Paribas Limited was 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 was repayable in 16 equal quarterly instalments starting from 9<sup>th</sup> April, 2010 and carried interest @ 7.07% p.a.

Foreign Currency unsecured Term Loan of Rs. Nil (previous year Rs.417.28 lacs) from Citibank NA was 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 was never created). The term loan was repayable in 16 equal quarterly instalments starting from 3<sup>rd</sup> July, 2009 and was carrying interest @ 6 months LIBOR plus 4.00% p.a.

Working Capital Demand Loans (WC DL) of Rs.2500 lacs (previous year Rs Nil) and over draft facility of Rs.2107.28 lacs (previous year Rs. 1559.82 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 WC DL loan is for a period of 180 days and carries interest @ 10.00% p.a. Over draft facility carries interest @ 11.40% p.a.

Working Capital Loans in the form of buyers credit of Rs. 767.28 lacs (previous year Rs. 1590.57 lacs), over draft facility of Rs. Nil, (previous year Rs. 2870.00 Lacs) and FCNR loan facility of Rs. 3860.13 lacs (previous year Rs. 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. Buyer's credit is repayable in 118 days to 327 days carrying interest ranging @ 4 month LIBOR plus 1.00% to 11 month LIBOR plus 0.90%, and overdraft facility was repayable on demand and was carrying interest @ 9.90% p.a., FCNR loan facility is granted for 214 days tenure at cost of 3 month LIBOR plus 1.65%.

#### b) Unsecured loans:

Foreign Currency working capital unsecured loans in the form of Buyers credit of Rs. Nil (previous year Rs. 108.42 lacs), PCFC loan of Rs.2424.52 lacs (previous year Rs. 11705.15 lacs) and FCNR facility of Rs.5344.58 lacs (previous year Rs. 3225.96 lacs) from various banks are repayable in the period ranging from 177 days to 360 days carrying interest ranging @ 9 month LIBOR plus 0.60% to 12 month LIBOR plus 2.25%, and 3 month EURIBOR plus 1.75% & 6 month EURIBOR plus 1.00%.

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

Unsecured Working Capital Loans in the form of buyers credit of Rs. 490.53 lacs (previous year Rs Nil) from ICICI Bank Limited is repayable in 297 days to 300 days carrying interest ranging @ 12 month LIBOR plus 0.70% to 12 month LIBOR plus 0.87%

Unsecured Working Capital Loans in the form of buyers credit of Rs. 207.86 lacs (previous year Rs Nil) from ING Vysya Bank Limited is repayable in 269 days to 330 days carrying interest ranging @ 9 month LIBOR plus 0.60% to 12 month LIBOR plus 0.75%.

Working Capital unsecured rupee loans from various banks amounting to Rs.17500.00 lacs (previous year Rs. 12500.00 lacs) are repayable in the period ranging from 7 days to 358 days carrying interest ranging @ 9.75% to 10.05% p.a.

Unsecured overdraft facility from The Royal Bank of Scotland amounting to Rs. Nil (previous year Rs. 12060.15 lacs) was repayable on demand & carried interest @ 9.90% p.a.

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

## Notes to Financial Statements for the year ended 31st March, 2014

### 35. Contingent Liabilities and Commitments

#### (A) Contingent Liabilities

##### Particulars

- (a) Claims against Company not acknowledged as debt
- (b) Other
  - Income Tax
  - Service Tax
  - Excise Duty
  - Custom Duty
  - Electricity Duty
  - Claims in respect of labour matters

Amount Rs. in Lacs

| 2013-2014 | 2012-2013 |
|-----------|-----------|
| 7.22      | 7.22      |
| 8216.06   | 8711.37   |
| 1155.46   | 924.34    |
| 1411.73   | 849.66    |
| 987.51    | 1222.97   |
| 1204.86   | 1204.86   |

**Amount is not ascertainable**

Notes:

- (a) Amount of Rs. 8093.33 lacs (previous year Rs. 5488.43 lacs) has been paid in respect of above Income 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 Assessment Year 2009-10, where in the CIT(A) has confirmed the action of the Assessing Officer in respect of
  - i. treatment of Investment activity of the Company in respect of investment in shares as a business activity and
  - ii. 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.

- (c) During the year, the Income Tax authorities have carried out survey proceedings u/s 133A of the Income Tax Act, 1961 at the Company's corporate office. The Company has made detailed submissions on various issues raised during the course of survey proceedings and does not expect any material demand in this connection.

#### (B) Commitments:

##### Particulars

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)

Amount Rs. in Lacs

| 2013-2014 | 2012-2013 |
|-----------|-----------|
| 13436.25  | 13390.76  |

### 36. Prior period items:

#### Particulars

##### A) Debits

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

Total (A)

##### B) Credits

- Others
- Total (B)

Net Prior Period Items

Amount Rs. in Lacs

| 2013-2014 | 2012-2013 |
|-----------|-----------|
| 2.57      | 11.32     |
| 28.53     | 9.86      |
| 2.83      | 3.48      |
| 0.00      | 2.10      |
| 3.45      | 2.07      |
| 0.00      | 0.09      |
| 34.50     | 0.00      |
| 1.83      | 3.28      |
| 8.59      | 37.78     |
| 82.30     | 69.98     |
| 0.00      | 9.05      |
| 0.00      | 9.05      |
| 82.30     | 60.93     |

## Notes to Financial Statements for the year ended 31st March, 2014

### 37. Payments to Auditor's:

Amount Rs. in Lacs

**Particulars**

|   |  |
|---|--|
| Statutory Audit (including consolidated accounts)   |  |
| Limited review and corporate governance certificate |  |
| Audit of subsidiary companies                       |  |
| Tax Audit and other audits under Income Tax Act     |  |
| For taxation matters                                |  |
| Certification                                       |  |
| For reimbursement of expenses                       |  |
| Total   |  |

| 2013-2014    | 2012-2013 |
|--------------|-----------|
| <b>16.00</b> | 15.00     |
| <b>5.50</b>  | 4.50      |
| <b>5.50</b>  | 0.00      |
| <b>11.00</b> | 9.00      |
| <b>10.75</b> | 5.50      |
| <b>2.00</b>  | 1.70      |
| <b>0.11</b>  | 0.12      |
| <b>50.86</b> | 35.82     |

### 38. CIF value of imports:

Amount Rs. in Lacs

**Particulars**

|  |  |
|--|--|
| Raw materials                                      |  |
| Fuel   |  |
| Traded goods                                       |  |
| Components and Spare Parts                         |  |
| Capital goods (including capital work in progress) |  |
| Total  |  |

| 2013-2014       | 2012-2013 |
|-----------------|-----------|
| <b>13985.93</b> | 12156.26  |
| <b>5288.27</b>  | 5337.71   |
| <b>29.14</b>    | 157.68    |
| <b>559.19</b>   | 1468.36   |
| <b>612.04</b>   | 3912.17   |
| <b>20474.57</b> | 23032.18  |

### 39. Imported and indigenous raw materials consumed :

Amount Rs. in Lacs

**Particulars**

|            |  |
|------------|--|
| Imported   |  |
| Indigenous |  |
| Total      |  |

| Percentage    |           | Value           |           |
|---------------|-----------|-----------------|-----------|
| 2013-2014     | 2012-2013 | 2013-2014       | 2012-2013 |
| <b>77.34</b>  | 77.01     | <b>21727.09</b> | 19595.33  |
| <b>22.66</b>  | 22.99     | <b>6365.40</b>  | 5849.61   |
| <b>100.00</b> | 100.00    | <b>28092.49</b> | 25444.94  |

### 40. Imported and indigenous spare parts consumed :

Amount Rs. in Lacs

**Particulars**

|            |  |
|------------|--|
| Imported   |  |
| Indigenous |  |
| Total      |  |

| Percentage    |           | Value          |           |
|---------------|-----------|----------------|-----------|
| 2013-2014     | 2012-2013 | 2013-2014      | 2012-2013 |
| <b>14.12</b>  | 24.25     | <b>621.92</b>  | 904.08    |
| <b>85.88</b>  | 75.75     | <b>3782.85</b> | 2824.34   |
| <b>100.00</b> | 100.00    | <b>4404.77</b> | 3728.42   |

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

Amount Rs. in Lacs

**Particulars**

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

| 2013-2014      | 2012-2013 |
|----------------|-----------|
| <b>72.41</b>   | 3.19      |
| <b>781.69</b>  | 1050.92   |
| <b>1770.53</b> | 0.00      |
| <b>2016.04</b> | 2306.58   |
| <b>1442.34</b> | 3016.74   |
| <b>6083.01</b> | 6377.43   |

### 42. Earning in foreign exchange:

Amount Rs. in Lacs

**Particulars**

|  |  |
|--|--|
| Exports of goods calculated on FOB basis |  |
| Dividend                                 |  |
| Other recoveries on Exports              |  |
| Other Operating Income                   |  |

| 2013-2014       | 2012-2013 |
|-----------------|-----------|
| <b>41358.47</b> | 79674.93  |
| <b>0.00</b>     | 216.76    |
| <b>1168.01</b>  | 706.21    |
| <b>168.07</b>   | 8673.75   |

## Notes to Financial Statements for the year ended 31st March, 2014

### 43. Major Components of the net Deferred tax liability:

Amount Rs. in Lacs

| Particulars  | 2013-2014       | 2012-2013 |
|--|-----------------|-----------|
| <b>(A) Deferred Tax Liabilities</b>  |                 |           |
| (i) On account of difference between tax depreciation and depreciation / amortisation charged in the books |                 |           |
|  | <b>20632.19</b> | 16246.40  |
| Total  | <b>20632.19</b> | 16246.40  |
| <b>(B) Deferred Tax Assets</b>   |                 |           |
| (i) Retirement benefits  | <b>428.02</b>   | 405.05    |
| (ii) Others  | <b>5.00</b>     | 9.82      |
| Total  | <b>433.02</b>   | 414.87    |
| <b>Net Deferred Tax Liability</b>  | <b>20199.17</b> | 15831.53  |

### 44. Calculation of Earnings per share (EPS):

#### A. Continuing Operations

| Particulars  | 2013-2014        | 2012-2013 |
|--|------------------|-----------|
| a) Amount used as the numerator - Profit after taxation (Rs. in Lacs)    | <b>7441.80</b>   | 39790.25  |
| b) Equity shares outstanding at the beginning & end of the year – (Nos.) | <b>109850000</b> | 109850000 |
| c) Nominal value of each share – (Re)                                    | <b>1</b>         | 1         |
| d) Basic and Diluted Earnings per share (Rs.)                            | <b>6.77</b>      | 36.22     |

#### B. Total Operations

| Particulars  | 2013-2014        | 2012-2013 |
|--|------------------|-----------|
| a) Amount used as the numerator - Profit after taxation (Rs. in Lacs)    | <b>7441.80</b>   | 39834.33  |
| b) Equity shares outstanding at the beginning & end of the year – (Nos.) | <b>109850000</b> | 109850000 |
| c) Nominal value of each share – (Re)                                    | <b>1</b>         | 1         |
| d) Basic and Diluted Earnings per share (Rs.)                            | <b>6.77</b>      | 36.26     |

### 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  | 2013-2014   | 2012-2013 |
|--|-------------|-----------|
| Principal amount due to suppliers under MSMED Act, 2006 at the year end.                                 | <b>1.09</b> | 2.27      |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end. | <b>0.00</b> | 0.01      |
| Payment made to suppliers (other than interest) beyond the appointed date during the year.               | <b>0.94</b> | 0.39      |
| Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year.                               | <b>0.01</b> | 0.02      |
| Interest due and payable to suppliers under MSMED Act for payments already made.                         | <b>0.00</b> | 0.01      |
| Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.                     | <b>0.00</b> | 0.01      |

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, 2014

### 46. Segment Information

(A) Information about Primary (Business) Segment:

The Company operates in single business segment of "Chemicals" - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits. Electricity generated by Captive power plants is consumed in Chemical Business and not sold outside. Accordingly, the same is a part of the Chemical Business.

(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 |           |
|-------------|--------------------|-----------|
|             | 2013-2014          | 2012-2013 |
| Domestic    | 71567.10           | 70618.44  |
| Overseas    | 42526.48           | 89054.90  |
| Total       | 114093.58          | 159673.34 |

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.

### 47. Discontinued operations

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

In the Financial year 2011-12, the Company had 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 30<sup>th</sup> March, 2012. This has been reported as discontinued operations by the Company.

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

| Particulars   | Amount Rs. in Lacs                |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
| Revenue from operations   | -                                 | 65.25                             |
| Other income  | -                                 | -                                 |
| <b>Total revenue (A)</b>  | -                                 | 65.25                             |
| <b>Total expenses (B)</b>   | -                                 | -                                 |
| Profit before tax from ordinary activities of discontinued operations (A-B) | -                                 | 65.25                             |
| Total Profit/(Loss) from discontinuing operations before tax                | -                                 | 65.25                             |
| Tax on ordinary activities attributable to the discontinuing operations     | -                                 | -                                 |
| Less : Current Tax  | -                                 | 21.17                             |
| <b>Profit after tax of discontinuing operations</b>                         | -                                 | 44.08                             |

c) **Cash flow attributable to Discontinued Operations :**  
**Particulars**

| Particulars   | For the year ended 31 March, 2014 | For the year ended 31 March, 2013 |
|---|-----------------------------------|-----------------------------------|
| Net cash flow attributable to the discontinued business | -                                 | -                                 |
| Cash flows from operating activities                    | -                                 | 44.08                             |

## Notes to Financial Statements for the year ended 31st March, 2014

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 31.03.2014 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 31<sup>st</sup> December, 2013 are as under :

Amount Rs. in Lacs

| S. No. | Particulars | 2013     | 2012     |
|--------|-------------|----------|----------|
| i)     | Assets      | 6,281.19 | 5,381.19 |
| ii)    | Liabilities | 4,755.33 | 3,605.94 |
| iii)   | Income      | 5,485.73 | 6,570.68 |
| iv)    | Expenses    | 6,013.59 | 6,922.79 |

- b) The Company's share of capital commitments in the JVC as at 31<sup>st</sup> December, 2013 is Rs. Nil (previous year Rs. Nil).  
c) The Company's share of contingent liability of the JVC as at 31<sup>st</sup> December, 2013 is Rs. Nil (previous year Rs. 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 19<sup>th</sup> June, 2012. As on 31<sup>st</sup> March, 2014 the Company has invested a sum of Rs.1.25 Lacs in the share capital of this Joint Venture. During the year company has made payment of Rs.32 lacs towards share application money.

The JVC is proposed to be 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 31<sup>st</sup> March, 2014 are as under:

Amount Rs. in Lacs

| S. No. | Particulars | 2013-2014 | 2012-2013 |
|--------|-------------|-----------|-----------|
| i)     | Assets      | 40.88     | 13.29     |
| ii)    | Liabilities | 47.78     | 17.98     |
| iii)   | Income      | 0.17      | -         |
| iv)    | Expenses    | 2.38      | 5.94      |

- b) The Company's share of capital commitments in the JVC as at 31<sup>st</sup> March, 2014 is Rs. Nil (previous year Rs. 0.88 Lacs)  
c) The Company's share of contingent liability of the JVC as at 31<sup>st</sup> March, 2014 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, 2014

### 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 Limited  |
|                      |   | Inox Wind Limited (IWL)  |
|                      |   | Inox Wind Infrastructure Services Limited (IWISL)  |
|                      |   | - Subsidiary of IWL (Incorporated on 11 <sup>th</sup> May 2012)                                    |
|                      |   | Marut Shakti Energy Limited- Subsidiary of IWISL (w.e.f. 13 <sup>th</sup> September, 2013)         |
|                      |   | Inox Renewables Limited (IRL)  |
|                      |   | Inox Renewables Jaisalmer Limited- Subsidiary of IRL (Incorporated on 24 <sup>th</sup> July, 2012) |
|                      |   | Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)                                    |
|                      |   | GFL Singapore Pte Limited  |
|                      |   | GFL GM Fluorspar SA -Subsidiary of GFL Singapore Pte. Limited                                      |
|                      |   | Gujarat Fluorochemicals GmbH, Germany (Incorporated on 6 <sup>th</sup> September, 2013)            |

**(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 19 <sup>th</sup> 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 22 <sup>nd</sup> June, 2012                   |
|   |   | Mr. Paresh Trivedi (Whole Time Director) w.e.f. 22 <sup>nd</sup> October, 2013          |
| 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   |   | Refron Valves Limited   |
| Devansh Trading and Finance Private Limited   |   | Rajni Farms Private Limited   |
| Inox India Limited  |   | Sidhapavan Trading and Finance Pvt. Ltd.  |
| Inox Air Products Limited   |   | Siddho Mal Investments Private Limited  |
| Inox Chemicals Private Limited  |   |   |

## Notes to Financial Statements for the year ended 31st March, 2014

### Related Party disclosures

(ii) Particulars of transactions

Amount Rs. in Lacs

| Particulars                                   | Holding Company |         | Subsidiary Companies |                 | Joint Ventures |               | Key Management Personnel (KMP) |         | Relatives of key Management Personnel |         | Enterprises over which KMP or his relative has significant influence |                | Total          |                 |
|---|-----------------|---------|----------------------|-----------------|----------------|---------------|--------------------------------|---------|---------------------------------------|---------|--|----------------|----------------|-----------------|
|   | 2013-14         | 2012-13 | 2013-14              | 2012-13         | 2013-14        | 2012-13       | 2013-14                        | 2012-13 | 2013-14                               | 2012-13 | 2013-14  | 2012-13        | 2013-14        | 2012-13         |
| <b>A) Transactions during the year</b>        |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| <b>Sales of Goods</b>                         |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Air Products Limited                     |                 |         |                      |                 |                |               |                                |         |                                       |         | 1.36   | 7.44           | 1.36           | 7.44            |
| GFL Americas LLC                              |                 |         | 4881.02              | 1154.48         |                |               |                                |         |                                       |         |  |                | 4881.02        | 1154.48         |
| GFL GmbH, Germany                             |                 |         | 3062.69              | 0.00            |                |               |                                |         |                                       |         |  |                | 3062.69        | 0.00            |
| Inox Wind Limited                             |                 |         | 7.95                 | 0.00            |                |               |                                |         |                                       |         |  |                | 7.95           | 0.00            |
| Others  |                 |         | 0.79                 | 1.56            |                |               |                                |         |                                       |         | 0.05   | 0.05           | 0.84           | 1.61            |
| <b>Total</b>                                  |                 |         | <b>7952.45</b>       | <b>1156.04</b>  |                |               |                                |         |                                       |         | <b>1.41</b>  | <b>7.49</b>    | <b>7953.86</b> | <b>1163.53</b>  |
| <b>Sales return</b>                           |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| GFL Americas LLC                              |                 |         | 0.00                 | 102.94          |                |               |                                |         |                                       |         |  |                | 0.00           | 102.94          |
| <b>Total</b>                                  |                 |         | <b>0.00</b>          | <b>102.94</b>   |                |               |                                |         |                                       |         |  |                | <b>0.00</b>    | <b>102.94</b>   |
| <b>Purchase of Power</b>                      |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Wind Limited                             |                 |         | 59.62                | 0.00            |                |               |                                |         |                                       |         |  |                | 59.62          | 0.00            |
| <b>Total</b>                                  |                 |         | <b>59.62</b>         | <b>0.00</b>     |                |               |                                |         |                                       |         |  |                | <b>59.62</b>   | <b>0.00</b>     |
| <b>Purchase of Goods</b>                      |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Air Products Limited                     |                 |         |                      |                 |                |               |                                |         |                                       |         | 310.16   | 243.16         | 310.16         | 243.16          |
| Inox India Limited                            |                 |         |                      |                 |                |               |                                |         |                                       |         | 549.43   | 1704.44        | 549.43         | 1704.44         |
| XHCT Co. Ltd                                  |                 |         |                      |                 | 207.08         | 567.81        |                                |         |                                       |         |  |                | 207.08         | 567.81          |
| Inox Wind Limited                             |                 |         | 0.00                 | 76.86           |                |               |                                |         |                                       |         |  |                | 0.00           | 76.86           |
| <b>Total</b>                                  |                 |         | <b>0.00</b>          | <b>76.86</b>    | <b>207.08</b>  | <b>567.81</b> |                                |         |                                       |         | <b>859.59</b>  | <b>1947.60</b> | <b>1066.67</b> | <b>2592.27</b>  |
| <b>Purchase of Asset</b>                      |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox India Limited                            |                 |         |                      |                 |                |               |                                |         |                                       |         | 525.00   | 0.00           | 525.00         | 0.00            |
| <b>Total</b>                                  |                 |         |                      |                 |                |               |                                |         |                                       |         | <b>525.00</b>  | <b>0.00</b>    | <b>525.00</b>  | <b>0.00</b>     |
| <b>Purchase of Tickets</b>                    |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Leisure Limited                          |                 |         | 4.75                 | 0.00            |                |               |                                |         |                                       |         |  |                | 4.75           | 0.00            |
| <b>Total</b>                                  |                 |         | <b>4.75</b>          | <b>0.00</b>     |                |               |                                |         |                                       |         |  |                | <b>4.75</b>    | <b>0.00</b>     |
| <b>Inter-corporate Deposits given</b>         |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Wind Limited                             |                 |         | 0.00                 | 7975.00         |                |               |                                |         |                                       |         |  |                | 0.00           | 7975.00         |
| Inox Leisure Limited                          |                 |         | 0.00                 | 970.00          |                |               |                                |         |                                       |         |  |                | 0.00           | 970.00          |
| Inox Renewables Limited                       |                 |         | 0.00                 | 10600.00        |                |               |                                |         |                                       |         |  |                | 0.00           | 10600.00        |
| <b>Total</b>                                  |                 |         | <b>0.00</b>          | <b>19545.00</b> |                |               |                                |         |                                       |         |  |                | <b>0.00</b>    | <b>19545.00</b> |
| <b>Inter-corporate Deposits received back</b> |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Wind Limited                             |                 |         | 0.00                 | 7975.00         |                |               |                                |         |                                       |         |  |                | 0.00           | 7975.00         |
| Inox Leisure Limited                          |                 |         | 3421.00              | 0.00            |                |               |                                |         |                                       |         |  |                | 3421.00        | 0.00            |
| <b>Total</b>                                  |                 |         | <b>3421.00</b>       | <b>7975.00</b>  |                |               |                                |         |                                       |         |  |                | <b>3421.00</b> | <b>7975.00</b>  |
| <b>Share Application Money Paid</b>           |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Swarnim Gujarat Fluorspar Pvt.Ltd             |                 |         |                      |                 | 32.00          | 0.00          |                                |         |                                       |         |  |                | 32.00          | 0.00            |
| <b>Total</b>                                  |                 |         |                      |                 | <b>32.00</b>   | <b>0.00</b>   |                                |         |                                       |         |  |                | <b>32.00</b>   | <b>0.00</b>     |
| <b>Equity shares Subscribed</b>               |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| GFL Americas LLC                              |                 |         | 82.98                | 130.06          |                |               |                                |         |                                       |         |  |                | 82.98          | 130.06          |
| GFL Singapore Pte Limited                     |                 |         | 15.39                | 830.41          |                |               |                                |         |                                       |         |  |                | 15.39          | 830.41          |
| Inox Motion Pictures Limited                  |                 |         | 0.00                 | 275.00          |                |               |                                |         |                                       |         |  |                | 0.00           | 275.00          |
| Swarnim Gujarat Fluorspar Pvt.Ltd             |                 |         |                      |                 | 0.00           | 1.25          |                                |         |                                       |         |  |                | 0.00           | 1.25            |
| GFL GmbH, Germany                             |                 |         | 21.82                | 0.00            |                |               |                                |         |                                       |         |  |                | 21.82          | 0.00            |
| <b>Total</b>                                  |                 |         | <b>120.19</b>        | <b>1235.47</b>  | <b>0.00</b>    | <b>1.25</b>   |                                |         |                                       |         |  |                | <b>120.19</b>  | <b>1236.72</b>  |
| <b>Interest received</b>                      |                 |         |                      |                 |                |               |                                |         |                                       |         |  |                |                |                 |
| Inox Wind Limited                             |                 |         | 0.00                 | 346.11          |                |               |                                |         |                                       |         |  |                | 0.00           | 346.11          |
| Inox Leisure Limited                          |                 |         | 1758.33              | 1917.16         |                |               |                                |         |                                       |         |  |                | 1758.33        | 1917.16         |
| Inox Renewables Limited                       |                 |         | 1060.00              | 887.84          |                |               |                                |         |                                       |         |  |                | 1060.00        | 887.84          |
| <b>Total</b>                                  |                 |         | <b>2818.33</b>       | <b>3151.11</b>  |                |               |                                |         |                                       |         |  |                | <b>2818.33</b> | <b>3151.11</b>  |



## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

| Particulars   | Holding Company |         | Subsidiary Companies |         | Joint Ventures |         | Key Management Personnel (KMP) |         | Relatives of key Management Personnel |         | Enterprises over which KMP or his relative has significant influence |         | Total   |         |
|---|-----------------|---------|----------------------|---------|----------------|---------|--------------------------------|---------|---------------------------------------|---------|--|---------|---------|---------|
|   | 2013-14         | 2012-13 | 2013-14              | 2012-13 | 2013-14        | 2012-13 | 2013-14                        | 2012-13 | 2013-14                               | 2012-13 | 2013-14  | 2012-13 | 2013-14 | 2012-13 |
| <b>Dividend Received</b>  |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| XHCT Co. Ltd  |                 |         |                      |         | 0.00           | 216.76  |                                |         |                                       |         |  |         | 0.00    | 216.76  |
| <b>Total</b>  |                 |         |                      |         | 0.00           | 216.76  |                                |         |                                       |         |  |         | 0.00    | 216.76  |
| <b>Purchase of Investments</b>  |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Mr. V K Jain  |                 |         |                      |         |                |         | 0.01                           | 0.00    |                                       |         |  |         | 0.01    | 0.00    |
| Mr. D K Jain  |                 |         |                      |         |                |         |                                |         | 0.01                                  | 0.00    |  |         | 0.01    | 0.00    |
| Mr. P K Jain  |                 |         |                      |         |                |         |                                |         | 0.01                                  | 0.00    |  |         | 0.01    | 0.00    |
| Mr. Devansh Jain  |                 |         |                      |         |                |         |                                |         | 0.01                                  | 0.00    |  |         | 0.01    | 0.00    |
| <b>Total</b>  |                 |         |                      |         |                |         | 0.01                           | 0.00    | 0.03                                  | 0.00    |  |         | 0.04    | 0.00    |
| <b>Investment Written off</b>   |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Motion Pictures Limited  |                 |         | 0.00                 | 575.00  |                |         |                                |         |                                       |         |  |         | 0.00    | 575.00  |
| <b>Total</b>  |                 |         | 0.00                 | 575.00  |                |         |                                |         |                                       |         |  |         | 0.00    | 575.00  |
| <b>Provision for doubtful advances w.back &amp; converted in to Equity shares</b> |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Motion Pictures Limited  |                 |         | 0.00                 | 268.50  |                |         |                                |         |                                       |         |  |         | 0.00    | 268.50  |
| <b>Total</b>  |                 |         | 0.00                 | 268.50  |                |         |                                |         |                                       |         |  |         | 0.00    | 268.50  |
| <b>Expenses (Repairs)</b>   |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Refron Valves Limited   |                 |         |                      |         |                |         |                                |         |                                       |         | 1.79   | 0.90    | 1.79    | 0.90    |
| Inox Wind Limited   |                 |         | 0.00                 | 3.21    |                |         |                                |         |                                       |         |  |         | 0.00    | 3.21    |
| Inox Air Products Limited   |                 |         |                      |         |                |         |                                |         |                                       |         | 0.40   | 0.00    | 0.40    | 0.00    |
| <b>Total</b>  |                 |         | 0.00                 | 3.21    |                |         |                                |         |                                       |         | 2.19   | 0.90    | 2.19    | 4.11    |
| <b>Reimbursement of expenses (paid)</b>   |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Air Products Limited   |                 |         |                      |         |                |         |                                |         |                                       |         | 4.05   | 6.46    | 4.05    | 6.46    |
| Inox Leasing & Finance Limited  | 4.11            | 0.95    |                      |         |                |         |                                |         |                                       |         |  |         | 4.11    | 0.95    |
| Inox Wind Limited   |                 |         | 0.00                 | 7.52    |                |         |                                |         |                                       |         |  |         | 0.00    | 7.52    |
| GFL Americas LLC  |                 |         | 169.01               | 291.11  |                |         |                                |         |                                       |         |  |         | 169.01  | 291.11  |
| Inox Renewables Limited   |                 |         | 0.00                 | 5.18    |                |         |                                |         |                                       |         |  |         | 0.00    | 5.18    |
| Inox Wind Infrastructure Services Ltd   |                 |         | 0.00                 | 34.74   |                |         |                                |         |                                       |         |  |         | 0.00    | 34.74   |
| Devansh Gases Private Limited   |                 |         |                      |         |                |         |                                |         |                                       |         | 7.32   | 0.00    | 7.32    | 0.00    |
| <b>Total</b>  | 4.11            | 0.95    | 169.01               | 338.55  |                |         |                                |         |                                       |         | 11.37  | 6.46    | 184.49  | 345.96  |
| <b>Reimbursement of expenses (received)</b>                                       |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox India Limited  |                 |         |                      |         |                |         |                                |         |                                       |         | 5.08   | 5.50    | 5.08    | 5.50    |
| Inox Wind Limited   |                 |         | 6.57                 | 0.32    |                |         |                                |         |                                       |         |  |         | 6.57    | 0.32    |
| Inox Leasing & Finance Limited  | 0.58            | 0.55    | 2.25                 | 2.25    |                |         |                                |         |                                       |         |  |         | 0.58    | 0.55    |
| GFL Americas LLC  |                 |         | 18.67                | 207.60  |                |         |                                |         |                                       |         |  |         | 18.67   | 207.60  |
| Inox Wind Infrastructure Services Ltd   |                 |         | 7.25                 | 18.91   |                |         |                                |         |                                       |         |  |         | 7.25    | 18.91   |
| Inox Renewables Jaisalmer Limited   |                 |         | 0.00                 | 1.25    |                |         |                                |         |                                       |         |  |         | 0.00    | 1.25    |
| Swarnim Gujarat Fluorspar Pvt.Ltd   |                 |         |                      |         | 0.61           | 51.01   |                                |         |                                       |         |  |         | 0.61    | 51.01   |
| GFL Singapore Pte Limited   |                 |         | 2.25                 | 0.00    |                |         |                                |         |                                       |         |  |         | 2.25    | 0.00    |
| GFL GmbH, Germany   |                 |         | 139.29               | 0.00    |                |         |                                |         |                                       |         |  |         | 139.29  | 0.00    |
| Others  |                 |         | 0.00                 | 0.07    |                |         |                                |         |                                       |         |  |         | 0.00    | 0.07    |
| <b>Total</b>  | 0.58            | 0.55    | 176.28               | 230.40  | 0.61           | 51.01   |                                |         |                                       |         | 5.08   | 5.50    | 182.55  | 287.46  |
| <b>Rent Received</b>  |                 |         |                      |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Air Products Limited   |                 |         |                      |         |                |         |                                |         |                                       |         | 144.90   | 144.90  | 144.90  | 144.90  |
| Inox Wind Limited   |                 |         | 27.00                | 0.00    |                |         |                                |         |                                       |         |  |         | 27.00   | 0.00    |
| Others  |                 |         |                      |         |                |         |                                |         |                                       |         | 0.72   | 0.72    | 0.72    | 0.72    |
| <b>Total</b>  |                 |         | 27.00                | 0.00    |                |         |                                |         |                                       |         | 145.62   | 145.62  | 172.62  | 145.62  |

# Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

| Particulars                                   | Holding Company |              | Subsidiary Companies |                 | Joint Ventures |              | Key Management Personnel (KMP) |               | Relatives of key Management Personnel |               | Enterprises over which KMP or his relative has significant influence |               | Total           |                 |
|---|-----------------|--------------|----------------------|-----------------|----------------|--------------|--------------------------------|---------------|---------------------------------------|---------------|--|---------------|-----------------|-----------------|
|   | 2013-14         | 2012-13      | 2013-14              | 2012-13         | 2013-14        | 2012-13      | 2013-14                        | 2012-13       | 2013-14                               | 2012-13       | 2013-14  | 2012-13       | 2013-14         | 2012-13         |
| <b>Rent paid</b>                              |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Inox Air Products Limited                     |                 |              |                      |                 |                |              |                                |               |                                       |               | 1.65   | 0.60          | 1.65            | 0.60            |
| Devansh Gases Private Limited                 |                 |              |                      |                 |                |              |                                |               |                                       |               | 24.00  | 19.50         | 24.00           | 19.50           |
| Inox Leasing & Finance Limited                | 60.00           | 60.00        |                      |                 |                |              |                                |               |                                       |               |  |               | 60.00           | 60.00           |
| GFL Americas LLC                              |                 |              | 23.80                | 38.07           |                |              |                                |               |                                       |               |  |               | 23.80           | 38.07           |
| Others  |                 |              |                      |                 |                |              | 1.20                           | 1.20          |                                       |               |  |               | 1.20            | 1.20            |
| <b>Total</b>                                  | <b>60.00</b>    | <b>60.00</b> | <b>23.80</b>         | <b>38.07</b>    |                |              | <b>1.20</b>                    | <b>1.20</b>   |                                       |               | <b>25.65</b>   | <b>20.10</b>  | <b>110.65</b>   | <b>119.37</b>   |
| <b>O&amp;M Charges &amp; Lease Rents paid</b> |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Inox Air Products Limited                     |                 |              |                      |                 |                |              |                                |               |                                       |               | 208.76   | 202.56        | 208.76          | 202.56          |
| Inox Renewables Limited                       |                 |              | 0.00                 | 42.34           |                |              |                                |               |                                       |               |  |               | 0.00            | 42.34           |
| Inox Wind Infrastructure Services Ltd         |                 |              | 365.39               | 307.66          |                |              |                                |               |                                       |               |  |               | 365.39          | 307.66          |
| <b>Total</b>                                  |                 |              | <b>365.39</b>        | <b>350.00</b>   |                |              |                                |               |                                       |               | <b>208.76</b>  | <b>202.56</b> | <b>574.15</b>   | <b>552.56</b>   |
| <b>Remuneration paid</b>                      |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Mr. V K Jain                                  |                 |              |                      |                 |                |              | 478.46                         | 574.19        |                                       |               |  |               | 478.46          | 574.19          |
| Others  |                 |              |                      |                 |                |              | 205.71                         | 121.35        | 0.00                                  | 3.14          |  |               | 205.71          | 124.49          |
| <b>Total</b>                                  |                 |              |                      |                 |                |              | <b>684.17</b>                  | <b>695.54</b> | <b>0.00</b>                           | <b>3.14</b>   |  |               | <b>684.17</b>   | <b>698.68</b>   |
| <b>Commission to Director</b>                 |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Mr. D K Jain                                  |                 |              |                      |                 |                |              |                                |               | 96.92                                 | 609.54        |  |               | 96.92           | 609.54          |
| <b>Total</b>                                  |                 |              |                      |                 |                |              |                                |               | <b>96.92</b>                          | <b>609.54</b> |  |               | <b>96.92</b>    | <b>609.54</b>   |
| <b>Sitting Fees paid</b>                      |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Mr. D K Jain                                  |                 |              |                      |                 |                |              |                                |               | 1.60                                  | 1.20          |  |               | 1.60            | 1.20            |
| <b>Total</b>                                  |                 |              |                      |                 |                |              |                                |               | <b>1.60</b>                           | <b>1.20</b>   |  |               | <b>1.60</b>     | <b>1.20</b>     |
| <b>B) Amounts outstanding</b>                 |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| <b>Amount payable</b>                         |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Mr. V K Jain                                  |                 |              |                      |                 |                |              | 272.93                         | 348.69        |                                       |               |  |               | 272.93          | 348.69          |
| Mr. D K Jain                                  |                 |              |                      |                 |                |              |                                |               | 66.97                                 | 421.19        |  |               | 66.97           | 421.19          |
| Inox Wind Limited                             |                 |              | 76.53                | 101.60          |                |              |                                |               |                                       |               |  |               | 76.53           | 101.60          |
| GFL Americas LLC                              |                 |              | 13.31                | 124.02          |                |              |                                |               |                                       |               |  |               | 13.31           | 124.02          |
| Inox India Limited                            |                 |              |                      |                 |                |              |                                |               |                                       |               | 149.75   | 82.10         | 149.75          | 82.10           |
| Others  | 0.00            | 0.33         | 20.09                | 34.74           | 59.17          | 74.00        | 17.49                          | 15.63         |                                       |               | 75.17  | 46.17         | 171.92          | 170.87          |
| <b>Total</b>                                  | <b>0.00</b>     | <b>0.33</b>  | <b>109.93</b>        | <b>260.36</b>   | <b>59.17</b>   | <b>74.00</b> | <b>290.42</b>                  | <b>364.32</b> | <b>66.97</b>                          | <b>421.19</b> | <b>224.92</b>  | <b>128.27</b> | <b>751.41</b>   | <b>1248.47</b>  |
| <b>Amount Receivables</b>                     |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| <b>a) Inter Corporate Deposit</b>             |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Inox Leisure Limited                          |                 |              | 16249.00             | 19670.00        |                |              |                                |               |                                       |               |  |               | 16249.00        | 19670.00        |
| Inox Renewables Limited                       |                 |              | 10600.00             | 10600.00        |                |              |                                |               |                                       |               |  |               | 10600.00        | 10600.00        |
| <b>Total</b>                                  |                 |              | <b>26849.00</b>      | <b>30270.00</b> |                |              |                                |               |                                       |               |  |               | <b>26849.00</b> | <b>30270.00</b> |
| <b>b) Trade Receivables</b>                   |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| GFL Americas LLC                              |                 |              | 2282.42              | 1031.22         |                |              |                                |               |                                       |               |  |               | 2282.42         | 1031.22         |
| GFL GmbH, Germany                             |                 |              | 2659.11              | 0.00            |                |              |                                |               |                                       |               |  |               | 2659.11         | 0.00            |
| Others  |                 |              |                      |                 |                |              |                                |               | 0.02                                  | 0.00          |  |               | 0.02            | 0.00            |
| <b>Total</b>                                  |                 |              | <b>4941.53</b>       | <b>1031.22</b>  |                |              |                                |               | <b>0.02</b>                           | <b>0.00</b>   |  |               | <b>4941.55</b>  | <b>1031.22</b>  |
| <b>c) Loans &amp; Advances</b>                |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Inox Wind Infrastructure Services Ltd         |                 |              | 0.00                 | 18.91           |                |              |                                |               |                                       |               |  |               | 0.00            | 18.91           |
| Inox Renewables Limited                       |                 |              | 178.37               | 255.31          |                |              |                                |               |                                       |               |  |               | 178.37          | 255.31          |
| Swarnim Gujarat Fluorspar Pvt. Ltd            |                 |              |                      |                 | 51.62          | 51.01        |                                |               |                                       |               |  |               | 51.62           | 51.01           |
| GFL GmbH, Germany                             |                 |              | 92.25                | 0.00            |                |              |                                |               |                                       |               |  |               | 92.25           | 0.00            |
| Others  | 0.09            | 0.00         | 59.91                | 14.05           |                |              |                                |               |                                       |               |  |               | 60.00           | 14.05           |
| <b>Total</b>                                  | <b>0.09</b>     | <b>0.00</b>  | <b>330.53</b>        | <b>288.27</b>   | <b>51.62</b>   | <b>51.01</b> |                                |               |                                       |               |  |               | <b>382.24</b>   | <b>339.28</b>   |
| <b>d) Interest receivable on ICD</b>          |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Inox Renewables Limited                       |                 |              | 1753.05              | 799.05          |                |              |                                |               |                                       |               |  |               | 1753.05         | 799.05          |
| Inox Leisure Limited                          |                 |              | 360.59               | 0.00            |                |              |                                |               |                                       |               |  |               | 360.59          | 0.00            |
| <b>Total</b>                                  |                 |              | <b>2113.64</b>       | <b>799.05</b>   |                |              |                                |               |                                       |               |  |               | <b>2113.64</b>  | <b>799.05</b>   |
| <b>Share Application Money Paid</b>           |                 |              |                      |                 |                |              |                                |               |                                       |               |  |               |                 |                 |
| Swarnim Gujarat Fluorspar Pvt. Ltd            |                 |              |                      |                 | 32.00          | 0.00         |                                |               |                                       |               |  |               | 32.00           | 0.00            |
| <b>Total</b>                                  |                 |              |                      |                 | <b>32.00</b>   | <b>0.00</b>  |                                |               |                                       |               |  |               | <b>32.00</b>    | <b>0.00</b>     |



## Notes to Financial Statements for the year ended 31st March, 2014

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 Renewables Limited |
|---|------------------------|------------------|-------------------------|
| Amount of loan at the year end                        | 16249.00<br>(19670.00) | Nil<br>(Nil)     | 10600.00<br>(10600.00)  |
| Maximum balance during the year                       | 19670.00<br>(19670.00) | Nil<br>(7275.00) | 10600.00<br>(10600.00)  |
| Investment by the loanee in the shares of the Company | Nil<br>(Nil)           | Nil<br>(Nil)     | Nil<br>(Nil)            |

(Previous year figures are in brackets)

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 | 2013-2014 | 2012-2013 | Purpose                                   |
|-------|---------------------------------|------------------|----------|-----------|-----------|---|
| a)    | Forward Contracts               | EURO             | Sell     | 0.00      | 100.00    | Hedging of Receivable                     |
| b)    | Forward Contracts               | USD              | Buy      | 0.00      | 210.58    | Hedging of Loan and Interest Rate of Loan |
| c)    | Currency and Interest Rate Swap | USD              | Buy      | 0.00      | 55.79     | Hedging of Loan and Interest Rate of Loan |
| d)    | Currency and Interest Rate Swap | USD              | Buy      | 310.53    | 415.59    | Hedging of Loan and Interest Rate of Loan |

Foreign currency exposure as at Balance Sheet date:

| Particulars       | 2013-2014 (in lacs) |        |     |      |      |        |     |      | 2012-2013 (in lacs) |        |        |      |      |        |      |     |
|-------------------|---------------------|--------|-----|------|------|--------|-----|------|---------------------|--------|--------|------|------|--------|------|-----|
|                   | USD                 | EURO   | JPY | GBP  | CHF  | YUAN   | AUD | SGD  | USD                 | EURO   | JPY    | GBP  | CHF  | YUAN   | AUD  | SGD |
| Receivables       | 134.52              | 119.65 | -   | 0.28 | -    | -      | -   | -    | 91.96               | 206.49 | -      | 2.01 | -    | -      | -    | -   |
| Payables          | 29.16               | 1.84   | -   | 0.04 | -    | -      | -   | -    | 64.54               | 0.29   | 336.98 | 0.04 | 1.45 | -      | 0.66 | -   |
| Advances Received | 17.04               | 20.56  | -   | 0.09 | -    | -      | -   | -    | 0.41                | -      | -      | -    | -    | -      | -    | -   |
| Advances Paid     | 18.48               | 5.52   | -   | -    | 0.20 | -      | -   | 0.33 | 61.40               | 1.67   | 15.06  | 0.03 | 2.37 | -      | -    | -   |
| ECB/FCNRB         | 394.16              | 64.81  | -   | -    | -    | -      | -   | -    | 376.55              | -      | -      | -    | -    | -      | -    | -   |
| PCFC              | -                   | 29.40  | -   | -    | -    | -      | -   | -    | -                   | -      | -      | -    | -    | -      | -    | -   |
| Buyers Credit     | 24.47               | -      | -   | -    | -    | -      | -   | -    | 31.30               | -      | -      | -    | -    | -      | -    | -   |
| Interest Payable  | 0.86                | 0.09   | -   | -    | -    | -      | -   | -    | 0.97                | -      | -      | -    | -    | -      | -    | -   |
| Investments       | 48.37               | 0.25   | -   | -    | -    | 225.91 | -   | -    | 46.65               | -      | -      | -    | -    | 225.91 | -    | -   |

53. Employee Benefits:

a) Defined Contribution Plans: Contribution to Provident Fund of Rs.323.80 lacs (Previous Year Rs. 302.81 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 31<sup>st</sup> March, 2014.

Amount Rs. in Lacs

| Particulars                            | Gratuity | Gratuity | Leave Encashment | Leave Encashment |
|--|----------|----------|------------------|------------------|
|  | 2013-14  | 2012-13  | 2013-14          | 2012-13          |
| <b>1. Change in Benefit Obligation</b> |          |          |                  |                  |
| Liability at the beginning of the year | 645.97   | 548.23   | 268.07           | 233.70           |
| Interest Cost                          | 49.87    | 46.22    | 19.18            | 18.72            |
| Current Service Cost                   | 145.73   | 137.41   | 116.55           | 113.68           |
| Benefits paid                          | (54.33)  | (17.91)  | (60.31)          | (30.42)          |
| Actuarial (Gain)/Loss                  | (79.89)  | (67.99)  | (47.20)          | (67.61)          |
| Short term leave liability             |          |          | 216.09           | 177.43           |
| Liability at the end of the year       | 707.35   | 645.97   | 512.38           | 445.50           |

## Notes to Financial Statements for the year ended 31st March, 2014

Amount Rs. in Lacs

| Particulars   | Gratuity                                       | Gratuity | Leave                 | Leave                 |
|---|--|----------|-----------------------|-----------------------|
|   | 2013-14  | 2012-13  | Encashment<br>2013-14 | Encashment<br>2012-13 |
| <b>2. Expenses recognized in the Statement of Profit and Loss</b> |  |          |                       |                       |
| Current Service Cost  | <b>145.73</b>                                  | 137.41   | <b>116.55</b>         | 113.68                |
| Interest Cost   | <b>49.87</b>                                   | 46.22    | <b>19.18</b>          | 18.72                 |
| Actuarial (Gain)/Loss   | <b>(79.89)</b>                                 | (67.99)  | <b>(47.20)</b>        | (67.61)               |
| On account of short term leave liability                          |  |          | <b>38.66</b>          | 19.96                 |
| Expenses recognized in the Statement of Profit and Loss           | <b>115.71</b>                                  | 115.64   | <b>127.19</b>         | 84.75                 |
| <b>3. Actuarial Assumptions</b>                                   |  |          |                       |                       |
| Discount Rate   | <b>9.19%</b>                                   | 8.06%    | <b>9.19%</b>          | 8.06%                 |
| Salary Escalation Rate  | <b>8.00%</b>                                   | 8.00%    | <b>8.00%</b>          | 8.00%                 |
| Retirement Age  | <b>60 years</b>                                |          |                       |                       |
| Withdrawal Rates  | <b>5%</b>                                      |          |                       |                       |
| Mortality-Current Year  | <b>IALM (2006-08) Ultimate Mortality Table</b> |          |                       |                       |
| Mortality-Previous Year   | <b>LIC (1994-96) Published table of rates</b>  |          |                       |                       |

| <b>4. Other disclosures : Experience Adjustment</b> | <b>2013-14</b> | 2012-13 | 2011-12 | 2010-11 | 2009-10 |
|---|----------------|---------|---------|---------|---------|
| <b>(i) Gratuity</b>                                 |                |         |         |         |         |
| Present value of Defined benefit obligations        | <b>707.35</b>  | 645.96  | 548.23  | 428.52  | 339.35  |
| Experience (Gain)/Loss on obligation                | <b>(23.30)</b> | (90.19) | (8.44)  | (33.99) | 12.27   |
| <b>(ii) Leave Encashment</b>                        |                |         |         |         |         |
| Present value of Defined benefit obligations        | <b>512.38</b>  | 445.50  | 391.17  | 181.95  | 129.86  |
| Experience (Gain)/Loss on obligation                | <b>(21.48)</b> | (77.75) | (19.53) | 29.34   | (75.23) |

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 |           |
|--|--------------------|-----------|
|  | 2013-14            | 2012-2013 |
| (i) Gross carrying amount of asset given on operating lease included in Buildings block of fixed assets  | <b>914.52</b>      | 914.52    |
| (ii) Accumulated Depreciation as at the end of the year  | <b>120.82</b>      | 105.91    |
| (iii) Depreciation for the year  | <b>14.91</b>       | 14.91     |
| (iv) Future minimum lease payments -   |                    |           |
| (a) Not later than one year  | <b>677.94</b>      | 637.43    |
| (b) Later than one year and not later than five years  | <b>1237.62</b>     | 1915.70   |
| (c) Later than five years  | <b>0.00</b>        | 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, 2014

**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:-

|         |   | Amount Rs. in Lacs |           |
|---------|---|--------------------|-----------|
| Sr. No. | Payable in future                                 | 2013-14            | 2012-2013 |
| a)      | Not later than one year                           | 80.28              | 80.28     |
| b)      | Later than one year and not later than five years | 241.74             | 277.02    |
| c)      | Later than five years                             | 116.25             | 161.25    |

**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. 49.34 Lacs (previous year Rs 37.89 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

**D. K. JAIN**  
Director

**M. Y. Kulkarni**  
Partner

**DEEPAK ASHER**  
Director & Group Head  
(Corporate Finance)

**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014



Gujarat Fluorochemicals Limited

# **GUJARAT FLUOROCHEMICALS LIMITED**

## **CONSOLIDATED ANNUAL ACCOUNTS**

**2013 – 2014**





## Independent Auditor's Report Consolidated Financial Statement

To the Members of Gujarat Fluorochemicals Limited

### Report on the consolidated 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 31<sup>st</sup> March, 2014, 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 consolidated financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint ventures and associate 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 31<sup>st</sup> March, 2014;
- ii. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of two subsidiaries and two joint ventures which reflect the Group's share of total assets (after eliminating intra-group transactions) of Rs. 63099.86 lacs as at 31<sup>st</sup> March, 2014, total revenue (after eliminating intra-group transactions) of Rs. 23154.82 lacs and net cash flows amounting to Rs. 1200.09 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 31<sup>st</sup> March, 2014 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.

**For Patankar & Associates**

Chartered Accountants

Firm Registration No. 107628W

Place: Pune,

Dated: 29<sup>th</sup> May, 2014

**(M.Y.Kulkarni)**

Partner

Membership No. 035524

## Consolidated Balance Sheet of Gujarat Fluorochemicals Limited and its Subsidiary Companies as at 31 st March, 2014

|                                    |          | Amount (Rs. in Lacs)   |                        |
|------------------------------------|----------|------------------------|------------------------|
|                                    | Note No. | As at 31st March, 2014 | As at 31st March, 2013 |
| <b>I. EQUITY AND LIABILITIES</b>   |          |                        |                        |
| <b>(1) Shareholders' funds</b>     |          |                        |                        |
| (a) Share capital                  | 4        | 1098.50                | 1098.50                |
| (b) Reserves and surplus           | 5        | 328598.97              | 314818.09              |
|                                    |          | <b>329697.47</b>       | 315916.59              |
| <b>(2) Minority interest</b>       |          | <b>26161.86</b>        | 20923.09               |
| <b>(3) Non-current liabilities</b> |          |                        |                        |
| (a) Long-term borrowings           | 6        | 124724.96              | 120853.94              |
| (b) Deferred tax liabilities (Net) | 42       | 25237.38               | 20118.58               |
| (c) Other Long term liabilities    | 7        | 5325.53                | 5716.47                |
| (d) Long-term provisions           | 8        | 1303.69                | 1204.11                |
|                                    |          | <b>156591.56</b>       | 147893.10              |
| <b>(4) Current liabilities</b>     |          |                        |                        |
| (a) Short-term borrowings          | 9        | 81221.29               | 70205.47               |
| (b) Trade payables                 | 10       | 62944.33               | 39216.58               |
| (c) Other current liabilities      | 11       | 45669.70               | 40794.67               |
| (d) Short-term provisions          | 12       | 7507.84                | 5910.02                |
|                                    |          | <b>197343.16</b>       | 156126.74              |
| <b>TOTAL</b>                       |          | <b>709794.05</b>       | 640859.52              |
| <b>II. ASSETS</b>                  |          |                        |                        |
| <b>(1) Non-current assets</b>      |          |                        |                        |
| (a) Goodwill on consolidation      |          | 5738.76                | 5581.99                |
| (b) Fixed assets                   |          |                        |                        |
| (i) Tangible assets                | 13       | 360308.34              | 349777.85              |
| (ii) Intangible assets             | 14       | 6810.77                | 5349.70                |
| (iii) Capital work-in-progress     |          | 76260.95               | 52298.50               |
| (c) Deferred tax assets (Net)      | 42       | 1626.56                | 1648.53                |
| (d) Non-current investments        | 15       | 7927.49                | 12444.23               |
| (e) Long-term loans and advances   | 16       | 39350.01               | 30614.76               |
| (f) Other non-current assets       | 17       | 1247.53                | 752.19                 |
|                                    |          | <b>499270.41</b>       | 458467.75              |
| <b>(2) Current assets</b>          |          |                        |                        |
| (a) Current investments            | 18       | 29019.36               | 22354.12               |
| (b) Inventories                    | 19       | 62947.55               | 51412.74               |
| (c) Trade receivables              | 20       | 94967.77               | 88868.51               |
| (d) Cash and bank balances         | 21       | 5273.78                | 5912.94                |
| (e) Short-term loans and advances  | 22       | 14584.57               | 11959.14               |
| (f) Other current assets           | 23       | 3730.61                | 1884.32                |
|                                    |          | <b>210523.64</b>       | 182391.77              |
| <b>TOTAL</b>                       |          | <b>709794.05</b>       | 640859.52              |

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

**D. K. JAIN**  
Director

**M. Y. Kulkarni**  
Partner

**DEEPAK ASHER**  
Director & Group Head  
(Corporate Finance)

**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014



## Consolidated Statement of Profit and Loss of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2014

Amount (Rs. in Lacs)

|   | Note No.  | 2013-2014         | 2012-2013  |
|---|-----------|-------------------|------------|
| <b>I. Revenue from operations</b>   | <b>24</b> | <b>353084.30</b>  | 324747.42  |
| Less: Excise Duty   |           | <b>7930.40</b>    | 8105.59    |
|   |           | <b>345153.90</b>  | 316641.83  |
| <b>II. Other income</b>   | <b>25</b> | <b>4541.05</b>    | 3128.49    |
| <b>III. Total Revenue (I + II)</b>  |           | <b>349694.95</b>  | 319770.32  |
| <b>IV. Expenses:</b>  |           |                   |            |
| Cost of materials consumed  | <b>26</b> | <b>146699.18</b>  | 107292.28  |
| Purchases of Stock-in-Trade   | <b>27</b> | <b>65.32</b>      | 2013.96    |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | <b>28</b> | <b>(9444.50)</b>  | (7668.05)  |
| Employee benefits expense   | <b>29</b> | <b>16973.12</b>   | 14870.03   |
| Finance costs   | <b>30</b> | <b>17891.96</b>   | 13201.75   |
| Depreciation and amortization expense   | <b>31</b> | <b>20044.34</b>   | 17066.09   |
| Other expenses  | <b>32</b> | <b>150692.30</b>  | 137728.42  |
| <b>Total expenses</b>   |           | <b>342921.72</b>  | 284504.48  |
| V. Less: Expenditure capitalized  |           | <b>(19647.08)</b> | (39317.96) |
| <b>VI Net Expenditure</b>   |           | <b>323274.64</b>  | 245186.52  |
| VII Profit before tax (III-VI)  |           | <b>26420.31</b>   | 74583.80   |
| VIII Tax expense:   |           |                   |            |
| (1) Current tax   |           | <b>5738.16</b>    | 21146.77   |
| (2) MAT credit entitlement  |           | <b>(3724.48)</b>  | (3446.89)  |
| (3) Deferred tax  |           | <b>1766.21</b>    | 1829.51    |
| (4) Taxation pertaining to earlier years                                      |           | <b>(15.80)</b>    | (162.57)   |
|   |           | <b>3764.09</b>    | 19366.82   |
| <b>IX Profit for the year (VII-VIII)</b>                                      |           | <b>22656.22</b>   | 55216.98   |
| X Less : Share of minority interest in profit / (loss)                        |           | <b>4457.02</b>    | 881.23     |
| XI Add: Share in profit of associates   |           | <b>411.03</b>     | 0.00       |
| <b>XII Net Profit (IX-X+XI)</b>   |           | <b>18610.23</b>   | 54335.75   |
| XIII Earnings per equity share:   |           |                   |            |
| Basic and diluted Earnings Per Share of Re 1 each                             | <b>51</b> | 16.94             | 49.46      |

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

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**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary
Place : Pune  
Dated : 29<sup>th</sup> May, 2014Place : Noida  
Dated : 29<sup>th</sup> May, 2014

## Consolidated Cash Flow Statement of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2014

|   | Amount (Rs. in Lacs) |            |
|---|----------------------|------------|
| A Cash flow from operating activities   | 2013-2014            | 2012-2013  |
| Profit before tax   | <b>26420.31</b>      | 74583.80   |
| <u>Adjustments for :</u>  |                      |            |
| Depreciation and Amortisation   | <b>20044.34</b>      | 17066.09   |
| Loss on retirement /disposal of fixed assets (Net)  | <b>109.98</b>        | 573.13     |
| Provision for diminution in value of asset held for sale  | <b>41.60</b>         | 0.00       |
| Provision for diminution in value of investments (Net)  | <b>393.72</b>        | 486.28     |
| Provision for doubtful trade receivables (Net)  | <b>21.70</b>         | 12.14      |
| Provision for doubtful advances   | <b>20.05</b>         | 2.63       |
| Bad debts and remissions  | <b>75.13</b>         | 18.08      |
| Liabilities and provisions written back   | <b>(847.85)</b>      | (794.14)   |
| Amounts written-off   | <b>27.91</b>         | 4.86       |
| Amortization of value of Stock Options  | <b>14.33</b>         | 1.06       |
| MTM loss on derivative  | <b>346.49</b>        | 0.00       |
| Unrealised Foreign exchange Loss (Net)  | <b>386.25</b>        | 323.35     |
| Profit for the period during cessation as subsidiary and treated as 'associate' - see note no. 1(i) | <b>1317.34</b>       | 0.00       |
| Income in respect of investing activities (Net)   | <b>(2598.38)</b>     | (1233.37)  |
| Finance Costs   | <b>17882.10</b>      | 13175.71   |
|   | <b>37234.71</b>      | 29635.82   |
| Operative profit before working capital changes   | <b>63655.02</b>      | 104219.62  |
| <u>Adjustments for :</u>  |                      |            |
| Other Long term liabilities   | <b>(1516.40)</b>     | 1284.79    |
| Long-term provisions  | <b>100.25</b>        | 250.30     |
| Trade payables  | <b>27675.13</b>      | 12224.37   |
| Other current liabilities   | <b>4820.06</b>       | (11875.27) |
| Short-term provisions   | <b>(399.39)</b>      | 526.90     |
| Long-term loans and advances  | <b>(1491.35)</b>     | (45.20)    |
| Inventories   | <b>(10841.55)</b>    | 1555.78    |
| Trade receivables   | <b>(20972.50)</b>    | (57024.61) |
| Other non current assets  | <b>(695.32)</b>      | (1178.61)  |
| Other current assets  | <b>(1644.88)</b>     | (737.90)   |
| Short-term loans and advances   | <b>139.98</b>        | (2992.23)  |
|   | <b>(4825.77)</b>     | (58011.68) |
| Cash generated from operations  | <b>58929.05</b>      | 46207.94   |
| Income-tax paid (Net)   | <b>(6790.17)</b>     | (17786.47) |
| <b>Net cash generated from operating activities</b>   | <b>52038.88</b>      | 28421.47   |



Amount (Rs. in Lacs)

|  | 2013-2014         | 2012-2013         |
|--|-------------------|-------------------|
| <b>B Cash flow from investing activities</b>   |                   |                   |
| Purchase of fixed assets (including change in capital work in progress and capital advances)                     | (42387.98)        | (75285.30)        |
| Sale of fixed assets   | 201.68            | 618.45            |
| Purchase of shares of subsidiary company   | (3122.71)         | (501.62)          |
| Purchase of other investments  | (96820.59)        | (78405.05)        |
| Redemption/Sale of Investments   | 95655.20          | 62234.90          |
| Proceeds from sale of shares through trust   | 2921.22           | 0.00              |
| Inter-corporate and other loans given (Net)  | 6761.08           | 1045.00           |
| Interest and Dividend received (Net of expenses)   | (121.55)          | 823.41            |
| Movement in bank fixed deposits with original maturity of more than three months and margin money deposits (Net) | (181.20)          | 234.72            |
| Adjustment for receivables on investment account   | (0.02)            | 13.52             |
| <b>Net cash (used in) investment activities</b>  | <b>(37094.87)</b> | <b>(89221.97)</b> |
| <b>C Cash flow from financing activities</b>   |                   |                   |
| Proceeds from issue of share capital   | 236.31            | 0.00              |
| Proceeds from Long Term Loans (Net)  | (543.53)          | 35229.80          |
| Proceeds from Short Term Loans (Net)   | 8796.59           | 17794.32          |
| Proceeds from Cash Credit/Overdraft (Net)  | (2322.54)         | 1415.21           |
| Inter-corporate loans received (Net)   | 607.98            | 530.00            |
| Finance costs  | (19885.07)        | (13675.71)        |
| Dividend paid (Including Tax on Dividend)  | (2570.38)         | (4052.13)         |
| <b>Net cash (used in) / generated from financing activities</b>  | <b>(15680.64)</b> | <b>37241.49</b>   |
| <b>D Adjustment on accounts of Foreign Currency Translation Reserve</b>  | <b>458.42</b>     | <b>212.94</b>     |
| <b>E Capital receipts</b>  | <b>0.00</b>       | <b>30.00</b>      |
| (Please refer to note no. 5 of Notes to Accounts)  |                   |                   |
| <b>Net increase/(decrease) in cash and cash equivalent</b>   | <b>(278.21)</b>   | <b>(23316.07)</b> |
| Cash and cash equivalents as at the beginning of the year  | 5050.93           | 28367.00          |
| Add: Cash received on account of subsidiary acquired during the year   | 1.49              | 0.00              |
| Cash and cash equivalents as at the end of the year  | 4774.21           | 5050.93           |

As per our report of even date attached

**For PATANKAR & ASSOCIATES**  
Chartered Accountants

**V. K. JAIN**  
Managing Director

**S. SWARUP**  
Director

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Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

### 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, Chloromethane, Polytetrafluoroethylene (PTFE), Post-treated Polytetrafluoroethylene (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, 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 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
| Inox Leisure Limited (ILL)   | India                    | <b>48.09% (*)</b>                  | 65.62% (*)                         |
| Inox Infrastructure Limited (IIL)  | India                    | <b>100%</b>                        | 100%                               |
| Inox Wind Limited (IWL)  | India                    | <b>75.00%</b>                      | 74.9985%                           |
| Gujarat Fluorochemicals Americas, LLC (GFL Americas)                                     | USA                      | <b>100%</b>                        | 100%                               |
| Inox Renewables Limited (IRL)  | India                    | <b>99.98%</b>                      | 99.98%                             |
| GFL Singapore Pte Limited  | Singapore                | <b>100%</b>                        | 100%                               |
| Gujarat Fluorochemicals GmbH, Germany<br>(Incorporated on 6th September, 2013)(GFL GmbH) | Germany                  | <b>100%</b>                        | N.A                                |

(\*) Proportion of ownership interest in Inox Leisure Limited is computed on the total paid-up capital of ILL viz. including Treasury shares held by ILL through Inox Benefit Trust - see note no. 1(l).

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. 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, trading and sale of PT-PTFE compounds. IRL is engaged in the business of generation and sale of wind energy and providing services for erection & commissioning of wind farms. GFL Singapore is engaged in investment activities. Gujarat Fluorochemicals GmbH is engaged in the business of trading, processing, distribution and marketing of polymer compounds especially Polytetrafluoroethylene (PTFE).

#### (B) Subsidiary of GFL Singapore Pte Limited:-

| Name of the Company | Country of Incorporation | Proportion of ownership interest   |                                    |
|---------------------|--------------------------|------------------------------------|------------------------------------|
|                     |                          | As at 31 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
| GFL GM Fluorspar SA | Morocco                  | <b>74%</b>                         | 74%                                |

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

#### (C) Subsidiary of Inox Wind Limited:-

| Name of the Company   | Country of Incorporation | Proportion of ownership interest   |                                    |
|---|--------------------------|------------------------------------|------------------------------------|
|   |                          | As at 31 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
| Inox Wind Infrastructure Services Limited<br>(Incorporated on 11 <sup>th</sup> May, 2012) | India                    | <b>100%</b>                        | 100%                               |

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

#### (D) Subsidiary of Inox Wind Infrastructure Services Limited (IWISL):-

| Name of the Company   | Country of Incorporation | Proportion of ownership interest   |                                    |
|---|--------------------------|------------------------------------|------------------------------------|
|   |                          | As at 31 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
| Marut Shakti Energy India Limited (MSEIL)<br>acquired by IWISL on 13 <sup>th</sup> September, 2013) | India                    | <b>100%</b>                        | N.A.                               |

MSEIL is engaged in the business of development of Wind Farm sites.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014****(E) Subsidiary of Inox Renewables Limited:-**

| Name of the Company  | Country of Incorporation | Proportion of ownership interest   |                                    |
|--|--------------------------|------------------------------------|------------------------------------|
|  |                          | As at 31 <sup>st</sup> March, 2014 | As at 31 <sup>st</sup> March, 2013 |
| Inox Renewables (Jaisalmer) Limited<br>(Incorporated on 24 <sup>th</sup> July, 2012) | India                    | <b>100%</b>                        | 100%                               |

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

**(F) Joint Venture of the Company:-**

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<sup>st</sup> March, 2014 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 31<sup>st</sup> December, 2013.

The Company has a Joint Venture interest of 25% in Swarnim Gujarat Fluorspar Private Limited, a company incorporated in India on 19<sup>th</sup> June, 2012. As on 31<sup>st</sup> March, 2014 the Company has invested a sum of Rs.1.25 lacs in the share capital of this Joint Venture Company. During the year Company has made payment of Rs. 32 lacs towards share application money. The Joint Venture Company is proposed to be engaged in the business of manufacture of Acid Grade Fluorspar and allied activities.

**(G) Joint Venture of Inox Leisure Limited ('ILL'):-**

ILL has a Joint Venture interest of 50% in Swanston Multiplex Cinemas Private Limited ('SMCPL'), a company incorporated in India. As on 31<sup>st</sup> March, 2014 the Company has invested a sum of Rs.279.52 lacs in the share capital of SMCPL. During the year ILL has made payment of Rs.15 lacs towards share application money. SMPCL was engaged in the business of operating a multiplex.

**(H) 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 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:-

| S.No. | Particulars                             | Amount Rs. lacs |           |
|-------|---|-----------------|-----------|
|       |   | 2013-2014       | 2012-2013 |
| 1     | Book value of Investment on acquisition | <b>3200.00</b>  | 3200.00   |
| 2     | Share of Profit – Up to Previous Year   | <b>1.47</b>     | 1.47      |
| 3     | Share of (Loss)/Profit – Current Year   | <b>0.00</b>     | 0.00      |
| 4     | Carrying amount                         | <b>3201.47</b>  | 3201.47   |

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

**(I) Changes during the year**

In respect of Company's subsidiary Inox Leisure Limited ('ILL')

On 10<sup>th</sup> July 2013, Inox Leisure Limited (ILL), allotted 3,45,62,206 equity shares to the shareholders of erstwhile Fame India Limited, pursuant to a Scheme of Amalgamation (the "Scheme"). The Scheme, which was operative from 1<sup>st</sup> April, 2012, was given effect to in the accounts for the year ended 31<sup>st</sup> March, 2013, pursuant to the approval by the Honourable High Courts of Judicature at Gujarat and Bombay vide their orders dated 12<sup>th</sup> March, 2013 (read with order dated 20<sup>th</sup> March, 2013) and 10<sup>th</sup> May, 2013, respectively. Consequent to allotment of the above shares, GFL ceased to be the holding company of ILL with effect from 10<sup>th</sup> July, 2013.

Subsequently, the shareholders of ILL have passed a resolution at their Annual General Meeting held on 23<sup>rd</sup> August, 2013 amending the Articles of Association of ILL, entitling GFL to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of ILL. Accordingly, GFL has once again become a holding company of ILL with effect from 23<sup>rd</sup> August, 2013. The results of ILL for the period from 10<sup>th</sup> July, 2013 to 23<sup>rd</sup> August, 2013 are excluded from the consolidated results for the year ended 31<sup>st</sup> March, 2014, and accordingly are not directly comparable with the results of earlier year. During this period of 10<sup>th</sup> July, 2013 to 23<sup>rd</sup> August, 2013, ILL is treated as an "associate" of GFL in the consolidated results.

Further, pursuant to the Scheme, 2,44,31,570 equity shares of ILL are allotted to Inox Benefit Trust (the "Trust"), towards shares held by ILL in Fame India Limited. Such shares are held by the Trust exclusively for the benefit of ILL.

During the current year, in terms of Accounting Standard (AS 31) 'Financial Instruments' (which is not yet mandatory), internationally generally accepted accounting practices and for more appropriate presentation of the financial statements, ILL's interest in Inox Benefit Trust (at cost) being akin to Treasury Shares, is reclassified by ILL as deduction from Shareholders' Fund, instead of presentation under the head 'Investments' in last year, in accordance with their substance and economic reality. Further, any profit or loss arising from sale of such shares by the Trust is being reflected separately as 'Reserve on sale of Treasury Shares' under Reserves and Surplus by ILL, being transactions relating to its capital. Accordingly, in the consolidated financial statements, such shares are now not disclosed as investments, and consequently the amounts of minority interest and goodwill/capital reserve on consolidation are restated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

### 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".

Figures for the previous year have been re-grouped / reclassified wherever necessary to confirm with the classification of the current year.

The CFS have been prepared on the following basis.

- a) 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.
- b) Interest in joint ventures is reported using proportionate consolidation method.
- c) 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.
- d) 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".
- e) 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 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. Significant Accounting Policies

#### a) Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed on to the customers in terms of the respective contracts, which is generally at the point of dispatch of goods. Gross revenue from operations includes excise duty but is 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. Income from sale of Renewable Energy Certificate is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer.

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

Revenue from EPC, Common Infrastructure Facilities and Site Development Services is recognized on completion of the services, in terms of the respective contracts, 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 contract, and is net of taxes. Revenue from other services is recognized as per the bills raised according to the nature, terms and conditions of the respective assignments.

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 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.

#### b) Fixed Assets and Intangible Assets

Fixed assets and intangible assets, other than revalued assets, are stated at historical cost, less accumulated depreciation/ amortisation and impairment, except freehold land which is carried at cost.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

During the year ended 31<sup>st</sup> March, 2012, one of the subsidiaries has revalued its fixed assets of the wind energy business as per the report of Government approved valuer and these assets are stated at such revalued amounts less accumulated depreciation. Consequently amount of Rs. 6232.48 lacs was credited to the revaluation reserve with corresponding addition to net block of the respective fixed assets.

The cost of leasehold land comprises of lease premium and expenses on acquisition thereof. The cost of other fixed assets comprises of purchase price or cost of construction and includes expenses attributable to bringing the asset to its working condition for its intended use, and is net of credit for duties and taxes. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible assets in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised. In respect of accounting period commencing on or after 1<sup>st</sup> April, 2011, consequent to the amendment of para 46 of AS 11, 'The Effects of Changes in Foreign Exchange Rates', the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items.

### c) Depreciation and Amortization

#### i) On tangible fixed assets:

In respect of assets revalued, 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. Depreciation on the revalued portion is drawn back from the Revaluation Reserve.

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.
- On Roads, over the estimated useful life of nineteen years.
- 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 Foreign subsidiaries :

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.

### 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

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

### f) 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.

### 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. Deferred tax in respect of losses is recognized as an asset if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. 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

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 - 'The Effects of Changes in Foreign Exchange Rates', 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.

The Central Government has, vide its Notification no. G.S.R. 914(E) dated 29<sup>th</sup> December, 2011, amended AS 11, 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<sup>st</sup> April, 2011.

As stipulated in the Notification, the Group 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.

### k) Accounting For Hedges and Derivatives

The Group uses various forms of derivative instruments such as options and interest rate swaps to hedge its exposure on account of movements in foreign exchange and interest rates. The use of derivatives is governed by Group's risk management strategy and Group's risk management policies for use of such financial derivatives. The Group does not use derivative financial instruments for speculative purposes. The derivatives are entered only where the counterparty is a bank.

In terms of the notification by the Institute of Chartered Accountants of India on status of Accounting Standard 30, "Financial Instruments: Recognitions and Measurement", the Group during the current year has adopted the rules for hedge accounting contained in Accounting Standard 30. Accordingly, derivatives such as option contracts and interest rate

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

swaps to hedge highly probable forecasted transactions which are outside the scope of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" may be designated as a hedging instrument in a permitted hedging relationship if the conditions for hedge accounting are met including high hedge effectiveness at the inception and throughout the period of the hedge.

Derivatives covered by Accounting Standard 11, or those that do not qualify for hedge accounting, or those not designated as an effective hedge in a permitted hedging relationship continue to be accounted for using the principle of prudence under Accounting Standard 1, "Disclosure of Accounting Policies", and the mark to market losses if any are recognized fully in the profit and loss account at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in 'Hedging Reserve Account'. The gain or loss relating to the ineffective portion is recognized immediately in Statement of Profit and Loss. Amounts previously recognized in 'Hedging Reserve Account' and are reclassified to Statement of Profit and Loss in the same periods when the hedged item affects profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that had been deferred in equity will be recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. The hedged item is recorded at fair value and any gain or loss is recorded in the Statement of Profit and Loss and is offset by the gain or loss from the change in the fair value of the derivative.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting, or when the Group revokes the hedging relationship.

### l) 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.

### m) 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.

### n) 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.

### o) Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Ltd ('Fame') and its subsidiaries with Inox Leisure Limited ('ILL'), refer note 1(l), equity shares of ILL have been issued to Inox Benefit Trust (the Trust) against the equity shares of Fame held by ILL. These shares are recognised as Interest in Inox Benefit Trust at the amount of consideration paid by ILL to acquire the shares of erstwhile Fame. These shares of ILL held by Inox Benefit Trust are considered as 'Treasury Shares' by ILL. Difference between the cost and the amount received at the time sale of shares by the Trust, is recorded separately as 'Reserve on Sale of Treasury Shares' under Reserve and Surplus.

### p) 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.

### q) 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, 2014

Amount Rs. in Lacs

### 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 year the Company has paid interim dividend of Rs. Nil per equity share (previous year Rs. 1.50 per equity share). Further, final dividend of Rs. 3.50 per equity share (previous year Rs. 2.00 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 &amp; Finance Limited

**Nos.**  
**5,77,15,310**  
 (5,77,15,310)

**Rs. in Lacs**  
**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 &amp; Finance Limited

**Nos.**  
**5,77,15,310**  
 (5,77,15,310)

**holding %**  
**52.54%**  
 (52.54%)

Devansh Trading &amp; Finance Private Limited

**66,62,360**  
 (66,62,360)

**6.06%**  
 (6.06%)

Siddhapavan Trading &amp; 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

Capital Reserves

As per last Balance Sheet

**12667.43**

12644.93

Additions during the year (see note below)

**0.00**

22.50

**12667.43**

12667.43

Capital Redemption Reserve

As per last Balance Sheet

**59.30**

59.30

Securities Premium Account

As per last Balance Sheet

**7359.11**

8304.40

#### 5 Reserves and surplus (Contd...)



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|  | As at 31st March, 2014 | As at 31st March, 2013 |
|--|------------------------|------------------------|
| Less: Increase in Minority Interest during the year  | 0.00                   | (944.97)               |
| Add/(Less): Adjustment on account grant of stock options to employees in subsidiaries etc. | 9.38                   | (0.32)                 |
|  | <b>7368.49</b>         | 7359.11                |
| Revaluation Reserve  |                        |                        |
| As per last Balance Sheet  | 5896.64                | 6232.48                |
| Less: Transfer to statement of profit & loss on account of depreciation                    | (328.04)               | (335.84)               |
|  | <b>5568.60</b>         | 5896.64                |
| Amalgamation Reserve   |                        |                        |
| As per last Balance Sheet  | 224.11                 | 252.03                 |
| Less: Increase in Minority Interest during the year  | 0.00                   | (27.92)                |
|  | <b>224.11</b>          | 224.11                 |
| General Reserve  |                        |                        |
| As per last Balance Sheet  | 239211.20              | 204600.00              |
| Less: Increase in Minority Interest during the year  | 0.00                   | (388.80)               |
| Add: Transfer from Profit and Loss Account   | 3000.00                | 35000.00               |
|  | <b>242211.20</b>       | 239211.20              |
| Reserve on sale of treasury shares   |                        |                        |
| As per last Balance Sheet  | 0.00                   | 0.00                   |
| Addition during the year   | (279.04)               | 0.00                   |
|  | <b>(279.04)</b>        | 0.00                   |
| Hedging Reserve  |                        |                        |
| As per last Balance Sheet  | 0.00                   | 0.00                   |
| Addition during the year   | (275.56)               | 0.00                   |
|  | <b>(275.56)</b>        | 0.00                   |
| Foreign currency translation reserve   |                        |                        |
| As per last Balance Sheet  | 921.60                 | 722.22                 |
| Add: Movements during the year   | 493.48                 | 199.38                 |
|  | <b>1415.08</b>         | 921.60                 |
| Surplus in the Statement of Profit & Loss  |                        |                        |
| As per last Balance Sheet  | 48448.49               | 37993.99               |
| Add: Profit for the year   | 18610.23               | 54335.75               |
| Less: Increase in Minority Interest during the year  | 0.00                   | (4179.05)              |
| Add : Recoupment of loss of earlier year from Minority Interest                            | 98.05                  | 0.00                   |
| Less : Appropriations  |                        |                        |
| Interim Dividend   | 0.00                   | 1864.52                |
| Proposed Dividend  | 3844.75                | 2197.00                |
| Tax on Dividend  | 653.42                 | 640.68                 |
| General Reserve  | 3000.00                | 35000.00               |
|  | <b>59658.60</b>        | 48448.49               |
|  | <b>328618.21</b>       | 314787.88              |
|  | <b>(19.24)</b>         | 30.21                  |
| <b>Group Share in Joint Ventures</b>   |                        |                        |
| <b>Total</b>   | <b>328598.97</b>       | <b>314818.09</b>       |

During the previous year, Inox Wind Limited had received subsidy of Rs. 30 Lacs under the Central Capital Investment Subsidy Scheme, 2003. The same being in the nature of promoters' contribution is credited to Capital Reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

Amount Rs. in Lacs

### 6 Long-term borrowings

#### Term Loans

Secured Loans

From Banks

- Rupee Loans

- Foreign Currency Loans

From Other Parties

- Rupee Loans

- Foreign Currency Loans

Unsecured Loans

Loans and advances from related parties (see note no 46)

Inter Corporate Deposit-from Holding Company

#### Total

Less: Current maturities of Long-term borrowings

(Disclosed under Note no. 11: Other current liabilities)

**As at 31st March, 2014**

As at 31st March, 2013

**27230.67**

15600.03

**85350.73**

92338.80

**112581.40**

107938.83

**10500.00**

6999.99

**24828.12**

27194.65

**35328.12**

34194.64

**1100.00**

1100.00

**149009.52**

143233.47

**24284.56**

22379.53

**124724.96**

120853.94

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

#### Total

**495.06**

464.40

**43.73**

28.38

**2446.26**

1320.79

**2338.11**

3900.91

**2.37**

1.99

**5325.53**

5716.47

### 8 Long-term provisions

Provision for employee benefits

- For Gratuity

- For Leave benefits

#### Total

**951.68**

826.40

**352.01**

377.71

**1303.69**

1204.11

### 9 Short-term borrowings

#### 9.1 (i) Secured Loans

From Banks

- Cash Credit/Overdraft

- Rupee Loans

- Foreign Currency Loans

**7729.71**

5359.16

**9200.00**

4156.41

**35732.78**

18782.78

**52662.49**

28298.35

#### 9.2 (ii) Unsecured Loans

From Banks

- Cash Credit/Overdraft

- Rupee Loan

- Foreign Currency Loans

**0.00**

12060.15

**17500.00**

12500.00

**8467.49**

15039.53

**25967.49**

39599.68

**78629.98**

67898.03

**2591.31**

2307.44

**81221.29**

70205.47

Group Share in Joint Ventures

#### Total

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, 2014**

Amount Rs. in Lacs

|   | As at 31st March, 2014 | As at 31st March, 2013 |
|---|------------------------|------------------------|
| <b>10 Trade Payables</b>                                |                        |                        |
| Trade Payables  |                        |                        |
| - dues to Micro and Small Enterprises (see note no. 50) | 6.80                   | 7.04                   |
| - others  | 61120.68               | 38161.58               |
|   | <u>61127.48</u>        | <u>38168.62</u>        |
| Group Share in Joint Ventures                           | 1816.85                | 1047.96                |
|   | <u>62944.33</u>        | <u>39216.58</u>        |
| <b>11 Other Current Liabilities</b>                     |                        |                        |
| <b>Others Liabilities</b>                               |                        |                        |
| Current maturities of long-term debt                    | 24284.56               | 22379.53               |
| Interest accrued but not due on borrowings              | 2307.80                | 483.23                 |
| Interest accrued and due on borrowings                  | 129.75                 | 528.73                 |
| Creditors for capital expenditure                       | 8317.96                | 8596.95                |
| Security deposits                                       | 592.81                 | 578.55                 |
| Income received in advance                              | 1292.71                | 844.71                 |
| Advances from customers                                 | 2525.59                | 1001.86                |
| Unclaimed dividends (see note below)                    | 215.49                 | 227.37                 |
| Retention money   | 326.80                 | 283.15                 |
| Statutory dues and taxes payable                        | 3730.82                | 4676.02                |
| Derivative financial liabilities                        | 622.05                 | 0.00                   |
| Other Payables  | 928.51                 | 846.52                 |
|   | <u>45274.85</u>        | <u>40446.62</u>        |
| Group Share in Joint Ventures                           | 394.85                 | 348.05                 |
| <b>Total</b>  | <u>45669.70</u>        | <u>40794.67</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.

|   |                |                |
|---|----------------|----------------|
| <b>12 Short-term provisions</b>                 |                |                |
| Provision for employee benefits                 |                |                |
| - For Gratuity                                  | 189.42         | 174.52         |
| - For Leave benefits                            | 507.40         | 428.21         |
|   | <u>696.82</u>  | <u>602.73</u>  |
| Provision for Municipal tax - (see note no. 44) | 200.20         | 207.40         |
| Provision for Service tax - (see note no. 44)   | 1042.44        | 1033.14        |
| Provision for MVAT - (see note no. 44)          | 39.61          | 39.61          |
| Provision for amalgamation expenses             | 0.00           | 500.00         |
| Provision for Proposed Dividend                 | 3844.75        | 2197.00        |
| Tax on Proposed Dividend                        | 653.42         | 373.38         |
| Provision for taxation (net of taxes paid)      | 1030.60        | 956.76         |
| <b>Total</b>                                    | <u>7507.84</u> | <u>5910.02</u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014



## 13 TANGIBLE ASSETS

Amount Rs. in Lacs

| Particulars                         | Gross Block        |                        |                          |                 |               | Depreciation/Amortization |                 |                     |                    |                        | Net Block       |               |                     |                     |
|-------------------------------------|--------------------|------------------------|--------------------------|-----------------|---------------|---------------------------|-----------------|---------------------|--------------------|------------------------|-----------------|---------------|---------------------|---------------------|
|                                     | As at 1 April 2013 | Translation Difference | Acquisition (see note 5) | Additions       | Deductions    | Exchange Differences      | Borrowing Costs | As at 31 March 2014 | As at 1 April 2013 | Translation Difference | For the Year    | Deductions    | As at 31 March 2014 | As at 31 March 2013 |
| <b>(a) Tangible Assets</b>          |                    |                        |                          |                 |               |                           |                 |                     |                    |                        |                 |               |                     |                     |
| Land                                |                    |                        |                          |                 |               |                           |                 |                     |                    |                        |                 |               |                     |                     |
| - Freehold Land                     | 3480.15            | 8.51                   | 30.71                    | 176.21          |               |                           |                 | 3695.58             |                    |                        | 68.51           |               | 3695.58             | 3480.15             |
| - Leasehold Land                    | 5683.54            | 41.92                  |                          | 1032.51         |               |                           |                 | 5683.54             | 293.37             | 2.02                   | 1152.02         |               | 5321.66             | 5390.17             |
| Buildings                           | 42947.25           | 6.10                   |                          | 2666.39         | 108.26        |                           | 72.48           | 44021.68            | 4594.82            | 0.62                   | 1691.45         | 45.63         | 5748.86             | 38352.43            |
| Lease hold improvements             | 21637.92           | 46.23                  |                          | 16576.01        | 425.00        | 7163.54                   | 247.91          | 351675.37           | 50161.98           | 14.74                  | 15311.13        | 58.28         | 9199.45             | 14084.91            |
| Plant and Equipments                | 328066.68          | 2.17                   |                          | 1444.64         | 44.05         |                           | 26.01           | 9315.76             | 3053.87            | 0.76                   | 749.57          | 20.47         | 65429.57            | 277904.70           |
| Furniture and Fixtures              | 7886.99            | 2.97                   |                          | 25.34           | 41.45         |                           |                 | 735.72              | 285.56             | 0.36                   | 69.41           | 35.56         | 3783.73             | 4833.12             |
| Vehicles                            | 748.86             | 1.07                   |                          | 877.21          | 13.67         | 122.24                    |                 | 6442.63             | 2077.47            | 0.48                   | 646.06          | 6.48          | 319.77              | 415.95              |
| Office Equipment                    | 5455.78            | 1.07                   |                          | 877.21          | 13.67         |                           |                 | 6442.63             | 2077.47            | 0.48                   | 646.06          | 6.48          | 2717.53             | 3378.31             |
| <b>Total (a)</b>                    | <b>415907.17</b>   | <b>108.97</b>          | <b>30.71</b>             | <b>22798.31</b> | <b>632.43</b> | <b>7285.78</b>            | <b>346.40</b>   | <b>445844.91</b>    | <b>68020.09</b>    | <b>18.98</b>           | <b>19688.15</b> | <b>166.42</b> | <b>87560.79</b>     | <b>358284.12</b>    |
| <b>(b) Share in Joint Venture *</b> | 2969.12            | 481.27                 |                          | 121.61          | 1.10          |                           |                 | 3570.90             | 1078.36            | 174.80                 | 294.57          | 1.05          | 1546.68             | 1890.76             |
| <b>Grand Total (a + b)</b>          | <b>418876.29</b>   | <b>590.24</b>          | <b>30.71</b>             | <b>22919.93</b> | <b>633.53</b> | <b>7285.78</b>            | <b>346.40</b>   | <b>449415.81</b>    | <b>69098.45</b>    | <b>193.78</b>          | <b>19982.72</b> | <b>167.47</b> | <b>89107.47</b>     | <b>360308.34</b>    |
| Previous year                       | 311625.09          | 210.89                 | -                        | 102302.67       | 2724.69       | 6281.59                   | 1180.74         | 418876.29           | 53580.78           | 51.90                  | 16640.44        | 1174.68       | 69098.44            |                     |

### Note:

1. Buildings includes offices given on operating lease

Gross Block  
 Depreciation charge for the year  
 Accumulated Depreciation  
 Net book value

|                  |                  |
|------------------|------------------|
| As at 31-03-2014 | As at 31-03-2013 |
| 914.52           | 914.52           |
| 14.91            | 14.91            |
| 120.82           | 105.91           |
| 793.70           | 808.61           |

2. Free hold land includes share of undivided plot of land in respect of one of its multiplexes.

3. Building includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

4. During the year Rs. 328.04 lacs has been withdrawn from Revaluation reserve on account of depreciation on revalued portion.

5. Addition on account of Acquisition is in respect of subsidiary acquired during the year by Inox Wind Infrastructure Services Limited as on 13<sup>th</sup> September, 2013 viz. the date on which parent-sub subsidiary relationship came in existence - refer note no. 1(D)

## 14 INTANGIBLE ASSETS

Amount Rs. in Lacs

| Particulars                            | Gross Block        |                        |                |              |                      | Depreciation/Amortization |                     |                    |                        |                | Net Block    |                     |                     |
|--|--------------------|------------------------|----------------|--------------|----------------------|---------------------------|---------------------|--------------------|------------------------|----------------|--------------|---------------------|---------------------|
|  | As at 1 April 2013 | Translation Difference | Additions      | Deductions   | Exchange Differences | Borrowing Costs           | As at 31 March 2014 | As at 1 April 2013 | Translation Difference | For the Year   | Deductions   | As at 31 March 2014 | As at 31 March 2013 |
| <b>(a) Intangible Assets</b>           |                    |                        |                |              |                      |                           |                     |                    |                        |                |              |                     |                     |
| Technical Know How Software            | 4872.44            |                        | 1852.48        |              | 153.69               |                           | 6878.61             | 1389.08            |                        | 684.97         |              | 2074.05             | 4804.56             |
| Film Distribution Rights & Prints Cost | 965.35             |                        | 210.07         | 24.71        |                      |                           | 1175.42             | 678.12             |                        | 102.65         | 24.71        | 780.77              | 394.65              |
| Mining Rights                          | 24.71              |                        |                |              |                      |                           | 24.71               | 24.71              |                        |                |              |                     |                     |
| Negative rights                        | 1144.61            | 195.83                 |                |              |                      |                           | 1340.44             | 71.53              | 12.24                  | 83.77          |              | 167.54              | 1073.08             |
| Movie Production                       | 155.50             |                        |                |              |                      |                           | 155.50              | 37.56              |                        | 31.10          |              | 68.66               | 86.84               |
| <b>Total (a)</b>                       | <b>7162.61</b>     | <b>195.83</b>          | <b>2062.55</b> | <b>24.71</b> | <b>153.69</b>        | <b>-</b>                  | <b>9549.97</b>      | <b>2201.00</b>     | <b>12.24</b>           | <b>902.49</b>  | <b>24.71</b> | <b>3091.02</b>      | <b>6458.95</b>      |
| <b>(b) Share in Joint Venture</b>      | 484.36             | 78.51                  |                |              |                      |                           | 562.87              | 96.27              | 15.60                  | 99.18          |              | 211.05              | 351.82              |
| <b>Grand Total (a + b)</b>             | <b>7646.97</b>     | <b>274.34</b>          | <b>2062.55</b> | <b>24.71</b> | <b>153.69</b>        | <b>-</b>                  | <b>10112.84</b>     | <b>2297.26</b>     | <b>27.84</b>           | <b>1001.67</b> | <b>24.71</b> | <b>3302.07</b>      | <b>6810.77</b>      |
| Previous year                          | 6625.97            | 21.50                  | 1429.62        | 430.12       | -                    | -                         | 7646.97             | 1976.36            | 3.96                   | 746.69         | 429.75       | 2297.26             |                     |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**
**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 Mutual Funds**

| Face Value Rs. | Nos. As at 31st March, 2014 | Nos. As at 31st March, 2013 | As at 31st March, 2014 Amount (Rs. in Lacs) | As at 31st March, 2013 Amount (Rs. in Lacs) |
|----------------|-----------------------------|-----------------------------|---|---|
|                | <b>50,00,000</b>            | 50,00,000                   | 3201.47                                     | 3201.47                                     |
| <b>1</b>       | <b>5,62,500</b>             | 5,62,500                    | 60.75                                       | 60.75                                       |
|                |                             |                             | <b>3262.22</b>                              | 3262.22                                     |
|                |                             |                             | 60.75                                       | 60.75                                       |
|                |                             |                             | <b>3201.47</b>                              | 3201.47                                     |
|                |                             |                             | 92.95                                       | 66.65                                       |
|                |                             |                             | <b>92.95</b>                                | 66.65                                       |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 50,00,000                   | 0.00  | 500.00                                      |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 99,99,990                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 99,99,990                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 99,99,990                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 99,99,990                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 99,99,990                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 1,00,00,000                 | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 49,25,575                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>0</b>                    | 68,08,650                   | 0.00  | 1000.00                                     |
| <b>10</b>      | <b>2,00,00,000</b>          | 0                           | 2000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>50,00,000</b>            | 0                           | 500.00                                      | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>2,00,00,000</b>          | 0                           | 2000.00                                     | 0.00  |
| <b>10</b>      | <b>1,50,00,000</b>          | 0                           | 1500.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |
| <b>10</b>      | <b>1,50,00,000</b>          | 0                           | 1500.00                                     | 0.00  |
| <b>10</b>      | <b>1,50,00,000</b>          | 0                           | 1500.00                                     | 0.00  |
| <b>10</b>      | <b>2,00,00,000</b>          | 0                           | 2000.00                                     | 0.00  |
| <b>10</b>      | <b>1,00,00,000</b>          | 0                           | 1000.00                                     | 0.00  |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

|  | Face Value<br>Rs. | Nos. As at<br>31st March,<br>2014 | Nos. As at<br>31st March,<br>2013 | As at<br>31st March,<br>2014<br>Amount (Rs. in Lacs) | As at<br>31st March,<br>2013<br>Amount (Rs. in Lacs) |
|--|-------------------|-----------------------------------|-----------------------------------|--|--|
| <b>15 NON CURRENT INVESTMENTS (Contd...)</b>   |                   |                                   |                                   |  |  |
| HDFC FMP 370D May 2013 (1) Series 26 - Regular Growth  | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| Religare Invesco FMP - Series XIX - Plan A (367 Days) - Growth   | 10                | 50,00,000                         | 0                                 | 500.00   | 0.00   |
| Birla Sun Life Interval Income Fund - Annual Plan VIII - Gr - REGULAR                                  | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Regular Plan                         | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| ICICI Prudential FMP Series 68 - 368 Days Plan G Regular Plan Cumulative                               | 10                | 50,00,000                         | 0                                 | 500.00   | 0.00   |
| HDFC FMP 371D July 2013 (1) Series 26 - Regular - Growth   | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
| UTI Fixed Term Income Fund Series XV - IX (366 DAYS) - Growth Plan                                     | 10                | 1,00,00,000                       | 0                                 | 1000.00  | 0.00   |
|  |                   |                                   |                                   | <b>26000.00</b>                                      | 20500.00   |
| Less : Current portion of Long Term Investments<br>(Disclosed under note no. 18 : Current Investments) |                   |                                   |                                   | 26000.00   | 20500.00   |
|  |                   |                                   |                                   | <b>0.00</b>  | 0.00   |
| <b>iv) Investment in Venture Capital Fund</b>  |                   |                                   |                                   |  |  |
| Indiareit Fund Scheme III  | 100000            | 643                               | 760                               | 642.85   | 759.57   |
| Kshitij Venture Capital Fund   | 385               | 0                                 | 2,50,000                          | 962.50   | 1675.00  |
|  | (670)             |                                   |                                   | <b>1605.35</b>                                       | 2434.57  |
| Less : Current portion of Long Term Investments<br>(Disclosed under note no. 18 : Current Investments) |                   |                                   |                                   | 962.50   | 0.00   |
|  |                   |                                   |                                   | <b>642.85</b>  | 2434.57  |
| <b>Total Unquoted Investments</b>  |                   |                                   |                                   | <b>3937.27</b>                                       | 5702.69  |
| <b>B] QUOTED</b>   |                   |                                   |                                   |  |  |
| <b>Investment in Equity instrument</b>   |                   |                                   |                                   |  |  |
| Advanta India Limited  | 2                 | 2,15,979                          | 48,590                            | 539.17   | 598.39   |
| Clarus Finance & Securities Limited  | 10                | 0                                 | 9,07,000                          | 0.00   | 560.13   |
| EIH Limited  | 2                 | 1,83,527                          | 4,39,950                          | 401.94   | 963.28   |
| Garware Wall Ropes Limited   | 10                | 28,669                            | 4,41,308                          | 69.69  | 729.88   |
| Housing Development & Infrastructure Limited   | 10                | 0                                 | 1,56,556                          | 0.00   | 1176.02  |
| HEG Limited  | 10                | 64,386                            | 1,16,000                          | 276.64   | 500.91   |
| K S Oil Limited  | 1                 | 1,92,093                          | 6,21,081                          | 215.74   | 552.01   |
| Mount Everest Mineral Water Limited  | 10                | 21,74,592                         | 21,74,592                         | 2489.35  | 2489.35  |
| Praj Industries Limited  | 2                 | 4,97,630                          | 9,93,630                          | 1235.22  | 2461.04  |
| Prime Focus Limited  | 10                | 0                                 | 7,72,560                          | 0.00   | 989.21   |
| Reliance Communication Limited   | 5                 | 0                                 | 56,981                            | 0.00   | 362.76   |
| Taneja Aerospace & Aviation Limited  | 5                 | 3,60,159                          | 3,65,559                          | 728.72   | 738.06   |
| Tantia Construction Limited  | 10                | 2,09,895                          | 2,24,774                          | 313.00   | 332.94   |
|  |                   |                                   |                                   | <b>6269.48</b>                                       | 12453.98   |
| Less: Provision for diminution in value of Investment  |                   |                                   |                                   | 2545.94  | 5981.03  |
|  |                   |                                   |                                   | <b>3723.54</b>                                       | 6472.95  |
| <b>Net Quoted Investments</b>  |                   |                                   |                                   | <b>7660.81</b>                                       | 12175.66   |
| <b>Total Investments</b>   |                   |                                   |                                   | <b>6269.48</b>                                       | 12453.98   |
| Aggregate amount of quoted investments   |                   |                                   |                                   | <b>3319.82</b>                                       | 4841.49  |
| Market value of quoted investments   |                   |                                   |                                   | <b>3998.02</b>                                       | 5763.44  |
| Aggregate amount of unquoted investments   |                   |                                   |                                   | <b>2606.69</b>                                       | 6041.78  |
| Aggregate provision for diminution in value of investments   |                   |                                   |                                   |  |  |

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

| Particulars    | Gross Block (at cost) |           |                    | Depreciation/Amortization |                 |                    | Net Block          |                    |
|----------------|-----------------------|-----------|--------------------|---------------------------|-----------------|--------------------|--------------------|--------------------|
|                | As at<br>1-Apr-13     | Additions | As at<br>31-Mar-14 | As at<br>1-Apr-13         | For the<br>year | As at<br>31-Mar-14 | As at<br>31-Mar-14 | As at<br>31-Mar-13 |
| Leasehold Land | 169.37                | -         | 169.37             | 0.59                      | 0.17            | 0.76               | 168.61             | 168.78             |
| Building       | 105.64                | -         | 105.64             | 5.84                      | 1.72            | 7.56               | 98.08              | 99.80              |
| <b>Total</b>   | 275.01                | -         | 275.01             | 6.43                      | 1.89            | 8.32               | 266.69             | 268.58             |
| Previous Year  | 271.90                | 3.11      | 275.01             | 4.54                      | 1.89            | 6.43               |                    |                    |

**Total Non Current Investments [1+2]**
**7927.50**
**12444.24**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|  | As at 31st March, 2014 | As at 31st March, 2013 |
|--|------------------------|------------------------|
| <b>16 Long-term loans and advances</b><br>(Unsecured, considered good, unless otherwise stated)            |                        |                        |
| Capital Advances   | 3196.47                | 3260.96                |
| Security Deposits  |                        |                        |
| - Considered Good  | 9496.20                | 8506.92                |
| - Considered Doubtful  | 0.00                   | 62.32                  |
|  | <u>9496.20</u>         | <u>8569.24</u>         |
| Less: Provision for doubtful deposits  | 0.00                   | 62.32                  |
|  | <u>9496.20</u>         | 8506.92                |
| Advances recoverable in cash or in kind  |                        |                        |
| - Considered Good  | 354.59                 | 401.04                 |
| - Considered Doubtful  | 0.00                   | 5.00                   |
|  | <u>354.59</u>          | <u>406.04</u>          |
| Less: Provision for doubtful advances  | 0.00                   | 5.00                   |
|  | <u>354.59</u>          | 401.04                 |
| Inter corporate Deposits   | 100.00                 | 336.95                 |
| Prepaid expenses   | 148.44                 | 163.64                 |
| Electricity Charges refund claimed   | 389.83                 | 389.83                 |
| Balances in Excise, Service Tax and VAT Accounts   | 668.40                 | 394.99                 |
| Entertainment Tax Refund Claimed   | 1453.83                | 1238.44                |
| Income tax paid (Net of provisions)  | 11528.55               | 7661.18                |
| MAT Credit Entitlement   | 11945.29               | 8192.46                |
|  | <u>39281.60</u>        | <u>30546.41</u>        |
| Group Share in Joint Ventures  | 68.41                  | 68.35                  |
| <b>Total</b>   | <u><u>39350.01</u></u> | <u><u>30614.76</u></u> |
| <b>17 Other non-current assets</b>   |                        |                        |
| Initial public offer (IPO) expenses  | 695.32                 | 0.00                   |
| Non-current bank balances (bank balances with original maturity of more than 12 months) - from note no. 21 | 378.77                 | 590.72                 |
| Interest accrued   |                        |                        |
| - on Investment  | 19.33                  | 18.99                  |
| - on bank fixed deposit  | 15.19                  | 2.73                   |
| - others   | 138.92                 | 139.75                 |
|  | <u>1247.53</u>         | <u>752.19</u>          |
| <b>Total</b>   | <u><u>1247.53</u></u>  | <u><u>752.19</u></u>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

|  | Face Value Rs. | Nos. As at 31st March, 2014 | Nos. As at 31st March, 2013 | As at 31st March, 2014 Amount (Rs. in Lacs) | As at 31st March, 2013 Amount (Rs. in Lacs) |
|--|----------------|-----------------------------|-----------------------------|---|---|
| <b>18 CURRENT INVESTMENTS</b>  |                |                             |                             |   |   |
| (Non-trade, at cost, unless otherwise stated)  |                |                             |                             |   |   |
| <b>A] CURRENT PORTION OF LONG TERM INVESTMENTS</b>   |                |                             |                             |   |   |
| <b>i) Investment in Mutual Funds</b>   |                |                             |                             |   |   |
| Baroda Pioneer 367 Day FMP - Series 4 - Growth   | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Birla Sun Life Fixed Term Plan - Series FH - Growth  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Birla Sun Life Mutual Fund Fixed Term Plan - Series FI - Growth                                      | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| BNP Paribas Fixed Term Fund - Series 23D - Growth  | 10             | 0                           | 50,00,000                   | 0.00  | 500.00                                      |
| DSP Blackrock FMP - Series 47 - 12M - Growth   | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| DSP Blackrock Mutual Fund FMP - Series 48 - 12M - Growth   | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| HDFC Mutual Fund FMP 370D April 2012 (2) - Series XXI - Growth                                       | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| HDFC FMP 370D May 2012 (2) - Growth  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative                                      | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative                                      | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| IDBI Mutual Fund FMP - Series II 366 Days - (April 2012) - H - Growth                                | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| IDFC Mutual Fund Fixed Maturity Plan - 366 Days - Series 71 - Growth                                 | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| IDFC Mutual Fund Fixed Maturity Plan 366 Days Series 73 - Growth                                     | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Kotak FMP Series 87-Growth   | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Religare Mutual Fund FMP Series XIV Plan E370 Days - Growth  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| SBI Mutual Fund Debt Fund Series - 366 Days - 2 Growth   | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| Sundaram Mutual Fund Fixed Term Plan - CS 367 Days - Growth  | 10             | 0                           | 99,99,990                   | 0.00  | 1000.00                                     |
| Taurus Fixed Maturity Plan 374 Days Series - S - Growth  | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| UTI Fixed Term Income Fund series XI-IX (368 days) - Growth Plan                                     | 10             | 0                           | 1,00,00,000                 | 0.00  | 1000.00                                     |
| Kotak Bond (Short Term) - Growth   | 10             | 0                           | 49,25,575                   | 0.00  | 1000.00                                     |
| Religare Short Term Plan - A Growth  | 10             | 0                           | 68,08,650                   | 0.00  | 1000.00                                     |
| UTI Fixed Term Income Plan Sr. XV-II(367 Days)-Growth Plan   | 10             | 2,00,00,000                 | 0                           | 2000.00                                     | 0.00  |
| Birla Sun life FTP-Sr.GV(368 Days)-Growth  | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| HDFC FMP 370D May 2013(1) Sr.26-Growth   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| LIC Nomura FMP Sr.63-386 Days-Growth   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| HDFC FMP 366D May2013(1)Sr.26 Re   | 10             | 50,00,000                   | 0                           | 500.00                                      | 0.00  |
| HDFC FMP 366D May2013(2)Sr.26 Re   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| Religare Invesco FMP Sr.XIX PL-A3  | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| Birla Sun Life Fixed Term Plan-Sr.GY(366 Days)-Growth  | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| UTI Fixed term Income Plan Sr. XV-III(366 Days)-Growth   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| SBI Debt Fund Sr.366 Days-29 Regular   | 10             | 2,00,00,000                 | 0                           | 2000.00                                     | 0.00  |
| JP Morgan India FMP Sr.21-Regular  | 10             | 1,50,00,000                 | 0                           | 1500.00                                     | 0.00  |
| Kotak FMP Series 104-Growth  | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| IDFC Fixed Term Plan Sr.20 Regular   | 10             | 1,50,00,000                 | 0                           | 1500.00                                     | 0.00  |
| LIC Nomura MF FMP Sr.66-371 Days-Growth Plan   | 10             | 1,50,00,000                 | 0                           | 1500.00                                     | 0.00  |
| Tata FMP Series 42-Scheme I-Plan   | 10             | 2,00,00,000                 | 0                           | 2000.00                                     | 0.00  |
| DSP BlackRock FMP S104-12Month-Regular-Growth-Dt.28.   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| HDFC FMP 370D May 2013 (1) Series 26 - Regular Growth  | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| Religare Invesco FMP - Series XIX - Plan A (367 Days) - Growth                                       | 10             | 50,00,000                   | 0                           | 500.00                                      | 0.00  |
| Birla Sun Life Interval Income Fund - Annual Plan VIII - Gr - REGULAR                                | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Regular Plan                       | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| ICICI Prudential FMP Series 68 - 368 Days  | 10             | 50,00,000                   | 0                           | 500.00                                      | 0.00  |
| Plan G Regular Plan Cumulative   | 10             | 50,00,000                   | 0                           | 500.00                                      | 0.00  |
| HDFC FMP 371D July 2013 (1) Series 26 - Regular - Growth   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
| UTI Fixed Term Income Fund Series XV - IX (366 DAYS) - Growth Plan                                   | 10             | 1,00,00,000                 | 0                           | 1000.00                                     | 0.00  |
|  |                |                             |                             | <b>26000.00</b>                             | <b>20500.00</b>                             |
| <b>ii) Investment in Venture Capital Fund</b>  |                |                             |                             |   |   |
| Kshitij Venture Capital Fund   | 385            | 2,50,000                    | 0                           | 962.50                                      | 0.00  |
| <b>iii) Investment in Govt. or Trust Securities</b>  |                |                             |                             |   |   |
| National Saving Certificate<br>(Held in the name of Directors & Pledged with Government Authorities) |                |                             |                             | 18.04                                       | 10.54                                       |
| <b>B] CURRENT INVESTMENT</b>   |                |                             |                             |   |   |
| <b>i) Investment in Mutual Funds</b>   |                |                             |                             |   |   |
| JM High Liquidity Fund Instl. Plan Daily Dividend  | 10             | 0                           | 21,33,015                   | 0.00  | 222.48                                      |
| JP Morgan India Liquid Fund-Super Instl. Daily Dividend Plan   | 10             | 34,36,570                   | 20,79,225                   | 343.95                                      | 208.09                                      |
| ICICI Prudential Flexible Income Plan Premium - Daily Dividend                                       | 100            | 0                           | 93,063                      | 0.00  | 98.40                                       |
| DSP Black Rock Liquidity Fund  | 1000           | 0                           | 24,824                      | 0.00  | 248.31                                      |
| HDFC Liquid Fund Premium Plan  | 10             | 0                           | 87,43,863                   | 0.00  | 1066.30                                     |
| Religare Invesco Liquid Fund - Growth Plan   | 1000           | 14,796                      | 0                           | 254.87                                      | 0.00  |
| Franklin Templeton Mutual Fund   | 1000           | 75,404                      | 0                           | 1440.00                                     | 0.00  |
|  |                |                             |                             | <b>2038.82</b>                              | <b>1843.58</b>                              |
| <b>Total Investments</b>   |                |                             |                             | <b>29019.36</b>                             | <b>22354.12</b>                             |
| Aggregate amount of unquoted investments   |                |                             |                             | <b>29019.36</b>                             | <b>22354.12</b>                             |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|   | <b>As at 31st March, 2014</b> | As at 31st March, 2013 |
|---|-------------------------------|------------------------|
| <b>19 Inventories</b>                                 |                               |                        |
| (For basis of valuation please refer note no. 3(e))   |                               |                        |
| Raw materials   | <b>17587.39</b>               | 17997.46               |
| Work-in-progress                                      | <b>17953.80</b>               | 5852.28                |
| Finished goods  | <b>15165.17</b>               | 19838.35               |
| Traded goods  | <b>2190.05</b>                | 170.85                 |
| Stores and spares                                     | <b>4849.68</b>                | 5299.39                |
| Others  |                               |                        |
| - Fuel  | <b>309.73</b>                 | 446.16                 |
| - Packing Material                                    | <b>269.71</b>                 | 337.24                 |
| - By products   | <b>367.37</b>                 | 356.58                 |
| - Food and Beverages                                  | <b>486.71</b>                 | 355.22                 |
| - Construction Materials                              | <b>3015.65</b>                | 233.70                 |
| - Carbon Credits                                      | <b>0.00</b>                   | 57.79                  |
|   | <b>4449.17</b>                | 1786.69                |
|   | <b>62195.26</b>               | 50945.02               |
| Group Share in Joint Ventures                         | <b>752.29</b>                 | 467.72                 |
| <b>Total</b>  | <b>62947.55</b>               | 51412.74               |
| <b>20 Trade receivables</b>                           |                               |                        |
| (Unsecured, considered good, unless otherwise stated) |                               |                        |
| <b>Considered good</b>                                |                               |                        |
| Outstanding for a period exceeding 6 months           | <b>7446.14</b>                | 3715.07                |
| Others  | <b>84992.36</b>               | 83512.06               |
|   | <b>92438.50</b>               | 87227.13               |
| <b>Considered Doubtful</b>                            |                               |                        |
| Outstanding for a period exceeding 6 months           | <b>200.12</b>                 | 142.55                 |
|   | <b>92638.62</b>               | 87369.68               |
| Less: Provision for Doubtful Debts                    | <b>(200.12)</b>               | (142.55)               |
|   | <b>92438.50</b>               | 87227.13               |
| Group Share in Joint Ventures                         | <b>2529.27</b>                | 1641.38                |
| <b>Total</b>  | <b>94967.77</b>               | 88868.51               |
| <b>21 Cash and bank balances</b>                      |                               |                        |
| <b>21.1 Cash &amp; cash equivalents</b>               |                               |                        |
| Balances with banks in current accounts               | <b>2062.94</b>                | 3888.66                |
| Bank deposits with original maturity upto 3 months    | <b>339.59</b>                 | 119.71                 |
| Cash on hand  | <b>437.68</b>                 | 589.51                 |
|   | <b>2840.21</b>                | 4597.88                |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|  | <b>As at 31st March, 2014</b> | As at 31st March, 2013 |
|--|-------------------------------|------------------------|
| <b>21.2 Other Bank Balances</b>  |                               |                        |
| - Unpaid Dividend with banks   | <b>215.49</b>                 | 227.37                 |
| - Margin Money with banks  | <b>547.24</b>                 | 74.68                  |
| - Deposit with original maturity for more than 3 months but less than 12 months                  | <b>1757.24</b>                | 358.29                 |
| - Bank deposits with original maturity of more than 12 months                                    | <b>107.37</b>                 | 22.93                  |
|  | <b>2627.34</b>                | 683.27                 |
| Less: Amount disclosed under note no. 17 - Other non-current assets                              | <b>378.77</b>                 | 0.00                   |
|  | <b>2248.57</b>                | 683.27                 |
| Group Share in Joint Ventures  | <b>185.00</b>                 | 631.79                 |
| <b>Total</b>   | <b>5273.78</b>                | 5912.94                |
| <b>22 Short-term loans and advances</b><br>(Unsecured, considered good, unless otherwise stated) |                               |                        |
| Loans and advances to related parties (see note no 46)   | <b>0.00</b>                   | 38.92                  |
| Advance to suppliers   |                               |                        |
| - Considered Good  | <b>5747.31</b>                | 4934.04                |
| - Considered Doubtful  | <b>84.33</b>                  | 64.28                  |
|  | <b>5831.64</b>                | 4998.32                |
| Less: Provision for doubtful advances  | <b>84.33</b>                  | 64.28                  |
|  | <b>5747.31</b>                | 4934.04                |
| Others   |                               |                        |
| - Prepaid expenses   | <b>496.89</b>                 | 611.73                 |
| - Advances recoverable in cash or in kind  | <b>632.45</b>                 | 334.65                 |
| - Other receivables  | <b>1023.47</b>                | 112.56                 |
| - Security deposits  | <b>2644.71</b>                | 1685.08                |
| - Inter-corporate Deposits   | <b>1186.95</b>                | 175.00                 |
| - Income Tax paid (Net of provisions)  | <b>594.84</b>                 | 0.00                   |
| - Balances in Excise, Service Tax and VAT Accounts   | <b>1859.24</b>                | 3739.71                |
|  | <b>14185.86</b>               | 11631.69               |
| Group Share in Joint Ventures  | <b>398.71</b>                 | 327.45                 |
| <b>Total</b>   | <b>14584.57</b>               | 11959.14               |
| <b>23 Other current assets</b>   |                               |                        |
| Asset held for sale  | <b>148.17</b>                 | 374.77                 |
| Insurance claim lodged   | <b>3235.66</b>                | 985.08                 |
| Un amortised premium on forward contract   | <b>135.04</b>                 | 405.10                 |
| Interest accrued   | <b>211.71</b>                 | 104.16                 |
|  | <b>3730.57</b>                | 1869.11                |
| Group Share in Joint Ventures  | <b>0.04</b>                   | 15.21                  |
| <b>Total</b>   | <b>3730.61</b>                | 1884.32                |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|   | 2013-2014        | 2012-2013        |
|---|------------------|------------------|
| <b>24 Revenue from operations</b>   |                  |                  |
| Sale of products  | 261473.12        | 237313.59        |
| Sale of services  | 80103.18         | 67635.07         |
| Other operating revenues  | 6287.97          | 13098.33         |
|   | <b>347864.27</b> | <b>318046.99</b> |
| Less: Excise duty   | 7930.40          | 8105.59          |
|   | <b>339933.87</b> | <b>309941.40</b> |
| Group Share in Joint Ventures   | 5220.03          | 6700.43          |
| <b>Total</b>  | <b>345153.90</b> | <b>316641.83</b> |
| <b>25 Other income</b>  |                  |                  |
| Interest Income   |                  |                  |
| - on bank deposits  | 162.13           | 115.74           |
| - on Inter corporate deposits   | 122.16           | 43.70            |
| - on Income tax refund  | 399.17           | 76.75            |
| - on others   | 389.18           | 71.16            |
| - on long term investments  | 8.21             | 7.16             |
|   | <b>1080.85</b>   | <b>314.51</b>    |
| Dividend Income   |                  |                  |
| - on long term investments  | 46.20            | 41.28            |
| - on current investments  | 38.25            | 133.46           |
| - from joint venture company  | 0.00             | 216.76           |
|   | <b>84.45</b>     | <b>391.50</b>    |
| Profit on sale of investments (Net)   |                  |                  |
| - on long term investments (Net of reversal of provision for diminution of Rs. 3828.78 lacs (previous year Nil) | 1137.29          | 134.86           |
| - on current investments  | 292.84           | 415.36           |
|   | <b>1430.13</b>   | <b>550.22</b>    |
| Provision for doubtful debts written back   | 4.56             | 5.60             |
| Liabilities written back  | 842.75           | 774.33           |
| Provision for amalgamation expenses written back  | 227.44           | 0.00             |
| Gain on settlement of derivative  | 37.59            | 0.00             |
| Rental income from operating leases   | 635.88           | 609.96           |
| Miscellaneous income  | 131.52           | 437.59           |
|   | <b>4475.16</b>   | <b>3083.71</b>   |
| Group Share in Joint Ventures   | 65.89            | 44.78            |
| <b>Total</b>  | <b>4541.05</b>   | <b>3128.49</b>   |
| <b>26 Cost of materials consumed</b>  |                  |                  |
| Raw Materials consumed  | 133535.18        | 92120.32         |
| Packing Materials consumed  | 3991.66          | 4902.35          |
| Cost of food and Beverages  | 4028.50          | 4259.10          |
|   | <b>141555.34</b> | <b>101281.77</b> |
| Group Share in Joint Ventures   | 5143.84          | 6010.51          |
| <b>Total</b>  | <b>146699.18</b> | <b>107292.28</b> |
| <b>27 Purchases of Stock-in-Trade</b>   |                  |                  |
| Purchases of Stock-in-Trade   | 65.32            | 2013.96          |
| <b>Total</b>  | <b>65.32</b>     | <b>2013.96</b>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

|  | 2013-2014        | 2012-2013        |
|--|------------------|------------------|
| <b>28 Changes in inventories</b>                       |                  |                  |
| <b>Opening Stock</b>                                   |                  |                  |
| Finished Goods   | 20009.21         | 13488.99         |
| 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           |
|  | <u>26275.86</u>  | <u>18530.71</u>  |
| Add: On account of subsidiary acquired during the year | 692.61           | 0.00             |
|  | <u>26968.47</u>  | <u>18530.71</u>  |
| <b>Less : Closing Stock</b>                            |                  |                  |
| Finished Goods   | 17388.71         | 20009.21         |
| Material-in-process                                    | 6202.73          | 5275.59          |
| Erection and commissioning work-in-progress            | 11751.07         | 576.69           |
| By-products  | 367.37           | 356.58           |
| Carbon Credits   | 0.00             | 57.79            |
|  | <u>35709.88</u>  | <u>26275.86</u>  |
| Excise Duty on Stock of Finished Goods (Net)           | (703.09)         | 77.10            |
| <b>( Increase) / Decrease In Stock</b>                 | <u>(9444.50)</u> | <u>(7668.05)</u> |
| <b>29 Employee benefits expense</b>                    |                  |                  |
| Salaries and wages                                     | 15196.44         | 13250.74         |
| Contribution to provident and other funds              | 764.22           | 744.16           |
| Expense on ESOP (Net)                                  | 9.94             | 1.06             |
| Gratuity   | 223.73           | 265.23           |
| Staff welfare expenses                                 | 710.83           | 517.57           |
|  | <u>16905.16</u>  | <u>14778.76</u>  |
| Group Share in Joint Ventures                          | 67.96            | 91.27            |
| <b>Total</b>   | <u>16973.12</u>  | <u>14870.03</u>  |
| <b>30 Finance costs</b>                                |                  |                  |
| Interest expense                                       | 14476.98         | 10681.23         |
| Interest on deferred credit                            | 247.75           | 182.05           |
| Other borrowing costs                                  | 687.31           | 953.92           |
| Loss on foreign currency transactions and translation  | 2268.44          | 1153.53          |
|  | <u>17680.48</u>  | <u>12970.73</u>  |
| Group Share in Joint Ventures                          | 211.48           | 231.02           |
| <b>Total</b>   | <u>17891.96</u>  | <u>13201.75</u>  |
| <b>31 Depreciation and amortization expense</b>        |                  |                  |
| Depreciation and amortization on Tangible assets       | 19074.26         | 16404.28         |
| Amortization of Intangible assets                      | 902.47           | 722.62           |
| Depreciation on Investment property                    | 1.72             | 1.73             |
| Amortization of Investment property                    | 0.17             | 0.17             |
|  | <u>19978.62</u>  | <u>17128.80</u>  |
| Less: Amount transfer from Revaluation reserve         | 328.04           | 335.84           |
|  | <u>19,650.58</u> | <u>16792.96</u>  |
| Group Share in Joint Ventures                          | 393.76           | 273.13           |
| <b>Total</b>   | <u>20044.34</u>  | <u>17066.09</u>  |





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

**32 Other expenses**

|  | 2013-2014        | 2012-2013        |
|--|------------------|------------------|
| Stores and Spare Consumed  | 4557.55          | 4228.09          |
| Power and Fuel   | 35468.62         | 33991.25         |
| Entertainment tax  | 9127.07          | 10204.08         |
| EPC, O & M, Common Infrastructure Facility and Site Development Expenses                               | 28035.01         | 12499.25         |
| Distributors' share  | 18807.18         | 20227.51         |
| Other exhibition cost  | 506.53           | 706.84           |
| Share of joint venture partner   | 60.40            | 59.92            |
| Amalgamation Expenses  | 0.00             | 568.07           |
| Freight and Octroi   | 6929.28          | 4272.94          |
| Insurance  | 799.61           | 741.54           |
| Excise Duty, Custom Duty and Sales Tax   | 1085.53          | 548.36           |
| Production Labour Charges  | 1161.68          | 1036.94          |
| Processing Charges   | 2095.18          | 1706.77          |
| Outsourced Personnel Cost  | 1784.30          | 1678.53          |
| Property Rent and Conducting Fees  | 9481.96          | 9266.62          |
| Common Facility Charges  | 2601.22          | 2523.59          |
| Factory Expenses   | 737.92           | 1215.46          |
| Repairs to   |                  |                  |
| - Buildings  | 435.70           | 474.57           |
| - Plant & Equipments   | 2952.37          | 2165.07          |
| - Others   | 655.43           | 504.42           |
|  | <b>4043.50</b>   | 3144.06          |
| Directors' Sitting Fees  | 17.29            | 9.00             |
| Commission to Chairman   | 96.92            | 609.54           |
| Rent   | 299.05           | 239.53           |
| Rates and Taxes  | 1118.16          | 1045.84          |
| Service Tax  | 2024.21          | 1947.02          |
| Travelling and Conveyance  | 2652.20          | 1980.45          |
| Communication expenses   | 409.00           | 422.47           |
| Legal and Professional Fees and Expenses   | 2984.03          | 3130.88          |
| Lease Rentals and Hire Charges   | 513.77           | 1005.13          |
| Loss on retirement /disposal of fixed assets (Net)   | 97.50            | 559.59           |
| Net loss on foreign currency translation and transactions  | 1472.66          | 8351.63          |
| MTM loss on derivative contracts   | 346.49           | 0.00             |
| Provision for trade receivables  | 23.94            | 23.78            |
| Provision for doubtful advances  | 20.05            | 0.00             |
| Provision for diminution in value of investments - Long term (Net)                                     | 393.72           | 486.28           |
| Provision for diminution in value of assets held for disposal  | 41.60            | 0.00             |
| Bad debts and remission net of provision for doubtful debts of Rs. 103.00 Lacs (previous year Rs. Nil) | 75.13            | 18.08            |
| Expenditure on Sustainable Development Plan  | 41.74            | 73.71            |
| Commission   | 476.94           | 407.02           |
| Royalty  | 2889.50          | 1392.26          |
| Miscellaneous Expenses   | 7173.13          | 6815.78          |
|  | <b>150449.57</b> | 137137.81        |
| Group Share in Joint Ventures  | 242.73           | 590.61           |
| <b>Total</b>   | <b>150692.30</b> | <b>137728.42</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

### 33. Securities and terms of loans taken:

In respect of loans taken by GFL:

Foreign Currency Term Loan of Rs.21897.93 lacs (previous year Rs.23489.85 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 15<sup>th</sup> 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. 11<sup>th</sup> October, 2012, being hedged.

Foreign Currency Term Loan of Rs. 8877.81 lacs (previous year Rs. 8940.24 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. The lender has charge/lien on companies investment in mutual fund (2 crore unit of Tata Fixed Maturity plan series 42 Scheme I plan A Growth mutual fund, Folio No. 2661548/08) of Rs. 20 crore only. The term loan is repayable in 20 equal half yearly instalments starting from 20<sup>th</sup> September, 2013 and carries interest @ 6 months LIBOR plus 4.14% p.a.

Foreign Currency Term Loan of Rs. 4516.50 lacs (previous year Rs.6774.75 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 14<sup>th</sup> April, 2012 and carries interest @ 8.65% p.a.

Foreign Currency Term Loan of Rs. Nil (previous year Rs. 1400.13 lacs) from BNP Paribas Limited was 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 was repayable in 16 equal quarterly instalments starting from 9<sup>th</sup> April, 2010 and carried interest @ 7.07% p.a.

Foreign Currency unsecured Term Loan of Rs. Nil (previous year Rs.417.28 lacs) from Citibank NA was 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 was never created). The term loan was repayable in 16 equal quarterly instalments starting from 3<sup>rd</sup> July, 2009 and was carrying interest @ 6 months LIBOR plus 4.00% p.a.

Working Capital Demand Loans (WC DL) of Rs.2500 lacs (previous year Rs Nil) and over draft facility of Rs.2107.28 lacs (previous year Rs.1559.82 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 WC DL loan is for a period of 180 days and carries interest @ 10.00% p.a. Over draft facility carries interest @ 11.40% p.a.

Working Capital Loans in the form of buyers credit of Rs. 767.28 lacs (previous year Rs. 1590.57 lacs), over draft facility of Rs. Nil, (previous year Rs 2870.00 lacs) and FCNR loan facility of Rs.3860.13 lacs (previous year Rs. 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. Buyer's credit is repayable in 118 days to 327 days carrying interest ranging @ 4 month LIBOR plus 1.00% to 11 month LIBOR plus 0.90%, and overdraft facility was repayable on demand and was carrying interest @ 9.90% p.a., FCNR loan facility is granted for 214 days tenure at cost of 3 month LIBOR plus 1.65%.

Foreign Currency working capital unsecured loans in the form of Buyers credit of Rs. Nil (previous year Rs.108.42 lacs), PCFC loan of Rs.2424.52 lacs (previous year Rs.11705.15 lacs) and FCNR facility of Rs.5344.58 lacs (previous year Rs.3225.96 lacs) from various banks are repayable in the period ranging from 177 days to 360 days carrying interest ranging @ 9 month LIBOR plus 0.60% to 12 month LIBOR plus 2.25%, and 3 month EURIBOR plus 1.75% & 6 month EURIBOR plus 1.00%.

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

Unsecured Working Capital Loans in the form of buyers credit of Rs. 490.53 lacs (previous year Rs. Nil) from ICICI Bank Limited is repayable in 297 days to 300 days carrying interest ranging @ 12 month LIBOR plus 0.70% to 12 month LIBOR plus 0.87%.

Unsecured Working Capital Loans in the form of buyers credit of Rs. 207.86 lacs (previous year Rs. Nil) from ING Vysya Bank Limited is repayable in 269 days to 330 days carrying interest ranging @ 9 month LIBOR plus 0.60% to 12 month LIBOR plus 0.75%.

Working Capital unsecured rupee loans from various banks amounting to Rs.17500.00 lacs (previous year Rs. 12500.00 lacs) are repayable in the period ranging from 7 days to 358 days carrying interest ranging @ 9.75% to 10.05% p.a.

Unsecured overdraft facility from The Royal Bank of Scotland amounting to Rs. Nil (previous year Rs.12060.15 lacs) was repayable on demand & carried interest @ 9.90% p.a.

In respect of loans taken by Inox Renewables Limited (IRL):

#### 1. Foreign currency term loan from ICICI Bank Limited (DIFC-Dubai) in 2 tranches:

- a. Rs. 3,245,389,200 (previous year Rs. 3,263,358,000) from ICICI Bank Limited carrying an interest rate of 6 months LIBOR+4.14% per annum, repayable in 20 equal half yearly instalments starting from 3<sup>rd</sup> August 2013 and last instalment falling due on 3<sup>rd</sup> February, 2023 for 50 MW Dangri.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

- b. Rs. 1,272,701,672 (previous year Rs. 1,279,748,235) from ICICI Bank Limited carrying an interest rate of 6 months LIBOR+4.14% per annum, repayable in 20 half yearly instalments starting from 20<sup>th</sup> September, 2013 and last instalment falling due on 20<sup>th</sup> March, 2023 for 20 MW Dangri.

Both the tranches are secured by way of:

- 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.
- Exclusive charge over the escrow account to be opened with ICICI Bank Limited, India (Escrow Bank) for project Dangri and Ossiya-1.
- 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.
- First pari-passu with ICICI Bank Limited, Hong Kong over immovable assets and all present and future movable fixed assets identified at project of Gude Panchgani 23.1 MW.
- First pari-passu charge over the escrow account w.r.t. Gude Panchgani.

2. Foreign currency term loan from ICICI bank Limited (Bahrain):

Foreign currency term loan of Rs. 487,757,296 (previous year Rs. 588,549,477) from ICICI Bank Limited carrying an interest rate of 5.86% p.a. repayable in 38 equal quarterly instalments starting from 20<sup>th</sup> December, 2007 and last instalment falling due in March, 2017.

This loan is secured by way of:

- 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.
- ICICI Bank Limited 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. Rupee Term Loan from Yes Bank Limited (Mumbai):

Rupee term loan of Rs. 137,50,00,000 (Sanction amount Rs. 275,00,00,000) from Yes Bank Limited carrying an interest rate of 12.10% p.a., repayable in 55 equal quarterly instalments starting from 31 December, 2014 and last instalment falling due in 30<sup>th</sup> June, 2028.

This loan is secured by way of:

- First Charge on all the present and future tangible/intangible moveable assets, current assets including receivables, others reserves and bank accounts pertaining to project.
- First Charge on all the present and future immovable assets both freehold and leasehold pertaining to the project.
- First Charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project agreements, clearances etc. pertaining to the project.

In respect of loans taken by Inox Renewables (Jaisalmer) Limited (IRL):

Foreign currency Term Loan of Rs.23518.62 lacs (previous year Rs.25780.53 lacs) 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 (64 MW) wind farm. Further, the loan is secured by corporate guarantee of Inox Renewables Limited.

The term loan is repayable in 28 instalments starting from 14<sup>th</sup> 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 Inox Wind Limited ('IWL'):

Term loan from bank of Rs. 7500 lacs (previous year Rs.10000 lacs) is secured by first exclusive charge on existing & future movable & immovable fixed assets of Una and Rohika Plant of IWL & carries interest @ 11.85% p.a. The loan is repayable in 20 quarterly instalments starting from 01<sup>st</sup> February, 2013.

Term loan from other parties of Rs. 5625 lacs (previous year Rs.7000 lacs) is secured against first pari passu charge on entire current assets of IWL, both present and future, and carries interest at the rate of 12.25% p.a. and repayable in 4 quarterly instalments starting from 02<sup>nd</sup> March, 2014.

Working Capital Demand Loan of Rs. 4000 lacs (previous year Rs. Nil) is secured by hypothecation of investment of Rs. 4500 lacs in Fixed Maturity Plans (FMP) & carries interest @ 12% p.a.

Working Capital Demand Loan of Rs. 2700 lacs (previous year Rs. Nil) is secured by first pari- passu charge on the current assets of IWL and carries interest rate in the range of 11.75% to 12% p.a.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

Cash credit facilities from banks amounting to Rs. 4734.74 lacs (previous year Rs. 3356.41 lacs) are secured by current assets of IWL and carry interest in the range of 12% to 14% p.a.

Foreign currency short term loans (buyer's credit) from banks amounting to Rs 31105.37 lacs (previous year Rs. 17912.22 lacs) are secured by current assets of IWL and carry interest rate of applicable LIBOR plus bank's spread which is generally in the range of 0.5% to 2% p.a.

In respect of loans taken by Inox Leisure Limited ('ILL'):

- a. Term loans from Axis Bank Limited amounting to Rs. 5980.67 lacs (previous year Rs. 4322.25 lacs) carries interest @ bank base rate + 1.25 % p.a. which presently is 11.50%. The loans are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/property financed by the said term loans and escrow of entire cash flows relating to such multiplexes. The repayment schedules are as under:

| Particulars | Outstanding Amount (in Rs. lacs) | Repayment terms  |
|-------------|----------------------------------|--|
| Term Loan 1 | 4,495.67                         | Repayable in 16 equal quarterly instalments beginning from 30 <sup>th</sup> June, 2013   |
| Term Loan 2 | 300.00                           | Repayable in 10 equal quarterly instalments beginning from 1 <sup>st</sup> April, 2013   |
| Term Loan 3 | 1,185.00                         | Repayable in 16 equal quarterly instalments beginning from 1 <sup>st</sup> October, 2014 |

- b. Term loan from Citi Bank amounting to Rs. Nil (previous year Rs. 499.99 lacs) carried interest @ 8.75% p.a. and was secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune, Thane, Rajapur (Jaipur) and Madurai multiplexes and four future properties.
- c. Term loan from ING Vysya Bank amounting to Rs. Nil (previous year Rs. 777.79 lacs) carried interest @ 9.5% p.a and was 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 multiplex.
- d. Short Term loan from Axis Bank Limited amounting to Rs. Nil (previous year Rs.800 lacs) carried interest @ bank base rate + 1.25 % p.a. which was 11.50%. The loan was secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaipur, Bhubaneshwar, Bhopal, Vijayanagaram, Element Mall-Jaipur, RPG Mall-Kolkata, Surat, and Vizag-3 properties.
- e. Bank overdraft is secured against first charge on the entire current assets of the Company, both present and future; and extension of first charge by way of mortgage of property at Vadodara and Anand, Gujarat
- f. Repayment and other terms for unsecured borrowings:  
The inter-corporate deposits are repayable in 5 years from the date of the respective deposits and carry interest @ 11% p.a.
- 34.** During the year, a fire broke out in the Inox Wind Limited's ('IWL') factory at Rohika, Gujarat. IWL has lodged a claim with the insurance company towards the loss on account of fire. The claim lodged with the insurance company includes, inter-alia, claim towards loss of materials and fixed assets, expenditure on carrying out repairs and loss of profit. The cost of materials and w.d.v. of fixed assets destroyed in fire is estimated at Rs. 20,23,01,310 by the management. Pending the settlement of claim, amount of Rs. 83,68,094 being estimated amount of reduction in the claim, is charged to the Statement of Profit and Loss and included in Miscellaneous Expenses and the balance amount of Rs. 19,39,33,216 is carried as 'Insurance claims lodged' in Note no. 23: Other current assets. Final accounting effect for the same will be given on settlement of the insurance claim.
- 35.** The amount of expenditure capitalized in the Consolidated Financial Results represents cost of WTGs manufactured and services for erection and commissioning of wind farms provided by Wind Energy Business segment and capitalized as fixed assets in other segments.
- 36. Employees Stock Option Scheme by Inox Leisure Limited ('ILL')**

During the year ended 31<sup>st</sup> 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 ILL under the scheme of ESOP framed by ILL in this regard. ILL had provided finance of Rs. 75 lacs to the Trust for subscription of these shares at the beginning of the plan.

Following equity settled stock options have been granted to the employees:

|  |                 |
|--|-----------------|
| On 29 <sup>th</sup> January, 2007 (First Grant)  | 2,44,120 shares |
| On 27 <sup>th</sup> October, 2009 (Second Grant) | 33,332 shares   |
| On 12 <sup>th</sup> August, 2013 (Third Grant)   | 33,156 shares   |

The vesting period for options granted under 1<sup>st</sup> & 2<sup>nd</sup> lot was between one to four years from the date of the grant. The options were exercisable within one year from the date of vesting. Option granted under 3<sup>rd</sup> lot is as per the terms of the Scheme of Amalgamation, referred to in Note no. 1(i). As per the Scheme, the stock options granted by erstwhile Fame India Limited ("Fame") to its employees automatically stood cancelled. ILL has issued stock options to the eligible employees of Fame under the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

existing ESOP Scheme of ILL. These stock options were 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. These options are now 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 1 <sup>st</sup> April, 2013           | 5,000  |
| Granted during the year                              | 33,156 |
| Lapsed during the year                               | Nil    |
| Exercised during the year                            | 21,577 |
| Outstanding as on 31 <sup>st</sup> March, 2014       | 16,579 |
| Exercisable as on 31 <sup>st</sup> March, 2013       | Nil    |
| Weighted average exercise price of all stock options | Rs. 15 |

All stock options are exercised during the year at the exercise price of Rs. 15 per option and the weighted average remaining contractual life is as under:

|  |            |
|--|------------|
| Options granted on 12 <sup>th</sup> August, 2013 | 1.17 years |
|--|------------|

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no. 29 includes Rs. 14.33 lacs (previous year Rs. 1.06 lacs) being the amortization of employee compensation.

### 37. In respect of income-tax matters of ILL:-

- In the proceedings before the appellate authorities and High Court of Judicature at Gujarat, ILL's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted. The matter is presently pending before the Hon'ble Supreme Court. ILL has made provision for current tax on this basis to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.
- In the case of ILL, the provision for current taxation is for Minimum Alternate Tax (MAT) payable on book profit. MAT paid by ILL is entitled to be carried forward and utilized in subsequent years. In the opinion of management of ILL, on the basis of projections, estimates of future taxable income and the period available for utilization of MAT credit, ILL would have normal tax liability within the specified period to avail such MAT credit. Consequently, ILL has recognized Rs 113.00 lacs (previous year Rs. 310.00 lacs), including Rs. 38 lacs for earlier years, towards MAT credit entitlement and the cumulative amount as on 31<sup>st</sup> March, 2014 is Rs. 2689.81 lacs (previous year Rs. 2576.81 lacs).

### 38. Contingent liabilities :-

| Particulars   | Amount (Rs. in Lacs) |                             |
|---|----------------------|-----------------------------|
|   | 2013-14              | 2012-13                     |
| (a) Claims against the Group not acknowledged as debt   | <b>7071.17</b>       | 7106.55                     |
| (b) Other money for which company is contingently liable  |                      |                             |
| Income Tax( including TDS matters)  | <b>8227.38</b>       | 8722.69                     |
| Service Tax   | <b>1252.77</b>       | 1021.65                     |
| Excise duty   | <b>1411.73</b>       | 849.66                      |
| Custom duty   | <b>991.87</b>        | 1227.33                     |
| VAT   | <b>135.66</b>        | 0.00                        |
| Electricity Duty  | <b>1204.86</b>       | 1204.86                     |
| Municipal Tax   | <b>757.34</b>        | 621.28                      |
| Entertainment Tax – including demand of Rs. 1583.83 lacs (previous year Rs. 1040.83 lacs) in respect of two multiplexes pertaining to exemption period and for which the Inox Leisure is contesting the matter by way of appeal before appropriate authorities. | <b>1586.05</b>       | 1043.05                     |
| Stamp Duty  | <b>263.81</b>        | 263.81                      |
| Liability in respect of losses suffered by Rajasthan Rajya Vidyut Prasaran Nigam Limited due to under injections of energy  | <b>870.00</b>        | 870.00                      |
| Claims in respect of labour matters   |                      | Amount is not ascertainable |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

- (c) In the earlier years the Company had received CIT(A) order for the Assessment Year 2008-09 and for the A.Y. 2009-10, wherein the CIT(A) has confirmed the action of the Assessing Officer in respect of
- i. treatment of Investment activity of the Company in respect of investment in shares as a business activity and
  - ii. 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.

- (d) During the year, the Income Tax authorities have carried out survey proceedings u/s 133A of the Income Tax Act, 1961 at the corporate office of the Parent Company and the corporate office and factory premises of one of the subsidiaries. Both companies have made detailed submissions on various issues raised during the course of survey proceedings and do not expect any material demand in this connection.
- (e) In respect of Inox Leisure Limited ('ILL'):
- i. 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. 823.27 lacs incurred by ILL and carried forward as capital work-in-progress. The party has made a counter claim of Rs. 6943.44 lacs towards rent for lock in period and other costs which is included in (a) above. At present the matter is pending before the Arbitrator.
  - ii. In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against ILL and directed ILL to pay Rs. 116.36 lacs towards rent for the lock in period. Further, the arbitrator has also directed ILL to pay the amount of difference between the rent payable by ILL as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. ILL has challenged the arbitration award before the Hon'ble High Court of Delhi and the same is pending.
  - iii. ILL has received a show cause cum demand notice dated 5<sup>th</sup> December 2005 for custom duty payable by them on import of cinematographic films under Rule 2(2), Rule 7(A) and Rule 9(2) of the Customs Valuation Rule 1988. Nothing has been deposited with the authorities as the amount is not quantified by the authorities. However, on 28<sup>th</sup> September 2006, ILL has filed an appeal against the Commissioner's Order to the Appellate Tribunal under Section 129-A of The Customs Act, 1962 and the same is pending hearing.
  - iv. ILL may be required to charge additional cost of Rs. 389.83 lacs (previous year Rs. 389.83 lacs) towards electricity from 1<sup>st</sup> June, 2007 to 31<sup>st</sup> March, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by ILL 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<sup>th</sup> 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. ILL has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances').

### 39. Commitments:

- (a) Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances, is Rs. 32323.77 lacs (previous year Rs. 21069.42 lacs).
- (b) The exemption from payment of Entertainment Tax in respect of multiplexes of Inox Leisure Limited, which are eligible for such exemption, is subject to fulfilment of the terms and conditions of the respective State Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far, 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. 17197.99 lacs (previous year Rs. 15730.92 lacs).
- (c) The Company has provided undertakings to various lenders of its subsidiaries, i.e., Inox Wind Limited and Inox Renewables Limited, not to dilute its stake in these companies to below 51%.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

**40. In respect of Entertainment Tax liability of Inox Leisure Limited ('ILL') and its treatment in these accounts: -**

- a. The Entertainment Tax exemption in respect of some of the Multiplexes of ILL 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. 520.25 lacs (previous year Rs. 382.07 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the Statement of Profit and Loss. Cumulative amount as on 31<sup>st</sup> March, 2014 is Rs. 3909.42 lacs (previous year Rs. 3389.17 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 judicature at Gujarat vide its order dated 26<sup>th</sup> 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.
- c. In respect of Multiplex Cinema Theatre at Raipur, the application for refund entertainment tax of Rs. 92.06 lacs for exemption period 2010-11 for has been rejected. Applications for such refunds for subsequent periods amounting to Rs. 299.41 lacs are also pending before appropriate authority. The matter has been challenged in the High Court of judicature at Chhatisgarh. Pending the decision of the High Court, total amount of Entertainment Tax of Rs. 391.47 lacs (previous year Rs. 285.25 lacs) paid is carried forward as Entertainment Tax Refund Receivable under Schedule 16 – Long Term Loans and Advances and the figures indicated in the (a) above include the figures pertaining to the said Multiplex.

41. IRL has an outstanding balance recoverable for electricity delivered from the 12MW wind farm at Village Sadiya, Jaisalmer for the period from April, 2008 to December, 2008 for Rs.48,230,844. On 27<sup>th</sup> August, 2008, vide its Order, Central Electricity Regulatory Commission (CERC) directed the electricity distribution company to release the said amounts to the Company.

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

a) Deferred Tax Assets (Net):

**S.No. Particulars**

Amount (Rs. In Lacs)

|  | <b>2013-14</b> | 2012-13 |
|--|----------------|---------|
| <b>(A) Deferred Tax Assets</b>             |                |         |
| (i) Expenditure allowable on payment basis | <b>20.06</b>   | 13.22   |
| (ii) Unabsorbed losses                     | <b>1606.48</b> | 6302.87 |
| (iii) Others                               | <b>0.02</b>    | 0.15    |
| <b>Total</b>                               | <b>1626.56</b> | 6316.24 |
| <b>(B) Deferred Tax Liabilities</b>        |                |         |
| (i) Depreciation                           | <b>0.00</b>    | 4667.71 |
| <b>Total</b>                               | <b>0.00</b>    | 4667.71 |
| <b>Net Deferred Tax Assets (A-B)</b>       | <b>1626.56</b> | 1648.53 |

Inox Renewables Limited and Inox Renewables (Jaisalmer) Limited 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.

Inox Wind Infrastructure Services Limited ('IWISL') has recognized deferred tax asset of Rs.593.64 lacs in respect of business loss and unabsorbed depreciation for the year ended 31<sup>st</sup> March, 2014. In view of the confirmed orders in hand and the revenue from the work to be completed in the next year, in the opinion of the management there is virtual certainty that IWISL will have sufficient future taxable income available against which such deferred tax asset can be realized and hence IWISL has recognized such deferred tax asset as at 31<sup>st</sup> March, 2014.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

b) Deferred Tax Liabilities (Net):

| S. No.                              | Particulars  | Amount (Rs. In Lacs) |          |
|-------------------------------------|--|----------------------|----------|
|                                     |  | 2013-14              | 2012-13  |
| <b>(A) Deferred Tax Liabilities</b> |  |                      |          |
| (i)                                 | On account of difference between tax depreciation and depreciation/amortisation charged in books | <b>26425.14</b>      | 21370.58 |
|                                     | <b>Total</b>   | <b>26425.14</b>      | 21370.58 |
| <b>(B) Deferred Tax Assets</b>      |  |                      |          |
| (i)                                 | Expenditure allowable on payment basis   | <b>1095.15</b>       | 1033.99  |
| (ii)                                | Others   | <b>92.61</b>         | 218.01   |
|                                     | <b>Total</b>   | <b>1187.76</b>       | 1252.00  |
|                                     | <b>Net Deferred Tax Liability (A-B)</b>  | <b>25237.38</b>      | 20118.58 |

43. 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 ) |           |
|--|------------------------|-----------|
|  | 2013-2014              | 2012-2013 |
| (i) Gross carrying amount of asset given on operating lease included in Buildings block of fixed assets.   | <b>914.52</b>          | 914.52    |
| (ii) Accumulated Depreciation as at the end of the year  | <b>120.82</b>          | 105.91    |
| (iii) Depreciation for the year  | <b>14.91</b>           | 14.91     |
| (iv) Future minimum lease payments -   |                        |           |
| (a) Not later than one year  | <b>677.94</b>          | 637.43    |
| (b) Later than one year and not later than five years  | <b>1237.62</b>         | 1915.70   |
| (c) Later than five years  | <b>0.00</b>            | 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 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 arrangements are as under:-

| S. No. | Payable in future                                 | Amount ( Rs. in Lacs ) |         |
|--------|---|------------------------|---------|
|        |   | 2013-14                | 2012-13 |
| a)     | Not later than one year                           | <b>80.28</b>           | 80.28   |
| b)     | Later than one year and not later than five years | <b>241.74</b>          | 277.02  |
| c)     | Later than five years                             | <b>116.25</b>          | 161.25  |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

- 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 of Rs.10761.54 lacs (previous year Rs. 9263.36 lacs) 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 |          |
|--------|---|--------------------|----------|
|        |   | 2013-14            | 2012-13  |
| a)     | Not later than one year                           | <b>10494.89</b>    | 9555.49  |
| b)     | Later than one year and not later than five years | <b>42023.43</b>    | 38906.33 |
| c)     | Later than five years                             | <b>106575.07</b>   | 99840.68 |

- d) In respect of other operating leases for premises (offices and residential accommodations for employees) - generally, these lease arrangements range between 11 months to 60 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals are included in "Rent" charged in the Statement of Profit and Loss.

44. Provisions - Inox Leisure Limited has recognised following provision towards expenses:-

| Particulars   | (Rs. in Lacs)  |         |
|---|----------------|---------|
|   | 2013-14        | 2012-13 |
| a) In respect of municipal taxes payable for one of its multiplexes |                |         |
| Opening Balance   | <b>207.40</b>  | 154.60  |
| Provided during the year  | <b>52.80</b>   | 52.80   |
| Paid during the year  | <b>60.00</b>   | Nil     |
| Closing balance   | <b>200.20</b>  | 207.40  |
| b) In respect of amalgamation expenses                              |                |         |
| Opening Balance   | <b>500.00</b>  | Nil     |
| Provided during the year  | <b>Nil</b>     | 500.00  |
| Paid during the year  | <b>272.56</b>  | Nil     |
| Reversed during the year  | <b>227.44</b>  | Nil     |
| Closing balance   | <b>Nil</b>     | 500.00  |
| c) Towards MVAT   |                |         |
| Opening Balance   | <b>39.61</b>   | Nil     |
| Addition on Amalgamation  | <b>Nil</b>     | 39.61   |
| Paid during the year  | <b>Nil</b>     | Nil     |
| Closing balance   | <b>39.61</b>   | 39.61   |
| d) For service tax on renting of immovable properties               |                |         |
| Opening Balance   | <b>1033.14</b> | 608.74  |
| Add: Addition on Amalgamation                                       | <b>Nil</b>     | 719.97  |
| Provided during the year  | <b>25.37</b>   | 33.51   |
| Amount paid / adjusted during the year                              | <b>16.07</b>   | 329.08  |
| Closing balance   | <b>1042.44</b> | 1033.14 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

**45.** In respect of ILL, the arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of Inox Leisure Limited ('ILL') has been received in favour of ILL 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. 18.24 lacs (previous year Rs. 18.24 lacs). Total amount of interest receivable upto 31<sup>st</sup> March, 2014 is Rs. 148.06 lacs (previous year Rs. 129.82 lacs). The said award has been challenged before the District Court and the matter is pending.

**46. 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 19<sup>th</sup> June, 2012)

**Associate of a subsidiary**

Megnasolace City Private Limited

**Key Management Personnel (KMP)**

Mr. V K Jain (Managing Director)

Mr. P K Jain (Director in Inox Leisure Limited)

Mr. D K Sachdeva (Whole Time Director)

Mr. J S Bedi (Whole Time Director)

Mr. G Arumugam (Whole Time Director) upto 22<sup>nd</sup> June, 2012

Mr. Alok Tandon – Manager of Inox Leisure Limited

Mr. Rajiv Patni – Manager of Erstwhile Fame India Ltd upto 25<sup>th</sup> May, 2013

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

Mr. Devansh Jain-(Whole Time Director) in Inox Wind Limited  
(w.e.f. 1<sup>st</sup> November, 2012 – earlier classified under relative of KMP)

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

Mr. Paresh Trivedi (Whole Time Director) w.e.f. from 22<sup>nd</sup> October, 2013

Mr. Vineet Davis (Whole Time Director) in Inox Wind Infrastructure Services Limited w.e.f. 08<sup>th</sup> October, 2013

Mr. Manoj Dixit (Whole Time Director) in Inox Wind Infrastructure Services Limited w.e.f. 08<sup>th</sup> October, 2013

**Relatives of Key Management Personnel**

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

Mr. Devansh Jain (Son of Mr. Jain) – classified as KMP  
w.e.f. 1<sup>st</sup> 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

Refron Valves Limited

Devansh Trading and Finance Private Limited

Rajni Farms Private Limited

Inox India Limited

Sidhapavan Trading and Finance Pvt. Ltd.

Inox Air Products Limited

Siddho Mal Investments Private Limited

Inox Chemicals Private Limited



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

(ii) Particulars of transactions

Amount Rs. in Lacs

| Particulars                                      | Holding Company |         | Joint Ventures |         | Key Management Personnel (KMP) |         | Relatives of key Management Personnel |         | Enterprises over which KMP or his relative has significant influence |         | Total   |         |
|--|-----------------|---------|----------------|---------|--------------------------------|---------|---------------------------------------|---------|--|---------|---------|---------|
|  | 2013-14         | 2012-13 | 2013-14        | 2012-13 | 2013-14                        | 2012-13 | 2013-14                               | 2012-13 | 2013-14  | 2012-13 | 2013-14 | 2012-13 |
| <b>A) Transactions during the year</b>           |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| <b>Sales of Goods</b>                            |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Air Products Limited                        |                 |         |                |         |                                |         |                                       |         | 1.36   | 7.44    | 1.36    | 7.44    |
| Inox India Limited                               |                 |         |                |         |                                |         |                                       |         | 2.12   | 0.00    | 2.12    | 0.00    |
| Others   |                 |         |                |         |                                |         |                                       |         | 0.05   | 0.05    | 0.05    | 0.05    |
| <b>Total</b>                                     |                 |         |                |         |                                |         |                                       |         | 3.53   | 7.49    | 3.53    | 7.49    |
| <b>Purchase of Goods</b>                         |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Air Products Limited                        |                 |         |                |         |                                |         |                                       |         | 310.16   | 243.16  | 310.16  | 243.16  |
| Inox India Limited                               |                 |         |                |         |                                |         |                                       |         | 549.43   | 1704.44 | 549.43  | 1704.44 |
| XHCT Co. Ltd                                     |                 |         | 207.08         | 567.81  |                                |         |                                       |         |  |         | 207.08  | 567.81  |
| <b>Total</b>                                     |                 |         | 207.08         | 567.81  |                                |         |                                       |         | 859.59   | 1947.60 | 1066.67 | 2515.41 |
| <b>Purchase of Assets</b>                        |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox India Limited                               |                 |         |                |         |                                |         |                                       |         | 525.00   | 0.00    | 525.00  | 0.00    |
| <b>Total</b>                                     |                 |         |                |         |                                |         |                                       |         | 525.00   | 0.00    | 525.00  | 0.00    |
| <b>Inter corporate deposit repaid</b>            |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Leasing & Finance Limited                   | 0.00            | 600.00  |                |         |                                |         |                                       |         |  |         | 0.00    | 600.00  |
| Devansh Trading & Finance Private Limited        |                 |         |                |         |                                |         |                                       |         | 0.00   | 600.00  | 0.00    | 600.00  |
| Siddhapavan Trading & Finance Private Limited    |                 |         |                |         |                                |         |                                       |         | 0.00   | 500.00  | 0.00    | 500.00  |
| <b>Total</b>                                     | 0.00            | 600.00  |                |         |                                |         |                                       |         | 0.00   | 1100.00 | 0.00    | 1700.00 |
| <b>Inter corporate deposit received</b>          |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Leasing & Finance Limited                   | 0.00            | 1100.00 |                |         |                                |         |                                       |         |  |         | 0.00    | 1100.00 |
| Devansh Trading & Finance Private Limited        |                 |         |                |         |                                |         |                                       |         | 0.00   | 600.00  | 0.00    | 600.00  |
| Siddhapavan Trading & Finance Private Limited    |                 |         |                |         |                                |         |                                       |         | 0.00   | 500.00  | 0.00    | 500.00  |
| <b>Total</b>                                     | 0.00            | 1100.00 |                |         |                                |         |                                       |         | 0.00   | 1100.00 | 0.00    | 2200.00 |
| <b>Equity shares Subscribed</b>                  |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Swarnim Gujarat Fluorspar Pvt.Ltd                |                 |         | 0.00           | 1.25    |                                |         |                                       |         |  |         | 0.00    | 1.25    |
| <b>Total</b>                                     |                 |         | 0.00           | 1.25    |                                |         |                                       |         |  |         | 0.00    | 1.25    |
| <b>Interest Paid/Interest paid on Debentures</b> |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Leasing & Finance Limited                   | 121.00          | 17.17   |                |         |                                |         |                                       |         |  |         | 121.00  | 17.17   |
| Devansh Trading & Finance Private Limited        |                 |         |                |         |                                |         |                                       |         | 0.00   | 59.48   | 0.00    | 59.48   |
| Inox Chemicals Private Limited                   |                 |         |                |         |                                |         |                                       |         | 0.00   | 16.88   | 0.00    | 16.88   |
| Siddhapavan Trading & Finance Private Limited    |                 |         |                |         |                                |         |                                       |         | 0.00   | 52.38   | 0.00    | 52.38   |
| Siddho Mal Investments Private Limited           |                 |         |                |         |                                |         |                                       |         | 0.00   | 16.88   | 0.00    | 16.88   |
| <b>Total</b>                                     | 121.00          | 17.17   |                |         |                                |         |                                       |         | 0.00   | 145.62  | 121.00  | 162.79  |
| <b>Dividend Received</b>                         |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| XHCT Co. Ltd                                     |                 |         | 0.00           | 216.76  |                                |         |                                       |         |  |         | 0.00    | 216.76  |
| <b>Total</b>                                     |                 |         | 0.00           | 216.76  |                                |         |                                       |         |  |         | 0.00    | 216.76  |
| <b>Equity shares of Inox Wind Ltd issued</b>     |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| 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  |
| <b>Total</b>                                     |                 |         |                |         |                                |         |                                       |         | 0.00   | 1000.00 | 0.00    | 1000.00 |
| <b>Purchase of Investments</b>                   |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Mr. V K Jain                                     |                 |         |                |         | 0.01                           | 0.00    |                                       |         |  |         | 0.01    | 0.00    |
| Mr. D K Jain                                     |                 |         |                |         | 0.01                           | 0.00    | 0.01                                  | 0.00    |  |         | 0.01    | 0.00    |
| Mr. P K Jain                                     |                 |         |                |         |                                |         |                                       |         |  |         | 0.01    | 0.00    |
| Mr. Devansh Jain                                 |                 |         |                |         |                                |         | 0.01                                  | 0.00    |  |         | 0.01    | 0.00    |
| <b>Total</b>                                     |                 |         |                |         | 0.02                           | 0.00    | 0.02                                  | 0.00    |  |         | 0.04    | 0.00    |
| <b>Expenses (Repairs)</b>                        |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Refron Valves Limited                            |                 |         |                |         |                                |         |                                       |         | 1.79   | 0.90    | 1.79    | 0.90    |
| Inox Air Products Limited                        |                 |         |                |         |                                |         |                                       |         | 0.40   | 0.00    | 0.40    | 0.00    |
| <b>Total</b>                                     |                 |         |                |         |                                |         |                                       |         | 2.19   | 0.90    | 2.19    | 0.90    |
| <b>Reimbursement of expenses (paid)</b>          |                 |         |                |         |                                |         |                                       |         |  |         |         |         |
| Inox Air Products Limited                        |                 |         |                |         |                                |         |                                       |         | 4.05   | 6.46    | 4.05    | 6.46    |
| Inox Leasing & Finance Limited                   | 4.11            | 0.95    |                |         |                                |         |                                       |         |  |         | 4.11    | 0.95    |
| SMCPL  |                 |         | 0.00           | 2.18    |                                |         |                                       |         |  |         | 0.00    | 2.18    |
| Devansh Gases Private Limited                    |                 |         |                |         |                                |         |                                       |         | 7.32   | 0.00    | 7.32    | 0.00    |
| <b>Total</b>                                     | 4.11            | 0.95    | 0.00           | 2.18    |                                |         |                                       |         | 11.37  | 6.46    | 15.48   | 9.59    |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**
**Amount Rs. in Lacs**

| Particulars                                   | Holding Company |                | Joint Ventures |              | Key Management Personnel (KMP) |               | Relatives of key Management Personnel |               | Enterprises over which KMP or his relative has significant influence |               | Total          |                |
|---|-----------------|----------------|----------------|--------------|--------------------------------|---------------|---------------------------------------|---------------|--|---------------|----------------|----------------|
|   | 2013-14         | 2012-13        | 2013-14        | 2012-13      | 2013-14                        | 2012-13       | 2013-14                               | 2012-13       | 2013-14  | 2012-13       | 2013-14        | 2012-13        |
| <b>Reimbursement of expenses (received)</b>   |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Inox India Limited                            |                 |                |                |              |                                |               |                                       |               | 5.08   | 5.50          | 5.08           | 5.50           |
| Inox Leasing & Finance Limited                | 0.58            | 0.55           |                |              |                                |               |                                       |               |  |               | 0.58           | 0.55           |
| SMCPL   |                 |                | 0.04           | 3.50         |                                |               |                                       |               |  |               | 0.04           | 3.50           |
| Swarnim Gujarat Fluorspar Pvt.Ltd             |                 |                | 0.61           | 51.01        |                                |               |                                       |               |  |               | 0.61           | 51.01          |
| <b>Total</b>                                  | <b>0.58</b>     | <b>0.55</b>    | <b>0.65</b>    | <b>54.51</b> |                                |               |                                       |               | <b>5.08</b>  | <b>5.50</b>   | <b>6.31</b>    | <b>60.56</b>   |
| <b>Project hiring charges received</b>        |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| SMCPL   |                 |                | 0.00           | 5.06         |                                |               |                                       |               |  |               | 0.00           | 5.06           |
| <b>Total</b>                                  |                 |                | <b>0.00</b>    | <b>5.06</b>  |                                |               |                                       |               |  |               | <b>0.00</b>    | <b>5.06</b>    |
| <b>Rent Received</b>                          |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Inox Air Products Limited                     |                 |                |                |              |                                |               |                                       |               | 144.90   | 144.90        | 144.90         | 144.90         |
| Others  |                 |                |                |              |                                |               |                                       |               | 0.72   | 0.72          | 0.72           | 0.72           |
| <b>Total</b>                                  |                 |                |                |              |                                |               |                                       |               | <b>145.62</b>  | <b>145.62</b> | <b>145.62</b>  | <b>145.62</b>  |
| <b>Rent paid</b>                              |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Inox Air Products Limited                     |                 |                |                |              |                                |               |                                       |               | 1.65   | 0.60          | 1.65           | 0.60           |
| Devansh Gases Private Limited                 |                 |                |                |              |                                |               |                                       |               | 24.00  | 19.50         | 24.00          | 19.50          |
| Inox Leasing & Finance Limited                | 60.00           | 60.00          |                |              |                                |               |                                       |               |  |               | 60.00          | 60.00          |
| Others  |                 |                |                |              | 1.20                           | 1.20          |                                       |               |  |               | 1.20           | 1.20           |
| <b>Total</b>                                  | <b>60.00</b>    | <b>60.00</b>   |                |              | <b>1.20</b>                    | <b>1.20</b>   |                                       |               | <b>25.65</b>   | <b>20.10</b>  | <b>86.85</b>   | <b>81.30</b>   |
| <b>O&amp;M Charges &amp; Lease Rents paid</b> |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Inox Air Products Limited                     |                 |                |                |              |                                |               |                                       |               | 208.76   | 202.56        | 208.76         | 202.56         |
| <b>Total</b>                                  |                 |                |                |              |                                |               |                                       |               | <b>208.76</b>  | <b>202.56</b> | <b>208.76</b>  | <b>202.56</b>  |
| <b>Remuneration paid</b>                      |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Mr. V K Jain                                  |                 |                |                |              | 478.46                         | 574.19        |                                       |               |  |               | 478.46         | 574.19         |
| Mr. Devansh Jain                              |                 |                |                |              | 120.64                         | 47.88         |                                       |               |  |               | 120.64         | 47.88          |
| Others  |                 |                |                |              | 302.09                         | 283.39        | 0.00                                  | 3.14          |  |               | 302.09         | 286.53         |
| <b>Total</b>                                  |                 |                |                |              | <b>901.19</b>                  | <b>905.46</b> | <b>0.00</b>                           | <b>3.14</b>   |  |               | <b>901.19</b>  | <b>908.60</b>  |
| <b>Commission to Director/Manager</b>         |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Mr. D K Jain-Director                         |                 |                |                |              |                                |               |                                       |               | 96.92  | 609.54        | 96.92          | 609.54         |
| Mr.David Kaufmann-Manager                     |                 |                |                |              | 5.66                           | 6.83          |                                       |               |  |               | 5.66           | 6.83           |
| <b>Total</b>                                  |                 |                |                |              | <b>5.66</b>                    | <b>6.83</b>   | <b>96.92</b>                          | <b>609.54</b> |  |               | <b>102.58</b>  | <b>616.37</b>  |
| <b>Sitting Fees paid</b>                      |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Mr. D K Jain                                  |                 |                |                |              | 1.25                           | 0.35          |                                       |               | 1.60   | 1.20          | 1.60           | 1.20           |
| Mr. P K Jain                                  |                 |                |                |              | 1.25                           | 0.35          |                                       |               | 1.60   | 1.20          | 1.25           | 0.35           |
| <b>Total</b>                                  |                 |                |                |              | <b>1.25</b>                    | <b>0.35</b>   | <b>1.60</b>                           | <b>1.20</b>   |  |               | <b>2.85</b>    | <b>1.55</b>    |
| <b>Professional fees</b>                      |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Mr.David Kaufmann-Manager                     |                 |                |                |              | 57.89                          | 54.91         |                                       |               |  |               | 57.89          | 54.91          |
| Mr.Cody Kaufmann                              |                 |                |                |              |                                |               | 0.00                                  | 37.42         |  |               | 0.00           | 37.42          |
| <b>Total</b>                                  |                 |                |                |              | <b>57.89</b>                   | <b>54.91</b>  | <b>0.00</b>                           | <b>37.42</b>  |  |               | <b>57.89</b>   | <b>92.33</b>   |
| <b>B) Amounts outstanding</b>                 |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| <b>Amount payable</b>                         |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Mr. V K Jain                                  |                 |                |                |              | 272.93                         | 348.69        |                                       |               |  |               | 272.93         | 348.69         |
| Mr. D K Jain                                  |                 |                |                |              |                                |               | 66.97                                 | 421.19        |  |               | 66.97          | 421.19         |
| Inox India Limited                            |                 |                |                |              | 71.72                          | 37.50         |                                       |               | 149.75   | 82.10         | 149.75         | 82.10          |
| Mr. Devansh Jain                              |                 |                |                |              | 27.43                          | 16.45         |                                       |               | 75.17  | 46.17         | 71.72          | 37.50          |
| Others  | 0.00            | 0.33           | 59.17          | 74.00        | 27.43                          | 16.45         |                                       |               | 75.17  | 46.17         | 161.77         | 136.95         |
| <b>Total</b>                                  | <b>0.00</b>     | <b>0.33</b>    | <b>59.17</b>   | <b>74.00</b> | <b>372.08</b>                  | <b>402.64</b> | <b>66.97</b>                          | <b>421.19</b> | <b>224.92</b>  | <b>128.27</b> | <b>723.14</b>  | <b>1026.43</b> |
| <b>Inter-corporate deposits received</b>      |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Inox Leasing & Finance Limited                | 1100.00         | 1100.00        |                |              |                                |               |                                       |               |  |               | 1100.00        | 1100.00        |
| <b>Total</b>                                  | <b>1100.00</b>  | <b>1100.00</b> |                |              |                                |               |                                       |               |  |               | <b>1100.00</b> | <b>1100.00</b> |
| <b>Trade Receivables</b>                      |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Others  |                 |                |                |              |                                |               |                                       |               | 0.02   | 0.00          | 0.02           | 0.00           |
| <b>Total</b>                                  |                 |                |                |              |                                |               |                                       |               | <b>0.02</b>  | <b>0.00</b>   | <b>0.02</b>    | <b>0.00</b>    |
| <b>Loans &amp; Advances</b>                   |                 |                |                |              |                                |               |                                       |               |  |               |                |                |
| Swarnim Gujarat Fluorspar Pvt.Ltd             |                 |                | 51.62          | 51.01        |                                |               |                                       |               |  |               | 51.62          | 51.01          |
| Others  | 0.09            | 0.00           |                |              |                                |               |                                       |               |  |               | 0.09           | 0.00           |
| <b>Total</b>                                  | <b>0.09</b>     | <b>0.00</b>    | <b>51.62</b>   | <b>51.01</b> |                                |               |                                       |               |  |               | <b>51.71</b>   | <b>51.01</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

### 47. 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 | 2013-2014     | 2012-2013 | Purpose                                   |
|-------|---------------------------------|------------------|----------|---------------|-----------|---|
| a)    | Forward Contracts               | EURO             | Sell     | -             | 100.00    | Hedging of Receivable                     |
| b)    | Forward Contracts               | USD              | Buy      | -             | 210.58    | Hedging of Loan and Interest Rate of Loan |
| c)    | Currency and Interest Rate Swap | USD              | Buy      | -             | 55.79     | Hedging of Loan and Interest Rate of Loan |
| d)    | Currency and Interest Rate Swap | USD              | Buy      | <b>937.21</b> | 415.59    | Hedging of Loan and Interest Rate of Loan |
| e)    | Forward Contracts               | USD              | Buy      | <b>145.05</b> | -         | Hedging of Loan                           |
| f)    | Forward Contracts               | EURO             | Buy      | <b>43.09</b>  | -         | Hedging of Loan                           |
| g)    | Forward Contracts               | USD              | Buy      | <b>3.63</b>   | -         | Hedging of trade payables                 |
| h)    | Forward Contracts               | EURO             | Buy      | <b>26.69</b>  | -         | Hedging of trade payables                 |

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

| Sr. No. | Particulars       | 2013-2014 (Amount in lacs in respective currency) |        |     |      |      |        |     |      | 2012-2013 (Amount in lacs in respective currency) |        |        |      |      |        |      |     |
|---------|-------------------|---|--------|-----|------|------|--------|-----|------|---|--------|--------|------|------|--------|------|-----|
|         |                   | USD   | EURO   | JPY | GBP  | CHF  | YUAN   | AUD | SGD  | USD   | EURO   | JPY    | GBP  | CHF  | YUAN   | AUD  | SGD |
| a)      | Receivables       | 134.52  | 119.65 | -   | 0.28 | -    | -      | -   | -    | 91.96   | 206.49 | -      | 2.01 | -    | -      | -    | -   |
| b)      | Payables          | 252.61  | 65.73  | -   | 0.63 | -    | -      | -   | -    | 268.86  | 51.98  | 336.98 | 2.06 | 1.45 | -      | 0.66 | -   |
| c)      | Advances Received | 17.04   | 20.56  | -   | 0.09 | -    | -      | -   | -    | 0.41  | -      | -      | -    | -    | -      | -    | -   |
| d)      | Advances Paid     | 18.48   | 5.52   | -   | -    | 0.20 | -      | -   | 0.33 | 61.40   | 1.67   | 15.06  | 0.03 | 2.37 | -      | -    | -   |
| e)      | ECB/FCNRB         | 605.92  | 64.81  | -   | -    | -    | -      | -   | -    | 1320.05   | -      | -      | -    | -    | -      | -    | -   |
| f)      | PCFC              | -   | 29.40  | -   | -    | -    | -      | -   | -    | -   | -      | -      | -    | -    | -      | -    | -   |
| g)      | Buyers Credit     | 359.58  | 125.45 | -   | -    | -    | -      | -   | -    | 191.66  | 122.44 | -      | -    | -    | -      | -    | -   |
| h)      | Interest Payable  | 1.18  | 0.09   | -   | -    | -    | -      | -   | -    | 5.79  | -      | -      | -    | -    | -      | -    | -   |
| i)      | Investments       | 48.37   | 0.25   | -   | -    | -    | 225.91 | -   | -    | 46.65   | -      | -      | -    | -    | 225.91 | -    | -   |

### 48. Segment Information

#### A) Information about Primary (Business) Segments.

Amount Rs. in Lacs

| Particulars                           | Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|---------------------------------------|-----------------------|-----------------------|
| <b>[I] Segment Revenue</b>            |                       |                       |
| i. Chemicals                          | <b>118518.36</b>      | 168250.35             |
| ii. Wind Energy Business              | <b>156818.93</b>      | 106032.76             |
| iii. Power                            | <b>17324.15</b>       | 8143.13               |
| iv. Theatrical Exhibition             | <b>76257.66</b>       | 76848.47              |
| v. Others, Un-allocable and Corporate | <b>3483.66</b>        | 2362.05               |
| <b>Total Segment Revenue</b>          | <b>372402.76</b>      | 361636.76             |
| Less : Inter Segment Revenue          |                       |                       |
| - Wind Energy Business                | <b>22707.81</b>       | 41866.45              |
| <b>Total External Revenue</b>         | <b>349694.95</b>      | 319770.31             |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**

Amount Rs. in Lacs

| Particulars  | Year Ended<br>31.03.2014 | Year Ended<br>31.03.2013 |
|--|--------------------------|--------------------------|
| <b>[II] Segment Result</b>                                 |                          |                          |
| i. Chemicals   | <b>11483.75</b>          | 63634.54                 |
| ii. Wind Energy Business                                   | <b>13127.74</b>          | 13596.54                 |
| iii. Power   | <b>11652.46</b>          | 4749.12                  |
| iv. Theatrical Exhibition                                  | <b>6468.99</b>           | 5540.41                  |
| <b>Total Segment Result</b>                                | <b>42732.94</b>          | 87520.61                 |
| Add/(Less): Un-allocable Income /(Expenses)(Net)           | <b>1579.34</b>           | 264.94                   |
| Less : Finance Costs                                       | <b>17891.96</b>          | 13201.75                 |
| <b>Total Profit Before Tax</b>                             | <b>26420.32</b>          | 74583.80                 |
| Less : Taxation (Net )                                     | <b>3764.10</b>           | 19366.82                 |
| <b>Net Profit After Tax</b>                                | <b>22656.22</b>          | 55216.98                 |
| <b>[III] Other Information</b>                             |                          |                          |
| <b>a] Segment Assets</b>                                   |                          |                          |
| i. Chemicals   | <b>280594.82</b>         | 293446.52                |
| ii. Wind Energy Business                                   | <b>116697.66</b>         | 79782.14                 |
| iii. Power   | <b>155947.71</b>         | 128948.23                |
| iv. Theatrical Exhibition                                  | <b>81747.45</b>          | 77329.12                 |
| v. Others, Un-allocable and Corporate                      | <b>74806.40</b>          | 61353.49                 |
| <b>Total</b>   | <b>709794.04</b>         | 640859.50                |
| <b>b] Segment Liabilities</b>                              |                          |                          |
| i. Chemicals   | <b>22016.11</b>          | 18640.31                 |
| ii. Wind Energy Business                                   | <b>49852.34</b>          | 26761.10                 |
| iii. Power   | <b>1905.65</b>           | 2485.78                  |
| iv. Theatrical Exhibition                                  | <b>18516.76</b>          | 17785.19                 |
| v. Others, Un-allocable and Corporate                      | <b>261643.85</b>         | 238347.45                |
| <b>Total</b>   | <b>353934.71</b>         | 304019.83                |
| <b>c] Capital Expenditure (Including Capital Advances)</b> |                          |                          |
| i. Chemicals   | <b>15228.42</b>          | 21545.47                 |
| ii. Wind Energy Business                                   | <b>4401.51</b>           | 3512.58                  |
| iii. Power   | <b>12778.45</b>          | 41148.04                 |
| iv. Theatrical Exhibition                                  | <b>9979.60</b>           | 9066.44                  |
| v. Others, Un-allocable and Corporate                      | <b>0.00</b>              | 12.77                    |
| <b>Total</b>   | <b>42387.98</b>          | 75285.30                 |
| <b>d] Depreciation &amp; Amortization</b>                  |                          |                          |
| i. Chemicals   | <b>10328.71</b>          | 10048.65                 |
| ii. Wind Energy Business                                   | <b>1436.91</b>           | 1069.92                  |
| iii. Power   | <b>3806.19</b>           | 1617.32                  |
| iv. Theatrical Exhibition                                  | <b>4454.99</b>           | 4312.63                  |
| v. Others, Un-allocable and Corporate                      | <b>17.54</b>             | 17.57                    |
| <b>Total</b>   | <b>20044.34</b>          | 17066.09                 |
| <b>e] Non-cash expenses (other than depreciation)</b>      |                          |                          |
| i. Chemicals   | <b>21.85</b>             | 18.06                    |
| ii. Wind Energy Business                                   | <b>0.00</b>              | 0.00                     |
| ii. Power  | <b>0.00</b>              | 0.00                     |
| iv. Theatrical Exhibition                                  | <b>0.00</b>              | 14.07                    |
| iii. Others, Un-allocable and Corporate                    | <b>393.72</b>            | 486.28                   |
| <b>Total</b>   | <b>415.57</b>            | 518.41                   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**
**B) Information about Secondary (Geographical) Segments.**

| Particulars  | Amount Rs. in Lacs |           |
|--------------|--------------------|-----------|
|              | 2013-2014          | 2012-2013 |
| Domestic     | <b>290372.55</b>   | 218334.35 |
| Overseas     | <b>54781.35</b>    | 98307.48  |
| <b>Total</b> | <b>345153.90</b>   | 316641.83 |

**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 Procurement & Commissioning services, Operations & Maintenance services, Common Infrastructure Facility Services and Site Development 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.

**49. Employee Benefits:**

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 754.15 lacs (previous year Rs. 680.25 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and Rs. 16.06 lacs (previous year Rs. 16.52 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<br>2013-2014 | Gratuity<br>2012-2013 | Leave<br>Encashment<br>2013-2014 | Leave<br>Encashment<br>2012-2013 |
| <b>1. Change in Benefit Obligation</b> |                       |                       |                                  |                                  |
| Liability at the beginning of the year | <b>1000.92</b>        | 724.46                | <b>469.81</b>                    | 326.05                           |
| Addition on Amalgamation               | <b>0.00</b>           | 73.84                 | <b>0.00</b>                      | 37.92                            |
| Interest Cost                          | <b>77.26</b>          | 68.48                 | <b>33.73</b>                     | 29.64                            |
| Current Service Cost                   | <b>287.06</b>         | 255.03                | <b>275.29</b>                    | 235.44                           |
| Recognised Past Service Cost           | <b>0.00</b>           | 0.09                  | <b>0.00</b>                      | 0.00                             |
| Benefit paid                           | <b>(83.66)</b>        | (45.54)               | <b>(93.19)</b>                   | (61.40)                          |
| Actuarial (Gain)/Loss                  | <b>(140.49)</b>       | (75.45)               | <b>(170.29)</b>                  | (97.83)                          |
| Add : Short term leave liability       |                       |                       | <b>262.54</b>                    | <b>201.15</b>                    |
| <b>Total Liability</b>                 | <b>1,141.09</b>       | <b>1,000.91</b>       | <b>777.89</b>                    | <b>670.97</b>                    |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014**
**Amount Rs. in Lacs**

| Particulars  | Gratuity                                       | Gratuity    | Leave                   | Leave                   |
|--|--|-------------|-------------------------|-------------------------|
|  | 2013-2014                                      | 2012-2013   | Encashment<br>2013-2014 | Encashment<br>2012-2013 |
| <b>2. Expenses recognized in the Profit and Loss Account</b> |  |             |                         |                         |
| Current Service Cost   | <b>287.06</b>                                  | 255.03      | <b>273.33</b>           | 233.12                  |
| Interest Cost  | <b>77.26</b>                                   | 68.26       | <b>33.73</b>            | 29.64                   |
| Recognised Past Service Cost                                 | <b>0.00</b>                                    | 0.09        | <b>0.00</b>             | 0.00                    |
| Actuarial (Gain)/Loss  | <b>(140.49)</b>                                | (79.87)     | <b>(170.29)</b>         | (97.83)                 |
| <b>Expenses recognized in the Profit and Loss Account</b>    | <b>223.83</b>                                  | 243.51      | <b>136.77</b>           | 164.93                  |
| On account of short term leave liability                     |  |             | <b>61.40</b>            | 24.10                   |
| <b>Total for Leave Liability</b>                             |  |             | <b>198.17</b>           | 189.03                  |
| <b>3. Actuarial Assumptions</b>                              |  |             |                         |                         |
| Discount Rate  | <b>9.04 to 9.19 %</b>                          | 7 to 8.63 % | <b>9.04 to 9.19 %</b>   | 7 to 8.63 %             |
| Salary Escalation Rate                                       | <b>7% to 8 %</b>                               | 7% to 10%   | <b>7% to 8 %</b>        | 7% to 10%               |
| Retirement Age   | 58 years to 60 Years                           |             |                         |                         |
| Withdrawal Rates   | <b>5% to 10%</b>                               | 5% to 10%   | <b>5% to 10%</b>        | 5% to 10%               |
| Mortality-Current Year                                       | <b>IALM (2006-08) Ultimate mortality table</b> |             |                         |                         |
| Mortality-Previous Year                                      | <b>LIC (1994-96) Published table of rates</b>  |             |                         |                         |

| <b>4. Other disclosures : Experience Adjustment</b> | <b>2013-14</b> | <b>2012-13</b> | <b>2011-12</b> | <b>2010-11</b> | <b>2009-10</b> |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>(i) Gratuity</b>                                 |                |                |                |                |                |
| Present value of Defined benefit obligations        | 1134.85        | 916.31         | 701.18         | 559.30         | 434.96         |
| Experience (Gain)/Loss on obligation                | (36.63)        | (86.59)        | (33.06)        | (42.58)        | (37.22)        |
| <b>(ii) Leave Encashment</b>                        |                |                |                |                |                |
| Present value of Defined benefit obligations        | 715.84         | 419.75         | 306.36         | 243.98         | 179.78         |
| Experience (Gain)/Loss on obligation                | (124.95)       | (102.98)       | (51.72)        | 8.02           | (116.76)       |

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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014****50. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006;**

| Particulars  | Amount Rs. in Lacs |           |
|--|--------------------|-----------|
|  | 2013-2014          | 2012-2013 |
| Principal amount due to suppliers under MSMED Act, 2006 at the year end.                                 | 6.80               | 3.69      |
| Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end. | 0.02               | 0.06      |
| Payment made to suppliers (other than interest) beyond the appointed date during the year                | 28.88              | 14.46     |
| Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year                                | 0.01               | 0.02      |
| Interest due and payable to suppliers under MSMED Act for payments already made.                         | 0.71               | 0.17      |
| Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.                     | 4.07               | 3.35      |

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

**51. Calculation of Earnings Per Share (EPS):-**

| Particulars  | 2013-14   | 2012-2013 |
|--|-----------|-----------|
| a) Amount used as the numerator - Profit after taxation (Rs. in lacs)    | 18610.21  | 54335.75  |
| 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.)                            | 16.94     | 49.46     |

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

**D. K. JAIN**  
Director

**M. Y. Kulkarni**  
Partner

**DEEPAK ASHER**  
Director & Group Head  
(Corporate Finance)

**O. P. LOHIA**  
Director

**S. RAMA IYER**  
Director

**B. V. DESAI**  
Company Secretary

Place : Pune  
Dated : 29<sup>th</sup> May, 2014

Place : Noida  
Dated : 29<sup>th</sup> May, 2014

## 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 2013-2014

Amount Rs. in Lacs

| S. No. | Particulars                                       | Name of Subsidiary Company (including subsidiaries of subsidiaries) |   |   |                     |                                |                   |                         |                      |   |                                     | Marut Shakti Energy India Limited |
|--------|---|---|---|---|---------------------|--------------------------------|-------------------|-------------------------|----------------------|---|-------------------------------------|-----------------------------------|
|        |   | Inox Infrastructure Limited   | Gujarat Fluorochemicals Americas LLC, U.S.A.* | Gujarat Fluorochemicals Singapore Pte. Limited* | GFLGM Fluorspar SA* | Gujarat Fluorochemicals GmbH # | Inox Wind Limited | Inox Renewables Limited | Inox Leisure Limited | Inox Wind Infrastructure Services Limited | Inox Renewables (Jaisalmer) Limited |                                   |
| a)     | Capital   | 5,000.00  | 1,012.28                                      | 1,435.37  | 1,349.96            | 21.82                          | 20,000.00         | 305.00                  | 9,614.62             | 5.00                                      | 10,605.00                           | 61.11                             |
| b)     | Reserves  | 323.33  | 295.34  | 216.45  | (662.13)            | 60.45                          | 23,770.59         | 40,718.35               | 29,475.50            | (990.34)                                  | 1,233.73                            | (35.63)                           |
| c)     | Total Assets                                      | 5,331.49  | 3,657.56                                      | 1,657.08  | 1,384.27            | 2,949.18                       | 137,341.67        | 149,806.32              | 85,808.89            | 35,843.88                                 | 38,586.78                           | 891.48                            |
| d)     | Total Liabilities                                 | 8.16  | 2,349.94                                      | 5.27  | 696.43              | 2,866.91                       | 93,571.08         | 108,782.97              | 46,718.77            | 36,829.22                                 | 26,748.05                           | 866.00                            |
| e)     | Investments (other than investment in subsidiary) | 5,310.65  | -   | -   | -                   | -                              | 4,500.00          | -                       | 371.18               | 0.20                                      | 1,440.00                            | -                                 |
| f)     | Turnover  | -   | 4,764.47                                      | 18.38   | -                   | 2,063.30                       | 139,685.39        | 11,575.13               | 86,882.91            | 17,714.33                                 | 5,893.90                            | -                                 |
| g)     | Profit/(Loss) before taxation                     | 5.46  | (131.60)                                      | 10.32   | (253.05)            | 93.44                          | 14,649.56         | 1,457.07                | 5,219.33             | (1,869.20)                                | 707.60                              | (57.91)                           |
| h)     | Provision for taxation                            | 7.29  | (42.18)                                       | 3.63  | -                   | 29.56                          | 157.49            | 289.13                  | 1,525.73             | (605.58)                                  | 338.42                              | 3.12                              |
| i)     | Profit/(Loss) after taxation                      | (1.84)  | (89.42)                                       | 6.69  | (253.05)            | 63.88                          | 14,492.07         | 1,167.94                | 3,693.60             | (1,263.62)                                | 369.18                              | (61.02)                           |
| j)     | Proposed dividend                                 | Nil   | Nil   | Nil   | Nil                 | Nil                            | Nil               | Nil                     | Nil                  | Nil                                       | Nil                                 | Nil                               |

\* Exchange rate as on 31<sup>st</sup> March, 2014 : 1 USD = Rs. 59.89

# Exchange rate as on 31<sup>st</sup> March, 2014 : 1 EUR = Rs. 82.46



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**GUJARAT FLUORO CHEMICALS LIMITED**

Regd. Office : S/No. 16/3, 26 & 27, Village 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 **Wednesday, the 10<sup>th</sup> September, 2014 at 3.30 p.m. at S/No. 16/3, 26 & 27, Village 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, Village Ranjitnagar 389 380  
Taluka Ghoghamba, Dist. Panchmahal, Gujarat.

**PROXY**

FOLIO NO./Client ID No.....

I/We .....

of .....being 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-SEVENTH ANNUAL GENERAL MEETING of the Company to be held on

**Wednesday, the 10<sup>th</sup> September, 2014** and at any adjournment thereof.

Signed this ..... day of..... 2014.

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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