

**INOX LEASING AND  
FINANCE LIMITED**



**ANNUAL REPORT  
2009 - 2010**



INOX LEASING AND FINANCE LIMITED

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**INOX LEASING AND FINANCE LIMITED**



INOX LEASING AND FINANCE LIMITED

## INOX LEASING AND FINANCE LIMITED

### 15th ANNUAL REPORT

2009 – 2010

#### BOARD OF DIRECTORS

<b>Shri D.K. Jain</b>	<i>Chairman</i>
<b>Shri P.K. Jain</b>	<i>Managing Director</i>
<b>Shri V.K. Jain</b>	<i>Director</i>
<b>Shri Siddharth Jain</b>	<i>Director</i>
<b>Shri Deepak Asher</b>	<i>Whole-time Director</i>

#### AUDIT COMMITTEE

Shri Deepak Asher  
Shri V.K. Jain  
Shri Siddharth Jain

#### COMPANY SECRETARY

Shri Vijay Saxena

#### AUDITORS

M/s. S.C.Bandi & Co.  
Chartered Accountants

#### BANKERS

Standard Chartered Bank  
HDFC Bank Limited  
Axis Bank Limited  
Bank of Bahrain & Kuwait

#### REGISTERED OFFICE

69, Jolly Maker Chambers II  
Nariman Point,  
Mumbai - 400 021.



**INOX LEASING AND FINANCE LIMITED**

## **INOX LEASING AND FINANCE LIMITED**

### **NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **INOX LEASING AND FINANCE LIMITED** will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 10.00 a.m. at 69, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010 the Balance Sheet as at that date, the Auditor's Report thereon and the Directors' Report for the said year.
2. To note payment of interim dividend and declare final dividend for the year ended 31<sup>st</sup> March, 2010.
3. To appoint a Director in place of Shri V.K. Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Siddharth Jain who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS:**

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

"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of the appropriate authorities or bodies as may be necessary, the consent of the Company be and is hereby given to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise the shares, debentures, warrants and other securities of bodies corporate, to invest in mutual funds/liquid funds/debt schemes/flexible income plans etc. of entities coming under the purview of or regulated by SEBI/other prescribed authorities, to make loans to, and more specifically inter corporate deposits to other bodies corporate, provided that the total amount of such investment/loans made or security(ies) provided, together with the Company's existing investment/loans made or security(ies) provided, shall not exceed Rs. 200 crores (Rupees Two hundred crores)."

"RESOLVED FURTHER that the Board of Directors of the Company (or Committee of the Board) be and is hereby authorized to determine actual sum or sums to be lent or to be invested in securities of such body corporate(s)/and or mutual funds and finalise terms and conditions including security and to do all such acts, deeds, matters or things as may be necessary to implement this resolution."

"RESOLVED FURTHER that for the purpose of giving effect to the above resolution the Board of Directors (or Committee of the Board) be and is hereby authorized to delegate all or any of the powers herein conferred to any one or more Directors of the Company to finalise, settle and execute such documents /deeds /writings /agreements as may be required and to do all acts, matters or things as it may in its absolute discretion deem proper, fit and expedient and to settle any question, difficulty or doubt that may arise in this regard and in implementing the above resolution."

By Order of the Board of Directors

**D.K. JAIN**  
Chairman

Delhi, 23rd August, 2010

#### **REGISTERED OFFICE:**

69, Jolly Maker Chambers II,  
Nariman Point, Mumbai – 400 021

#### **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 AND A PROXY NEED NOT BE A MEMBER. THE DULY EXECUTED INSTRUMENT OF PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



**INOX LEASING AND FINANCE LIMITED**

- 2) The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

Item No. 6

The company is an investment company wherein the funds of the company are invested in shares of bodies corporates, in units of various mutual funds and by way of inter corporate deposits. It is proposed that the aggregate of the investments made in securities of other bodies corporate and/or mutual funds, together with loans made by way of inter corporate deposits etc. be increased to Rs. 200 crores (outstanding at any time).

Since Section 372A of the Companies Act, 1956 requires approval of the Shareholders by way of Special Resolution for making loans/inter corporate deposits/ investments in other bodies corporate beyond the limits specified in the said Section and the aforesaid transactions shall exceed the permissible limit prescribed under the above Section, approval of the shareholders is being sought by way of this resolution.

None of the directors of the Company is interested or concerned in any manner in the aforesaid resolution except to the extent of their directorship or shareholding, if any, in the Companies in which the existing/proposed investment/loans/inter corporate deposits are/may be made.

The Special Resolution as set out in the accompanying notice at items No. 6 is therefore, recommended by the Board for approval of the members.

By order of the Board of Directors

**D.K. JAIN**  
Chairman

Delhi, 23<sup>rd</sup> August, 2010

**REGISTERED OFFICE:**

69, Jolly Maker Chambers II,  
Nariman Point, Mumbai – 400 021.



**INOX LEASING AND FINANCE LIMITED**

## **DIRECTORS' REPORT**

To

The Members of  
Inox Leasing and Finance Limited

Dear Member,

Your Directors have pleasure in presenting to you their Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

### 1. Financial Results

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

	(Rs.in Lacs) <b>2009-2010</b>	(Rs.in Lacs) <b>2008-2009</b>
Total Income	<b>3665.08</b>	1546.98
Profit before Interest & Depreciation	<b>3570.98</b>	1459.65
Less: Interest	<b>0.02</b>	—
Profit before Depreciation	<b>3570.96</b>	1459.65
Less: Depreciation	<b>15.95</b>	20.85
Less: Provision for diminution in value of investments	<b>39.54</b>	25.60
Profit before Tax	<b>3515.47</b>	1413.20
Less: Provision for Taxation	<b>82.32</b>	38.46
Profit for the year	<b>3433.15</b>	1374.74
Add: Profit brought forward from previous year	<b>3690.69</b>	2595.95
	<b>7123.84</b>	3970.69
<hr/>		
<b>Appropriations</b>		
Transferred to Statutory Reserve Fund	<b>700.00</b>	280.00
Transferred to General Reserve	<b>350.00</b>	—
Interim Dividend	<b>1061.85</b>	—
Proposed Dividend	<b>1061.85</b>	—
Balance carried to Balance Sheet	<b>3950.14</b>	3690.69
	<b>7123.84</b>	3970.69

### 2. Dividend

Your Directors have already paid an interim dividend of Rs. 10.00 per equity share (100%). Your Directors now recommend a final dividend of Rs. 10.00 per equity share (100%) subject to approval of the shareholders. The total dividend payout for the year will be Rs. 2123.69 lacs.

### 3. Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year under review;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance



## **INOX LEASING AND FINANCE LIMITED**

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. Fixed Deposits**

Your Company has neither invited nor accepted any Deposits from the public.

### **5. Directors**

Mr. V.K. Jain and Mr. Siddharth Jain, Directors retire by rotation and being eligible offer themselves for re-appointment.

### **6. Subsidiary Companies**

Gujarat Fluorochemicals Limited is a subsidiary of your company. Inox Leisure Limited, Inox Infrastructure Pvt. Ltd., Inox Motion Pictures Limited, Inox Wind Limited and Gujarat Fluorochemicals Americas LLC, USA are the subsidiaries of Gujarat Fluorochemicals Limited.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the copies of the Balance Sheet and Profit and Loss Account, Report of the Board of Directors and Auditors of Gujarat Fluorochemicals Limited and its subsidiaries have not been attached with the Balance Sheet of the Company. However, these documents will be made available to the investors seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report.

### **7. Consolidated Financial Statements**

In accordance with the relevant Accounting Standards, the Consolidated Financial Statements of the Subsidiaries duly audited by the Statutory Auditors of the company are provided in the Annual Report.

### **8. Audit Committee**

In compliance with Section 292A of the Companies Act, 1956, an Audit Committee of the Board has been formed comprising of Mr. Deepak Asher, Mr. V.K. Jain and Mr. Siddharth Jain.

The terms of reference to the Audit Committee include periodical discussions with Auditors about Internal Control Systems, scope of Audit, review Half Yearly & Annual Financial Statements before submission to the Board, and compliance of Internal Control Systems.

### **9. Auditors**

M/s. S.C. Bandi & Company, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

### **10. Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

As the Company is not a manufacturing Company, the matter relating to the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is not applicable. There is no foreign exchange earnings / outgo during the year.

### **11. Particulars of Employees**

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

By Order of the Board of Directors

**D.K. JAIN**  
Chairman

Delhi, 23rd August, 2010



INOX LEASING AND FINANCE LIMITED

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

1. Name of the Company		Gujarat Fluorochemicals Limited	Inox Leisure Limited
2. Financial year ended	:	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2010
3. Shares held by the Holding Company in the Subsidiary Company	:	5,77,15,310 Equity Shares of Rs. 1/- each	7,14,120 Equity Shares of Rs. 10/- each
4. Holding Company's interest	:	52.54%	1.15%
5. The net aggregate of Profits or Losses for the current and previous financial periods of the Subsidiary so far as it concerns the members of the Holding Company:			
a) dealt with or provided for in the accounts of the Holding Company;	:	—	—
b) not dealt with or provided for in the accounts of the Holding Company.	:	Rs. 33,584.54 lacs (Rs. 34,094.17 lacs)	Rs. 2605.76 lacs (Rs. 2434.08 lacs)

Note :

1. Inox Leisure Limited is the subsidiary company of Gujarat Fluorochemicals Limited.
2. The Company has no investments in the other subsidiary companies of Gujarat Fluorochemicals Limited.

By Order of the Board of Directors

D.K. JAIN  
CHAIRMAN

Delhi, 23rd August, 2010



INOX LEASING AND FINANCE LIMITED

## AUDITORS' REPORT

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of INOX LEASING AND FINANCE LIMITED as at 31<sup>st</sup> March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of the written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010; and
  - b) in the case of Profit and Loss Account, of the profit for the year ended on that date, and
  - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **S.C. BANDI & CO.**  
Chartered Accountants

**S.C. BANDI**  
Proprietor  
Membership No. 16932

Mumbai  
Date : 23rd August, 2010



## ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH, 2010

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) The company has a regular programme of verification of its fixed assets at reasonable intervals. Though all the assets have not been physically verified by the management during the year, the company's programme of verification of such assets, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) During the year, the company has not disposed off substantial part of its fixed assets, which will affect the going concern status of the Company.
- (ii) (a) The stock of shares have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
  - (b) The procedures of physical verification of stocks of shares followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) We are informed that no material discrepancies have been noticed on physical verification of stocks of shares as compared to the book records.
- (iii) During the year, Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has no internal audit system. However internal controls exercised by the management of the Company commensurate with its size and nature of its business.
- (viii) Being an Investment Company the maintenance of cost records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.



**INOX LEASING AND FINANCE LIMITED**

- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty and wealth tax, which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses as at 31<sup>st</sup> March, 2010 and has not incurred any cash losses in the current financial year and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not taken any loans from Financial Institutions, Banks and debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) The Company is engaged in the business of trading in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of trading of shares and other securities and timely entries have been made therein. The Company's investments are held in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has not obtained any term loan for any purpose.
- (xvii) According to information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments and vice versa.
- (xviii) According to information and explanations given to us, during the year under audit 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.
- (xix) The company has not issued any debentures during the financial year covered by our audit.
- (xx) The company has not raised any money by public issue during the financial year covered by our audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **S.C. BANDI & CO.**  
Chartered Accountants

**S.C. BANDI**  
Proprietor  
Membership No. 16932

Mumbai  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## BALANCE SHEET AS AT 31st MARCH, 2010

	Sch. No.	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>I. SOURCES OF FUNDS</b>			
<b>1 Shareholders' funds:</b>			
(a) Capital	1	<b>106,184,670</b>	106,184,670
(b) Reserves and Surplus	2	<b>882,143,317</b>	751,198,301
		<hr/> <b>988,327,987</b>	<hr/>
		<hr/> <b>988,327,987</b>	<hr/> <b>857,382,971</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets:</b>			
Gross Block	3	<b>18,317,830</b>	17,260,193
Less: Depreciation		<b>11,263,579</b>	9,668,623
Net block		<hr/> <b>7,054,251</b>	<hr/> 7,591,570
<b>2 Investments:</b>	4	<hr/> <b>796,632,343</b>	<hr/> 460,466,389
<b>3 Deferred Tax Asset</b>		<hr/> <b>131,919</b>	<hr/> 286,917
<b>4 (i) Current Assets, Loans and Advances:</b>			
(a) Sundry Debtors	5	<b>3,385,819</b>	891,880
(b) Cash & Bank Balances	6	<b>43,429,490</b>	241,784,754
(c) Loans and Advances	7	<b>245,737,513</b>	148,125,795
Sub - Total (i)		<hr/> <b>292,552,822</b>	<hr/> 390,802,429
<b>(ii) Less: Current Liabilities and Provisions:</b>			
(a) Liabilities	8	<b>990,057</b>	1,026,145
(b) Provisions	9	<b>107,053,291</b>	738,189
Sub - Total (ii)		<hr/> <b>108,043,348</b>	<hr/> 1,764,334
<b>Net Current Assets (i) - (ii)</b>		<hr/> <b>184,509,474</b>	<hr/> 389,038,095
Notes forming part of accounts	11	<hr/> <b>988,327,987</b>	<hr/> 857,382,971

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place: Mumbai  
Date: 23rd August, 2010

Place : Delhi  
Date : 23rd August, 2010



INOX LEASING AND FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Sch. No.	2009-2010 Rupees	2008-2009 Rupees
<b>INCOME</b>			
Operating & Other Income			
Brokerage received		10,254,770	1,790,455
Dividend			
On long term investments		319,666,165	116,646,245
On current investments		10,062,898	2,979,955
		<u>329,729,063</u>	<u>119,626,200</u>
Rent received		3,600,000	3,600,000
Interest received from Banks & Others		17,514,506	12,810,276
(TDS deducted Rs. 19,36,530/-)			
Profit on sale of shares & units of mutual funds		5,318,037	16,871,156
Misc Income		91,785	—
		<u>366,508,161</u>	<u>154,698,087</u>
<b>EXPENDITURE</b>			
Administrative and Other Expenses	10	9,563,869	8,727,876
Interest		2,565	—
Depreciation	3	1,594,956	2,085,390
Loss on sale of assets		—	5,095
Provision for diminution in value of long term investments		3,954,150	2,559,712
		<u>15,115,540</u>	<u>13,378,073</u>
Profit before Tax		351,392,621	141,320,014
Less: Provision for Taxation			
Provision for Fringe Benefit Tax		8,000,000	4,000,000
Deferred Tax		—	125,000
		<u>154,998</u>	<u>(286,917)</u>
Profit after taxation for the year		8,154,998	3,838,083
Add/(Less): Taxes pertaining to earlier years		343,237,623	137,481,931
Balance Profit		76,733	(8,213)
Profit brought forward from previous year		343,314,356	137,473,718
Profit available for Appropriation		369,069,474	259,595,756
Less: <b>Appropriations:</b>		712,383,830	397,069,474
Transfer to Statutory Reserve Fund		70,000,000	28,000,000
Transfer to General Reserve		35,000,000	—
Interim Dividend		106,184,670	—
Proposed Dividend		106,184,670	—
Balance Profit carried to Balance Sheet		395,014,490	369,069,474
Basic and diluted earnings per share		32.33	12.95

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants**P.K. JAIN**  
Managing Director**S. C. BANDI**  
Proprietor**VIJAY SAXENA**  
Company Secretary**D.K. JAIN**  
ChairmanPlace: Mumbai  
Date: 23rd August, 2010Place : Delhi  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## **Cash Flow Statement for the year ended 31st March, 2010**

Particulars	2009-10 Rupees	2008-09 Rupees
A Cash flow from operating activities		
Net Profit before tax	<b>351,392,621</b>	141,320,014
Adjustments for :		
Depreciation & Amortisation	1,594,956	2,085,390
Loss on assets sold	—	5,095
Provision for Dimunition in value of Investments	3,954,150	2,559,712
Interest and Dividend received	<b>(347,243,569)</b>	(132,436,476)
Profit on sale of investments	(5,318,037)	(16,871,156)
Interest expenditure	2,565	—
Operating profit before working capital changes	<b>(347,009,935)</b>	(144,657,435)
Adjustments for :		
Trade & other receivables	4,382,686	(3,337,421)
Trade Payables	<b>(95,105,657)</b>	(12,811,662)
Cash generated from operations	94,345	(25,456,009)
Income taxes paid (Net)	<b>(95,011,312)</b>	(38,267,671)
<b>Net cash used in operating activities</b>	<b>(90,628,626)</b>	(41,605,092)
	<b>(7,923,267)</b>	(4,133,213)
	<b>(98,551,893)</b>	(45,738,305)
B Cash flow from investing activities		
Purchase of fixed assets	(1,057,637)	—
Sales of fixed assets	—	18,000
Purchase of Investments	(442,631,218)	(66,186,488)
Sales of Investments	97,511,113	201,499,138
Interest & Dividend received	347,243,569	132,436,476
Profit on sale of investments	5,318,037	16,871,156
<b>Net cash generated from investing activities</b>	<b>6,383,864</b>	284,638,282
C Cash flow from financing activities		
Interim Dividend paid	<b>(106,184,670)</b>	—
Interest paid	(2,565)	—
<b>Net cash used in financing activities</b>	<b>(106,187,235)</b>	—
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(198,355,264)</b>	238,899,977
Cash and cash equivalents as at the beginning of the year	241,784,754	2,884,777
Cash and cash equivalents as at the end of the year	<b>43,429,490</b>	241,784,754

As per our report of even date attached

For **S. C. BANDI & CO.**  
Chartered Accountants

On behalf of the Board of Directors

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place: Mumbai  
Date: 23rd August, 2010

Place : Delhi  
Date : 23rd August, 2010



## **INOX LEASING AND FINANCE LIMITED**

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
1,10,00,000 Equity Shares of Rs.10/- each	<b>110,000,000</b>	110,00,000,000
15,00,000 Preference Shares of Rs.100/- each	<b>150,000,000</b>	150,00,000,000
	<b>260,000,000</b>	260,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
1,06,18,467 Equity Shares of Rs.10/- each	<b>106,184,670</b>	106,184,670
	<b>106,184,670</b>	106,184,670
<b>NOTE:</b>		
Issued, Subscribed and paid up equity capital includes 2,43,367 equity shares allotted as fully paid up to the shareholders of erstwhile Roland Industrial Company Ltd. pursuant to the Scheme of Amalgamation, without payment being received in cash.		
<b>SCHEDULE - 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Reconstruction Reserve</b>		
As per last Balance Sheet	<b>63,952,497</b>	63,952,497
<b>Amalgamation Reserve</b>		
As per last Balance Sheet	<b>7,576,330</b>	7,576,330
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	<b>140,000,000</b>	140,000,000
<b>Statutory Reserve Fund*</b>		
As per last Balance Sheet	<b>160,600,000</b>	132,600,000
Add: Transferred from Profit and Loss Account	<b>70,000,000</b>	28,000,000
	<b>230,600,000</b>	160,600,000
* Created pursuant to Reserve Bank of India (Amendment)Act, 1997		
<b>General Reserve</b>		
As per last Balance Sheet	<b>10,000,000</b>	10,000,000
Add: Transferred from Profit and Loss Account	<b>35,000,000</b>	—
	<b>45,000,000</b>	10,000,000
<b>Profit and Loss Account</b>		
Balance as per Annexed Account	<b>395,014,490</b>	369,069,474
	<b>882,143,317</b>	751,198,301

\* Created pursuant to Reserve Bank of India (Amendment)Act, 1997

## General Reserve

As per last Balance Sheet

Add: Transferred from Profit and Loss Account

## **Profit and Loss Account**

Balance as per Annexed A

## Balance as per Annexed Account



**SCHEDULE - 3**  
**FIXED ASSETS:**

(Amount in Rs.)

Sr. No.	Description of Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01.04.09	Addition during the year	Deletion during the year	As at 31.03.10	As at 01.04.09	Addition during the year	Deletion during the year	As at 31.03.10
1.	BUILDINGS	3,128,050	—	—	3,128,050	1,995,440	56,631	—	2,052,071
2.	FURNITURE & FIXTURES	1,825,800	—	—	1,825,800	661,860	210,673	—	872,533
3.	VEHICLES	10,909,116	—	—	10,909,116	6,080,930	1,250,017	—	7,330,947
4.	OFFICE EQUIPMENTS	1,397,227	1,057,637	—	2,454,864	930,393	77,635	—	1,008,028
	TOTAL	17,260,193	1,057,637	—	18,317,830	9,668,623	1,594,956	—	11,263,579
	PREVIOUS YEAR:	17,685,193	—	425,000	17,260,193	7,985,138	2,085,390	401,905	9,668,623
									7,591,570
									—

**SCHEDULE - 4****INVESTMENTS - Long term, non-trade, at cost,  
unless otherwise stated**

In Equity Shares of Rs.10/- each fully paid up or as  
otherwise stated

**(A) QUOTED****i) In Subsidiary Company \***

Gujarat Fluorochemicals Limited  
(face value of Rs. 1/- each fully paid up)

Inox Leisure Limited  
(subsidiary of Gujarat Fluorochemicals Limited)

**ii) In Other Companies**

Damania Capital Market Limited

Eastern Mining Limited

Gujarat Borosil Limited

I F C I Limited

Konar Organics Limited

Punjab Woolcombers Limited

Rajinder Pipes Limited

Unified Agro Industries (India) Limited

W S Telesystem Limited

Orient Fabritex Limited

BOC India Limited

Bhoruka Gases Limited

Ahmedabad Gases Limited

Mount Everest Mineral Water Limited

Bombay Oxygen Corpn. Limited  
(face value of Rs. 100/- each fully paid up)

Less: Provision for diminution in value of Investments

**TOTAL (A)**

\*Subsidiary of the company w.e.f.18th September,2008  
refer Item no. 2 of Schedule 11 - Notes forming part  
of Accounts

	As at 31st March, 2010		As at 31st March, 2009	
	Nos.	Rupees	Nos.	Rupees
Gujarat Fluorochemicals Limited (face value of Rs. 1/- each fully paid up)	57,715,310	192,118,091	57,715,310	192,118,091
Inox Leisure Limited (subsidiary of Gujarat Fluorochemicals Limited)	714,420	25,938,000	511,633	15,193,309
<b>TOTAL (A)</b>				
			230,594,106	
			6,099,412	
			<b>224,494,694</b>	



**INOX LEASING AND FINANCE LIMITED**

**(B) UNQUOTED**

In Equity Shares of Rs.10/- each fully paid up or as otherwise stated

Humsay i Global Services Limited  
(formerly known as Inox Global Services Limited)

The Ratnakar Bank Limited

Ideas & U Limited

Wearit Global Limited

Less: Provision for diminution in value of Investments

**TOTAL (B)**

In Units of Mutual Funds (Face Value of Rs.10/-)

IDFC FMP Yearly Series 17-Plan B-Growth

IDFC FMP Yearly Series 19-Plan B-Growth

DSP Black Rock World Gold Fund - Growth

Birla Sunlife Savings Fund Instl - Dividend

**HDFC Cash Management Fund Treasury Adv Plan -Dividend**

Templeton Fixed Horizon Fund Series XI Plan G -Growth

Birla Sunlife Short Term Fund - Dividend

DSP Black Rock FMP 13M Series 2-Growth

HDFC Arbitrage Fund - Dividend

ICICI Prudential FMP Series 51-1Yr Plan A Growth

ICICI PRU FMP Series 50-19M Plan A Growth

IDFC FMP-14 Months Series 1 Growth

Reliance Fixed Horizon Fund XIII Series 6 -Growth

SBI SHF Ultra Short Term Plan-Dividend

TATA FMS Series 25 Scheme A-Growth

Templeton India Ultra Short Bond Fund-Dividend

Templeton India Ultra Short Bond Fund-Growth

**UTI-Fixed Term Income Fund-Series VII-II(407)Days-Growth**

In Units of Mutual Funds (Face Value of Rs.100/-)

ICICI Prudential Flexible Income Plan-Dividend

In Units of Mutual Funds (Face Value of Rs.1000/-)

UTI Treasury Advantage Fund Inst-Dividend

UTI Liquid Cash Fund - Growth

**TOTAL (C)**

**TOTAL [A] + [B] +[C]**

Market Value of the quoted investments

NOTE: Figures in bracket represent previous year figures.

\*Shares pending allotment

		As at 31st March, 2010		As at 31st March, 2009	
Nos.	Rupees	Nos.	Rupees		
1,957,500	19,672,875	1,957,500	19,672,875		
2,217,930	99,806,850	2,217,930	99,806,850		
500,000	50,00,000	500,000	50,00,000		
—	—	*100,000	50,000,000		
	124,479,725		174,479,725		
	19,653,300		15,699,150		
	104,826,425		158,780,575		
—	—	3,000,000	30,000,000		
—	—	1,000,000	10,000,000		
—	—	521,206	7,500,000		
5,382,033	53,864,950	1,008,589	10,095,206		
4,772,498	47,841,101	957,075	9,595,914		
1,000,000	10,000,000	1,000,000	10,000,000		
958,717	10,231,949	—	—		
883,862	8,838,620	—	—		
1,977,457	20,000,000	—	—		
1,000,000	10,000,000	—	—		
2,000,000	20,000,000	—	—		
4,538,531	45,741,533	—	—		
2,000,000	20,000,000	—	—		
1,000,000	10,000,000	—	—		
2,000,000	20,000,000	—	—		
4,006,319	40,848,252	—	—		
2,120,531	25,000,000	—	—		
1,500,000	15,000,000	—	—		
344,099	36,279,184	—	—		
35,605	35,633,425	—	—		
16,539	25,000,000	—	—		
	454,279,014		77,191,120		
	796,632,343		460,466,389		
	8,145,417,649		3,808,930,071		



Following investments were purchased and sold/redeemed during the year

	Nos.	Cost Rupees
Mutual Fund Units Face value Rs. 10/- each		
IDFC Money Manager Fund Treasury Plan B -Dividend	6532712.386	65,992,761.53
Reliance Short Term Fund - Dividend	971614.215	10,319,114.88
Mutual Fund Units Face value Rs. 1000/- each		
DSP Black Rock Money Manager Fund - Dividend	8827.501	8,834,564.39
Reliance Money Manager Fund - Dividend	61076.311	61,169,043.05
UTI Liquid Plus Fund Inst-Dividend	39103.643	40,000,000.00
		<u>186,315,483.85</u>

#### SCHEDULE - 5

##### SUNDY DEBTORS (UNSECURED)

Considered good by management

- i) Over six months
- ii) Others

#### SCHEDULE - 6

##### CASH AND BANK BALANCES

- 1 Cash on Hand
- 2 Bank Balance with Scheduled Banks
  - i) In Current Accounts
  - ii) In Deposit Accounts

#### SCHEDULE - 7

##### LOANS AND ADVANCES

(Unsecured - considered good by management)

- 1 Advances recoverable in cash or in kind or for value to be received
  - Considered Good
  - Considered Doubtful
- Less: Provision for doubtful advances
- 2 Interest accrued on Bank Deposits
- 3 Deposits
- 4 Inter-Corporate Deposits
- 5 Advance Tax & Income Tax deducted at source (net of provision of Rs. 3,31,26,600 Previous year Rs. 376,09,000)

As at 31st March, 2010	As at 31st March, 2009
Rupees	Rupees
—	—
<b>3,385,819</b>	<b>3,385,819</b>
—	—
<b>891,880</b>	<b>891,880</b>
—	—
<b>262,416</b>	540,925
—	—
<b>3,167,074</b>	1,243,829
<b>40,000,000</b>	240,000,000
—	—
<b>43,167,074</b>	241,243,829
<b>43,429,490</b>	<u>241,784,754</u>
—	—
<b>172,826,725</b>	116,350,424
<b>172,826,725</b>	<u>116,350,424</u>
—	—
<b>172,826,725</b>	116,350,424
<b>2,399,671</b>	9,625,165
<b>6,040,627</b>	6,040,627
<b>50,000,000</b>	—
<b>14,470,490</b>	16,109,579
—	—
<b>245,737,513</b>	<u>148,125,795</u>



**INOX LEASING AND FINANCE LIMITED**

**SCHEDULE - 8**

**CURRENT LIABILITIES**

- 1 Sundry Creditors - Due to
  - i) Micro & Small industries
  - ii) Others
  
- 2 Other Liabilities

**SCHEDULE - 9**

**PROVISIONS**

- Gratuity & Leave Encashment  
Proposed Dividend

	<b>As at 31st March, 2010</b>	<b>As at 31st March, 2009</b>
	Rupees	Rupees
1 Sundry Creditors - Due to	—	—
i) Micro & Small industries	<b>396,037</b>	256,949
ii) Others	<b>396,037</b>	256,949
2 Other Liabilities	<b>594,020</b>	769,196
	<b>990,057</b>	1,026,145
Gratuity & Leave Encashment	<b>868,621</b>	738,189
Proposed Dividend	<b>106,184,670</b>	—
	<b>107,053,291</b>	738,189

**SCHEDULE ATTACHED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

**SCHEDULE - 10**

**ADMINISTRATIVE AND OTHER EXPENSES:**

- 1 Salaries
- 2 Contribution to Provident Funds & Other Funds
- 3 Whole-time Director's Remuneration
- 4 Staff Welfare
- 5 Rates & Taxes
- 6 Legal & Professional Expenses
- 7 Rent paid
- 8 Insurance
- 9 General Repairs
- 10 Repairs & Maint Building
- 11 Miscellaneous Expenses

	<b>2009-2010</b>	<b>2008-2009</b>
	Rupees	Rupees
1 Salaries	<b>3,257,162</b>	3,189,995
2 Contribution to Provident Funds & Other Funds	<b>232,420</b>	218,924
3 Whole-time Director's Remuneration	<b>1,758,810</b>	1,797,322
4 Staff Welfare	<b>27,769</b>	36,930
5 Rates & Taxes	<b>20,848</b>	21,949
6 Legal & Professional Expenses	<b>272,724</b>	319,590
7 Rent paid	<b>1,200,000</b>	1,025,000
8 Insurance	<b>120,759</b>	197,223
9 General Repairs	<b>85,509</b>	143,488
10 Repairs & Maint Building	<b>717,395</b>	—
11 Miscellaneous Expenses	<b>1,870,473</b>	1,777,455
	<b>9,563,869</b>	8,727,876

**SCHEDULE - 11****NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED  
31st MARCH, 2010****1. SIGNIFICANT ACCOUNTING POLICIES**

## i) Basis of Accounting

These accounts have been prepared under the historical cost convention and comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

## ii) Revenue Recognition

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

## iii) Fixed Assets &amp; Depreciation

Fixed Assets are stated at cost less depreciation. Depreciation is provided on Written Down Value Method on pro-rata basis at the rates specified in Schedule XIV of the Companies Act, 1956.

## iv) Investments

Long term investments are stated at cost. Provision for diminution is made to recognize the decline, other than temporary, in the values of these investments. Income from investments is accounted for on accrual basis.

## v) Stock in Trade

Stock in trade comprising of shares purchased in Market are valued on the basis of first in first out method. Closing stock is valued scrip-wise at cost, or market price, whichever is lower.

The cost includes brokerage, service charges and share transfer stamps in respect of shares purchased. The unlisted shares are valued at cost.

## vi) Employee benefits

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

## vii) 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 recognized wherever the carrying amount of an asset exceeds its recoverable amount.

## viii) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that this would be realized in future.

2. In the previous year Gujarat Fluorochemicals Limited (GFL) has bought back and extinguished 59,30,000 equity shares of its paid up capital. Consequently, company's holding in GFL has increased to 52.54% (49.84% before the buy back), thus GFL has become a subsidiary of the company w.e.f. 18th September, 2008.



**INOX LEASING AND FINANCE LIMITED**

3. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the values stated if realised in the ordinary course of business. The provision for Depreciation and for all known liabilities are adequate and not in excess of the amounts reasonably necessary.
4. Estimated amount of contract remaining to be executed on Capital Account and not provided for, net of advances is Rs. 365.07 lacs. (previous year Rs. 365.07 lacs)
5. Major components of the net deferred tax asset as on 31<sup>st</sup> March, 2010 are as under:

Particulars	2009-2010 Rupees	2008-2009 Rupees
<b>Deferred Tax Liabilities</b>	<b>Nil</b>	<b>Nil</b>
Deferred Tax Assets:		
Depreciation	<b>87,586</b>	1,94,530
Total	<b>87,586</b>	1,94,530
Provision for Gratuity	<b>37,810</b>	53,532
Provision for Leave Encashment	<b>6,523</b>	38,855
Total	<b>44,333</b>	92,387
Net Deferred Tax	<b>1,31,919</b>	2,86,917

6. Particulars of remuneration to Whole-time Director:

Particulars	2009-2010 Rupees	2008-2009 Rupees
Salary & Incentive Bonus	<b>11,09,160</b>	11,09,160
Perquisites	<b>6,49,650</b>	6,88,162
Total	<b>17,58,810</b>	17,97,322

Note: No commission is payable to the Whole-time Director and hence, the computation of Net Profit under Section 349 of the Companies Act, 1956 is not given.

7. Particulars of Payment's to Auditor's

Particulars	2009-2010 Rupees	2008-2009 Rupees
Audit Fees	<b>87500</b>	87,500
Tax Audit Fees	<b>37500</b>	37,500
Taxation matters	<b>32500</b>	32,500
Certification	—	16,500
Service Tax	<b>16224</b>	18,932
Total	<b>1,73,724</b>	1,92,932

**INOX LEASING AND FINANCE LIMITED**

## 8. Basic and Diluted Earnings per Share:

Basic and Diluted Earnings have been calculated as follows:

	<b>2009-2010</b>	2008-2009
Profit after taxation	<b>343,314,356</b>	137,473,718
No. of equity shares outstanding at the beginning of the year	<b>10618467</b>	10618467
No. of equity shares outstanding at the close of the year	<b>10618467</b>	10618467
Nominal value of each share (Rs)	<b>10</b>	10
Basic and diluted Earnings per Share (Rs)	<b>32.33</b>	12.95

## 9. Related party disclosures as required by Accounting Standard (AS18) are as under:

## (i) Names of Related Parties:

## (A) Where control exists:

Subsidiary Company:

Gujarat Fluorochemicals Limited (w.e.f. 18<sup>th</sup> September, 2008 – see note (a) )

Inox Leisure Limited

Inox Infrastructure Private Limited

Inox Motion Pictures Limited

Inox Wind Limited

Gujarat Fluorochemicals Americas LLC, USA.

{

subsidiary companies of  
Gujarat Fluorochemicals Limited

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

NIL

Enterprises over which key management personnel or his relative has significant influence

- Gujarat Fluorochemicals Limited (up to 17<sup>th</sup> September, 2008 – see note (a) )
- Rajni Farms Pvt. Limited

Key Management Personnel

Mr. Pavan Kumar Jain (Managing Director)

Mr. Deepak Asher (Whole-time Director)



**INOX LEASING AND FINANCE LIMITED**

(ii) Particulars of Transactions:

Particulars	Subsidiary Company (Rs.)	Associate Company (Rs.)	Enterprises over which KMP has significant influence (Rs.)	Key Management Personnel (Rs.)	Total (Rs.)
<b>(A) Transactions during the year</b>					
<b>Rent received</b> Gujarat Fluorochemicals Ltd	36,00,000 (18,00,000)		— (18,00,000)		36,00,000 (36,00,000)
<b>Dividend received</b> Gujarat Fluorochemicals Ltd	31,74,34,205 (5,77,15,310)		— (5,77,15,310)		31,74,34,205 (11,54,30,620)
<b>Reimbursement of expenses (paid)</b> Gujarat Fluorochemicals Ltd	35,777 (14,208)		— (22,743)		35,777 (36,951)
<b>Reimbursement of expenses (received)</b> Gujarat Fluorochemicals Ltd	76,232 (38,420)		— (41,906)		76,232 (80,326)
<b>Rent paid</b> Rajni Farms Pvt Ltd.			12,00,000 (10,25,000)		12,00,000 (10,25,000)
<b>Inter-Corporate Deposit paid</b> Inox Leisure Limited	5,00,00,000 (—)				5,00,00,000 (—)
<b>Interest received</b> Inox Leisure Limited	49,78,082 (—)				49,78,082 (—)
<b>Deposit paid</b> Rajni Farms Pvt Ltd.			— (20,00,000)		— (20,00,000)
<b>Investment in shares</b> Inox Leisure Limited	1,07,44,691 (1,51,93,309)				1,07,44,691 (1,51,93,309)
<b>Remuneration paid</b> Shri Deepak Asher				17,58,810 (17,97,322)	17,58,810 (17,97,322)
<b>(B) Amounts outstanding</b>					
<b>Investments in shares</b>					
Gujarat Fluorochemicals Ltd	19,21,18,091 (19,21,18,091)				19,21,18,091 (19,21,18,091)
Inox Leisure Limited	2,59,38,000 (1,51,93,309)				2,59,38,000 (1,51,93,309)
<b>Deposit paid</b> Rajni Farms Pvt Ltd.			60,00,000 (60,00,000)		60,00,000 (60,00,000)
<b>Inter-Corporate Deposit paid</b> Inox Leisure Limited	5,00,00,000 (—)				5,00,00,000 (—)
<b>(C) Amounts payable</b>					
Reimbursement of expenses Gujarat Fluorochemicals Ltd	6,971 (7,290)				6,971 (7,290)
Remuneration Shri Deepak Asher				1,84,860 (1,84,860)	1,84,860 (1,84,860)



## Note:

- a) Gujarat Fluorochemicals Limited (GFL) was an "Enterprise over which Key Management Personnel, or his relative, has significant influence". GFL has become a subsidiary company w.e.f. 18<sup>th</sup> September, 2008. Hence, transactions upto 17<sup>th</sup> September, 2008 are classified as transactions with "Enterprise over which Key Management Personnel, or his relative, has significant influence" and transactions w.e.f. 18<sup>th</sup> September, 2008 are classified as transaction with "Subsidiary Company".
- b) Figures in bracket represent previous year figures.

## 10. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of **Rs. 2,08,669/-** (Previous year Rs. 1,96,353/-) is recognized as an expense and included in 'Contribution to Provident and Other Funds in the Profit and Loss Account.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial Valuation as on 31<sup>st</sup> March, 2010.

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009
1. Change in Benefit Obligation				
Liability at the beginning of the year	<b>5,21,326</b>	3,63,834	<b>2,16,863</b>	1,02,551
Interest Cost	<b>36,493</b>	27,694	<b>15,180</b>	7,968
Current Service Cost	<b>1,55,597</b>	1,22,549	<b>1,32,692</b>	1,47,170
Benefit paid	—	(35,308)	—	(5,893)
Actuarial (Gain)/Loss	<b>(80,850)</b>	42,557	<b>(1,28,680)</b>	(34,933)
Liability at the end of the year	<b>6,32,566</b>	5,21,326	<b>2,36,055</b>	2,16,863
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	<b>1,55,597</b>	1,22,549	<b>1,32,692</b>	1,47,170
Interest Cost	<b>36,493</b>	27,694	<b>15,180</b>	7,968
Actuarial (Gain)/Loss	<b>(80,850)</b>	42,557	<b>(1,28,680)</b>	(34,933)
Expenses recognized in the Profit and Loss Account	<b>1,11,240</b>	1,92,800	<b>19,192</b>	1,20,205
3. Actuarial Assumptions				
Discount Rate	<b>8%</b>	7%	<b>8%</b>	7%
Salary Escalation Rate	<b>7%</b>	7%	<b>7%</b>	7%
Retirement Age			58 years	
Mortality			LIC (1994-96) published table of rates	

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

11. There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006.
12. Particulars of Segment Information as required by Accounting Standard (AS17)  
Company being an investment company there are no reportable business segments.
13. Disclosure as required by Accounting Standard - AS 19 on 'Leases' -

**INOX LEASING AND FINANCE LIMITED**

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

14. As the Company is not a manufacturing company, the information required under Clause 4C part II of Schedule VI to the Companies Act, 1956 has not been given.
15. Stock-in-Trade  
During the year the Company has transferred its Stock in Trade of Unquoted Equity Shares of the value of Rs. 5,000,000/- to Investments at Cost.
16. Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI to the Companies Act, 1956, is attached.
17. Previous year figures are regrouped and rearranged wherever necessary.

Signature to Schedule 1 to 11

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As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

Place: Mumbai  
Date: 23rd August, 2010

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place : Delhi  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## AUDITOR'S REPORT

As per Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008

We have audited the attached Balance Sheet of **INOX LEASING AND FINANCE LIMITED** as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India in terms of RBI Circular No. DNBS (PD) CC No. 146 / 03.02.001 / 2009-10 dated July 1, 2009, we annex hereto a statement on the matters specified in paragraph 3 and 4 of the said Directions.

Further to our comments in the Annexure referred to in paragraph 1 above, 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 accounts as required by law have been kept by the company so far, as appears from our examination of such books.
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) As per the informations and explanations received by us, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
  - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **S.C. BANDI & CO.**  
Chartered Accountants

**S.C. BANDI**  
Proprietor  
Membership No. 16932

Mumbai  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## **ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

### CLAUSE 3(A)

1. The company is engaged in the business of Non-Banking Financial Institution and it has obtained the Certificate of Registration (CoR) from RBI U/s 45-IA of the RBI Act' 1934 vide Certificate No. B-13.01448 Dated 04.01.2001.
2. The asset/ income pattern of the company as on 31.03.2010 shows that financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income so the company continued to undertake the business of Non Banking Financial Institution (NBFI) during the year ended on 31-03-2010, there by that company is entitled to continue to hold such CoR in terms of its asset/income pattern as on March 31, 2010.
3. Since the company is not a Asset Finance Company based on the criteria set forth by RBI vide Circular No. DNBS.PD.CC.No. 85/03.02.089/2006-07, therefore clause 3(A)(iii) is not applicable to the company.

### CLAUSE 3(B)

Since the company has not accepted/holding any public deposits so clause 3(B) is not applicable to the company.

### CLAUSE 3(C)

1. The Board of Directors have passed a resolution for non- acceptance of any public deposits.
2. The company has not accepted any public deposits during the relevant period/year;
3. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
4. Since the total assets of the company as on 31.03.2010 is less than Rs. 100 Crores so it is not a systemically important NBFC as defined in para. 2(1)(xix) of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and therefore clause 3(C)iv is not applicable to the company.

### CLAUSE 3(D)

Since the company has obtained a Certificate of Registration (CoR) from RBI U/s 45-IA of the RBI Act, 1934 so clause 3(D) is not applicable to the company.

### CLAUSE 4

Since there are no unfavourable or qualified statements in any of the clauses above so, clause 4 is not applicable to the company.

For **S.C. BANDI & CO.**  
Chartered Accountants

**S.C. BANDI**  
Proprietor  
Membership No. 16932

Mumbai  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 13 of Non Banking Financial(Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)**

Particulars	(Rs. in Lakhs)	
	Amount outstanding	Amount overdue
<b>Liabilities Side</b>		
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	NIL	NIL
(a) Debentures : Secured	NIL	NIL
: Unsecured	—	—
(other than falling within the meaning of public deposit *)	—	—
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-Corporate loans and borrowing	—	—
(e) Commercial Paper	—	—
(f) Other Loans (specify nature)*	—	—
Please see Note 1 below		
<b>Assets side:</b>		
<b>(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :</b>	—	—
(a) Secured	—	—
(b) Unsecured	2312.67	—
<b>(3) Break up of Leased assets and stock on hire and other assets counting towards AFC activites</b>	—	—
(i) Lease assets including lease rentals under sundry debtors:	—	—
(a) Financial Lease	—	—
(b) Operating Lease	—	—
(ii) Stock on hire including hire charges under sundry debtors:	—	—
(a) Assets on hire	—	—
(b) Repossessed Assets	—	—
(iii) Other loans counting towards AFC activities	—	—
(a) Loans where assets have been repossessed	—	—
(b) Loans other than (a) above	—	—
<b>(4) Break -up of Investments:</b>		
1. Quoted:		
(i) Shares :	—	—
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of Mutual Funds	—	—
(iv) Government Securities	—	—
(v) Others (Please specify)	—	—
2. Unquoted:		
(i) Shares :	—	—
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of Mutual Funds	—	—
(iv) Government Securities	—	—
(v) Others (Please specify)	—	—



**INOX LEASING AND FINANCE LIMITED**

**Long Term investments:-**

1	<u>Quoted:</u>	
	(i) Shares	2375.27
	(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of mutual funds	—
	(iv) Government Securities	—
	(v) Others (please specify)	—
2	<u>Unquoted:</u>	
	(i) Shares	1048.26
	(a) Equity	—
	(b) Preference	—
	(ii) Debentures and Bonds	—
	(iii) Units of mutual funds	4,542.79
	(iv) Government Securities	—
	(v) Others (please specify)	—

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above:**

Please see Note 2 below

Category

- 1. Related Parties \*\*
- a) Subsidiaries\*
- b) Companies in the same group
- c) Other related parties
- 2. Other than related parties

**Total**

	Amount net of provisions		
	Secured	Unsecured	Total
—	—	NIL	NIL
—	—	500.00	500.00
—	—	60.00	60.00
—	—	NIL	NIL
—	—	1752.67	1752.67
<b>Total</b>	—	2312.67	2312.67

\*Inter Corporate Deposit to Inox Leisure Limited sub-subsidiary company

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

Category

- 1 Related Parties\*
- a) Subsidiaries (including their subsidiaries)
- b) Other related parties
- 2 Other than related parties

**Total**

	Market Value/ break up or fair values or NAV	Book Value (net of provisions)
—	81277.16	2180.56
—	—	NIL
—	5,707.08	5,785.76
<b>Total</b>	86,984.24	7,966.32

\* As per Accounting Standard of ICAI (Please see Note 3)

\*\* Break up or fair value of investments in unquoted equity shares has been taken at Book Value.



**INOX LEASING AND FINANCE LIMITED**

**(7) Other information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes:

- 1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

On behalf of the Board of Directors

**P.K. JAIN**  
Managing Director

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place: Delhi  
Date: 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## **Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956**

### **Balance Sheet Abstract and Company's General Business Profile**

#### **I REGISTRATION DETAILS**

Registration No      

U	6	5	9	1	0	M	H	1	9	9	5	P	L	C	0	8	5	7	0	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code 

1	1
---	---

Balance Sheet Date 

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

Date Month Year

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

Public Issue

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

Right Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

1	0	9	6	3	7	1
---	---	---	---	---	---	---

Total Assets

1	0	9	6	3	7	1
---	---	---	---	---	---	---

#### **Sources of Funds**

Paid-up Capital

1	0	6	1	8	4
---	---	---	---	---	---

Reserves & Surplus

8	8	2	1	4	3
---	---	---	---	---	---

Secured Loans

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

Unsecured Loans

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

#### **Application of Funds**

Net Fixed Assets

7	0	5	4
---	---	---	---

Investments

7	9	6	6	3	2
---	---	---	---	---	---

Net Current Assets

1	8	4	5	0	9
---	---	---	---	---	---

Misc. Expenditure

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

Deferred Tax Asset

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

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

Turnover (Net)

3	6	6	5	0	8
---	---	---	---	---	---

Total Expenditure

1	5	1	1	5
---	---	---	---	---

Profit Before Tax

3	5	1	3	9	3
---	---	---	---	---	---

Profit After Tax

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

Earning per share (Rs.)

3	2	.	3	3
---	---	---	---	---

Dividend Rate @ %

1	0	0
---	---	---

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

(As per monetary terms)

Item Code No (ITC Code)

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

Service Description

INVESTMENTS & OTHER RELATED ACTIVITIES									
--	--	--	--	--	--	--	--	--	--

As per our report of even date attached

On behalf of the Board of Directors

For **S.C.BANDI & CO.**

**P.K. JAIN**

Chartered Accountants

Managing Director

**S.C.BANDI**

**D.K. JAIN**

Proprietor

Chairman

Place: Mumbai

Place : Delhi

Date: 23rd August, 2010

Date : 23rd August, 2010

**VIJAY SAXENA**

Company Secretary



INOX LEASING AND FINANCE LIMITED

## Financial Information of Subsidiary Companies

(Rupees in lacs)

Name of Subsidiary Company	Gujarat Fluorochemicals Limited	Inox Leisure Limited	Inox Infrastructure Pvt. Ltd.	Inox Motion Pictures Limited	Inox Wind Limited	Gujarat Fluorochemicals Americas LLC, USA
Country	India	India	India	India	India	USA
Funds Employed						
Capital	1,098.50	6,149.41	5,000.00	300.00	3,000.00	204.84
Employee Stock Options Outstanding	-	78.02	-	-	-	-
Reserves and Surplus	151,732.60	24,863.77	103.88	-	-	(5.58)
	152,831.10	31,091.20	5,103.88	300.00	3,000.00	199.26
Liabilities:						
Secured Loans	28,058.29	5,929.33	-	-	-	-
Unsecured Loans	25,729.15	12,700.00	-	225.00	5,746.86	-
Deferred Tax Liability	9,773.60	1,559.18	-	-	-	-
Total Liabilities	63,561.04	20,188.51	-	225.00	5,746.86	-
Total Funds Employed	216,392.14	51,279.71	5,103.88	525.00	8,746.86	199.26
Assets:						
Fixed Assets (including Capital work in progress)	119,853.13	33,536.95	-	40.10	7,877.52	145.17
Investments	74,867.04	8,269.52	3,596.05	-	-	-
Net Current Assets	21,671.97	9,473.24	1,507.83	(10.23)	744.21	18.32
Deferred Tax Assets	-	-	-	-	0.74	-
Profit and Loss Account	-	-	-	495.13	124.39	35.77
Total Assets (Net)	216,392.14	51,279.71	5,103.88	525.00	8,746.86	199.26
Turnover/Total Income	105,698.28	25,611.31	34.03	40.14	785.50	21.56
Profit before taxation	40,205.74	1,811.44	31.28	(526.93)	(125.13)	(35.77)
Provision for taxation	6,799.05	363.69	6.50	-	0.74	-
Profit after taxation	33,406.69	1,447.75	24.78	(486.79)	(124.39)	(35.77)
Interim & Proposed Dividend	3,844.75 (150%)	-	-	-	-	-



INOX LEASING AND FINANCE LIMITED

# **INOX LEASING AND FINANCE LIMITED**

## **CONSOLIDATED ANNUAL ACCOUNTS**

**2009 – 2010**



INOX LEASING AND FINANCE LIMITED

## Auditor's Report on Consolidated Financial Statements

### AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF INOX LEASING AND FINANCE LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached Consolidated Balance Sheet of INOX LEASING AND FINANCE LIMITED (the 'Company'), its subsidiaries, joint venture and associate (collectively the 'Group') as at 31<sup>st</sup> March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Venture, notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

We did not audit the financial statements of the subsidiary company, Gujarat Fluorochemicals Limited and its subsidiaries, joint venture and associate whose financial statements reflect total assets (net) of Rs. 296145.70 lacs and total revenues of Rs. 133054.84 lacs. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint venture and associate is based solely on their reports.

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

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2010;
- b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- c] in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S.C. BANDI & CO.  
Chartered Accountants

S.C. BANDI  
Proprietor  
Membership No. 16932

Mumbai  
Date : 23rd August, 2010



**INOX LEASING AND FINANCE LIMITED**

## **Consolidated Balance Sheet of Inox Leasing and Finance Limited and its Subsidiary Companies as at 31 st March, 2010**

	Schedule Number	<b>As at 31st March, 2010 Amount (Rs. in lacs)</b>	<b>As at 31st March, 2009 Amount (Rs. in lacs)</b>
<b>I SOURCES OF FUNDS</b>			
1 Shareholders' Funds			
(a) Capital	1	1061.85	1061.85
(b) Reserves and Surplus	2	<u>108406.39</u>	<u>77820.59</u>
		<b>109468.24</b>	78882.44
2 Minority Interest		<b>77968.61</b>	77298.12
3 Loan Funds			
(a) Secured Loans	3	33987.62	58419.97
(b) Unsecured Loans	4	<u>27391.21</u>	<u>13877.71</u>
		<b>61378.83</b>	72297.68
4 Deferred Tax Liability (Net)		<b>11332.78</b>	10555.67
<b>Total</b>		<b>260148.46</b>	239033.91
<b>II APPLICATION OF FUNDS</b>			
1 Fixed Assets	5		
(a) Gross Block		169822.74	126783.94
(b) Less : Depreciation		<u>26066.21</u>	<u>18893.02</u>
		<b>143756.53</b>	107890.92
(c) Net Block		<b>10899.20</b>	19895.86
(d) Capital Work-in-progress		<b>7978.04</b>	4376.00
(e) Advances on Capital Account		<b>1014.62</b>	1049.84
(f) Pre-operative expenditure pending allocation	6		
		<b>163648.39</b>	133212.62
2 Investments	7	<b>78130.45</b>	49282.52
3 Deferred Tax Asset		<b>2.06</b>	2.87
4 (i) Current Assets, Loans and Advances	8		
(a) Inventories		20392.03	19383.85
(b) Sundry Debtors		<b>10552.16</b>	12831.30
(c) Cash and Bank Balances		<b>14266.33</b>	23005.41
(d) Other Current Assets		<b>301.00</b>	916.52
(e) Loans and Advances		<b>17136.43</b>	20305.40
Sub-Total (i)		<b>62647.95</b>	76442.48
(ii) Less : Current Liabilities and Provisions	9		
(a) Liabilities		41270.88	16658.82
(b) Provisions		<u>3009.51</u>	<u>3247.77</u>
Sub-Total (ii)		<b>44280.39</b>	19906.59
Net Current Assets (i) - (ii)		<b>18367.56</b>	56535.90
<b>Total</b>		<b>260148.46</b>	239033.91
Notes forming part of Accounts	17		

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place: Mumbai  
Date: 23rd August, 2010

Place : Delhi  
Date : 23rd August, 2010



INOX LEASING AND FINANCE LIMITED

## Consolidated Profit and Loss Account of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31 st March, 2010

	Schedule Number	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
<b>INCOME</b>			
1 Sales and Services - Gross		<b>128133.69</b>	129700.24
Less: Excise Duty		<b>2014.96</b>	2669.14
2 Sales and Services - Net	10	<b>126118.74</b>	127031.10
2 Other Income	11	<b>7341.07</b>	4109.90
		<b>133459.81</b>	131141.00
<b>EXPENDITURE</b>			
1 (Increase) / Decrease in Stocks	12	<b>(910.97)</b>	(4483.50)
2 Materials Consumed and Purchase of Goods	13	<b>22279.94</b>	20832.98
3 Manufacturing, Operating and other Expenses	14	<b>49820.81</b>	45818.61
4 Salaries and Benefits	15	<b>7009.08</b>	6969.56
5 Provision for diminution in value of investments (Net)	7	<b>1599.38</b>	293.69
6 Interest	16	<b>5120.26</b>	5385.21
7 Goodwill on consolidation written off		<b>178.69</b>	—
8 Depreciation & Amortization	5	<b>7806.45</b>	6389.54
Less : Expenses Capitalized		<b>92903.64</b>	81156.09
		<b>(784.95)</b>	—
		<b>92118.69</b>	81156.09
<b>Net Expenditure</b>		<b>41341.12</b>	49984.90
9 Profit before Taxation			
10 Provision for Taxation for the year		<b>7381.50</b>	12383.25
Current tax		<b>(1102.00)</b>	—
MAT Credit Entitlement		<b>970.55</b>	1618.71
Deferred tax		—	81.25
Fringe benefit tax		<b>7250.05</b>	14083.21
11 Profit after tax		<b>34091.07</b>	35901.69
12 Add/(Less) : Taxation in respect of earlier years		<b>(3.19)</b>	20.78
Prior Period Taxation		<b>978.00</b>	—
MAT Credit Entitlement for earlier years - ref. note no. 9		<b>192.62</b>	1022.62
Reversal of current tax provision and deferred tax for earlier years - Refer Note No. 9 in Notes to Accounts		<b>35258.50</b>	36945.09
13 Profit for the year		<b>(17538.61)</b>	(17537.12)
14 Less: Minority Interest		—	(2.46)
15 Add/(Less) : Profit of Associate/Share in (Loss)		<b>17719.89</b>	19405.51
16 Net Profit		<b>9210.88</b>	2617.93
17 Profit brought forward from previous year		<b>31.69</b>	—
18 Share in opening profit in Joint Venture		<b>26962.46</b>	22023.44
19 Profit available for appropriation			
20 Less : Appropriations		<b>—</b>	59.30
Capital Redemption Reserve		<b>—</b>	(4.88)
Dividend on shares bought back		<b>5000.00</b>	1409.81
Transfer to General Reserve		<b>700.00</b>	280.00
Transfer to Statutory Reserve Fund		—	8590.19
Transfer to Consolidation Reserve		<b>2104.55</b>	—
Interim Dividend		<b>1843.87</b>	1824.72
Proposed Dividend		<b>647.05</b>	653.42
Tax on Dividend		<b>10295.47</b>	12812.56
21 Balance carried to Balance Sheet		<b>16666.99</b>	9210.88
Basic and diluted Earnings per Share of Rs. 10 each		<b>166.88</b>	182.75
Notes forming part of Accounts	17		

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**S. C. BANDI**  
Proprietor

Place: Mumbai  
Date: 23rd August, 2010

**VIJAY SAXENA**  
Company Secretary

Place : Delhi  
Date : 23rd August, 2010

**D.K. JAIN**  
Chairman



**INOX LEASING AND FINANCE LIMITED**

## **Consolidated Cash Flow Statement of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31 st March, 2010**

	Amount (Rs. in lacs)	
	2009-2010	2008-2009
<b>A Cash flow from operating activities</b>		
Net Profit before tax	41,341.12	49,984.90
Adjustments for :		
Depreciation & Amortisation	7,806.45	6,004.59
Loss on assets sold	8.31	384.95
Amortisation of value of stock options	16.22	104.86
Goodwill written off	178.69	(25.75)
Provision for Dimunition in value of Investments	1,599.38	293.69
Income in respect of investments (Net)	(2,644.73)	(1,553.61)
Interest and Dividend received	(3,472.43)	(1,324.36)
Interest	5,170.04	5,456.17
	8,661.93	9,340.54
Operating profit before working capital changes	50,003.05	59,325.44
Adjustments for :		
Trade & other receivables	13,626.43	(12,805.30)
Inventories	(1,008.18)	(9,245.26)
Trade Payables	14,875.03	451.65
	27,493.28	(21,598.91)
Cash generated from operations	77,496.33	37,726.53
Income taxes paid (Net)	(6,549.34)	(12,052.07)
<b>Net cash used in operating activities</b>	<b>70,946.99</b>	<b>25,674.46</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(37,780.37)	(25,981.17)
Sales of fixed assets	11.26	147.60
Acquisition of intangible assets	318.65	(125.18)
Purchase of Investments	(145,967.41)	(89,776.66)
Deposit in Escrow Account for Open Offer-see note below	(4,221.54)	—
Redemption/Sale of Investments	116,256.65	100,984.70
Purchase of investment property	(271.90)	—
Inter corporate and other loans	589.56	(639.09)
Interest & Dividend received	6,533.90	2,187.15
Adjustments for receivables on investment account	7.37	182.25
<b>Net cash generated from investing activities</b>	<b>(64,523.83)</b>	<b>(13,020.40)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from/Repayment of Long Term Loan (net)	(28,688.76)	21,514.90
Repayment of/ Proceeds from Short Term Loan (net)	17,266.99	(1,503.36)
Shares issued under ESOP	4.17	4.27
Shares issued	0.06	—
Debentures issued	1,000.00	—
Interest paid	(5,190.96)	(5,174.17)
Dividend paid (including tax on dividend)	(8,079.90)	(2,818.19)
Amount paid towards buy back of shares	—	(6,136.31)
<b>Net cash used in financing activities</b>	<b>(23,688.40)</b>	<b>5,887.14</b>
<b>D Adjustments on account of Foreign Currency Transaction Reserve</b>	<b>305.25</b>	<b>—</b>
<b>E Capital Receipts</b>	<b>825.05</b>	<b>629.64</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(12,960.62)</b>	<b>19,747.99</b>
Cash and cash equivalents as at the beginning of the year	23,005.41	3,257.42
Cash and cash equivalents as at the end of the year	10,044.79	23,005.41

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place: Mumbai  
Date: 23rd August, 2010

Place : Delhi  
Date : 23rd August, 2010



## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 1 : CAPITAL

#### Authorised

1,10,00,000 Equity Shares of Rs. 10/- each  
15,00,000 Preference Shares of Rs. 100/- each

#### Issued and Subscribed and Paid Up

1,06,18,467 Equity Shares of Rs. 10/- each  
Total

### SCHEDULE 2 : RESERVES AND SURPLUS

#### Reconstruction Reserve

As per last Balance Sheet

#### Capital Reserves

As per last Balance Sheet  
Addition during the year (Refer Note No. 6 in Notes to Accounts )

#### Share Premium Account

As per last Balance Sheet  
Less: Adjusted on Buyback of shares  
Add: Adjustment on account of grant of stock options to employees in subsidiary company and share in Joint Venture

#### Capital Redemption Reserve

As per last Balance Sheet  
Add : Transfer from Profit & Loss Account

#### Statutory Reserve Fund\*

As per last Balance Sheet  
Add : Transfer from Profit & Loss Account

#### Consolidation Reserve

As per last Balance Sheet  
Add : Adjustments during the year  
Add : Transfer from Profit and Loss Account

#### General Reserve

As per last Balance Sheet  
Less: Adjusted on buyback of shares  
Add: Transfer from Profit and Loss Account

#### Amalgamation Reserve

As per last Balance Sheet

#### Foreign Currency Transalation Reserve

#### Profit and Loss Account

Balance as per Annexed Account

Total

### SCHEDULE 3 : SECURED LOANS

#### From Banks

#### Rupee Loan

- Term Loans  
(amount payable within one year Rs. 11452.46 Lacs ,  
Previous year Rs. 10593.80 Lacs)

#### Foreign Currency Loans

- Term Loans  
(amount payable within one year Rs. 1217.37 Lacs,  
Previous year Rs. 6246.82 Lacs)

Total

\*Created pursuant to RBI (Amendment) Act, 1997

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
1100.00	1100.00	1100.00
1500.00	1500.00	1500.00
	<u>2600.00</u>	<u>2600.00</u>
	<u>1061.85</u>	<u>1061.85</u>
	<u>1061.85</u>	<u>1061.85</u>
	<u>639.52</u>	<u>639.52</u>
5808.73	5477.92	5808.73
433.31	330.81	
	<u>6242.04</u>	
4326.52	4314.61	
—	(2.43)	
10.88	14.34	
	<u>4337.40</u>	4326.52
1459.30	1400.00	
—	59.30	
	<u>1459.30</u>	1459.30
1606.00	1326.00	
700.00	280.00	
	<u>2306.00</u>	1606.00
7907.31	—	
16680.25	(682.88)	
—	8590.19	
	<u>24587.56</u>	7907.31
46656.18	48436.80	
—	(3190.43)	
5000.00	1409.81	
	<u>51656.18</u>	46656.18
206.15	206.15	
305.25	—	
	<u>16666.99</u>	9210.88
10840.39	10840.39	
	<u>33987.62</u>	77820.59
25481.19	41987.45	
8506.43	16432.52	
	<u>33987.62</u>	58419.97



**INOX LEASING AND FINANCE LIMITED**

**SCHEDULE 4 : UNSECURED LOANS**

**From Banks**

**Rupee Loan**

- Term Loans  
(amount payable within one year Rs. 4042.44 lacs, Previous year Rs. Nil )

**Foreign Currency Loans**

- Term Loans  
(amount payable within one year Rs. 2783.88 lacs,  
Previous year Rs. 2944.35 lacs )

**10,00,000 7% Unsecured Fully Convertible Debentures of Rs. 100 each**

(optionally convertible into fully paid equity shares at par after a period  
of three years from the date of allotment viz. on 19.3.2013)

Add Interest accrued and due

**Inter Corporate Deposits**

**Total**

<b>As at 31st March, 2010 Amount (Rs. in lacs)</b>	<b>As at 31st March, 2009 Amount (Rs. in lacs)</b>
9642.44	—
16527.04	13877.71
1000.00	—
2.93	—
1002.93	—
218.80	—
<b>27391.21</b>	<b>13877.71</b>

# Schedules Forming part of Consolidated Balance Sheet

## SCHEDULE 5 – FIXED ASSETS

Amount (Rs. in lacs)

Particulars	Gross Block			Depreciation/Amortization			Net Block	
	As at 1-Apr-09	Additions	Deductions	As at 31-Mar-10	As at 1-Apr-09	For the year	Deductions	As at 31-Mar-10
<b>(a) Tangible Assets</b>								
Land	2250.56	458.88	9.00	<b>2709.44</b>				
- Freehold Land	1925.93	456.69		<b>2373.62</b>	105.94	26.70	<b>132.64</b>	<b>2709.44</b>
- Leasehold Land	21824.61	2875.28		<b>24699.89</b>	1565.78	534.82	<b>2100.60</b>	<b>2240.98</b>
Buildings and Roads	5112.74	2176.80		<b>7289.54</b>	505.25	329.48	<b>834.73</b>	<b>22599.29</b>
Lease hold improvements	14739.08	0.32		<b>78083.21</b>	10965.12	3942.79	<b>0.32</b>	<b>14907.59</b>
Plant and Machinery	63344.45	18196.84		<b>42194.95</b>	2186.45	1758.56	<b>3945.01</b>	<b>63175.62</b>
Wind Mill	23998.11	541.73		<b>2505.77</b>	740.62	213.85	<b>940.48</b>	<b>38249.94</b>
Manufacturing and other Equipments	1979.99							
Furniture and Fixtures	2655.52	773.71	16.89	<b>3412.34</b>	682.89	264.91	<b>10.71</b>	<b>937.09</b>
Vehicles	506.57	76.67	13.27	<b>569.97</b>	192.72	51.86	<b>10.81</b>	<b>233.77</b>
<b>Total (a)</b>	<b>123598.48</b>	<b>40295.68</b>	<b>55.43</b>	<b>163838.73</b>	<b>16944.79</b>	<b>7122.96</b>	<b>35.83</b>	<b>24031.92</b>
<b>(b) Intangible Assets</b>								
Technical Know How	804.22	1029.07		<b>1833.29</b>	113.89	89.16	<b>203.05</b>	<b>1630.24</b>
Software	409.41	47.35		<b>456.76</b>	160.89	64.23	<b>225.12</b>	<b>231.64</b>
Film Distribution Rights & Prints Cost	1681.84			<b>989.59</b>	1673.44	8.40	<b>692.25</b>	<b>989.59</b>
Movie Production	290.00	82.35		<b>372.35</b>		335.12	<b>335.12</b>	<b>37.23</b>
<b>Total (b)</b>	<b>3185.47</b>	<b>1158.77</b>	<b>692.25</b>	<b>3651.99</b>	<b>1948.22</b>	<b>496.91</b>	<b>692.25</b>	<b>1752.88</b>
(c) Share in Joint Venture*		2332.02		<b>2332.02</b>		281.41	<b>281.41</b>	<b>2050.61</b>
<b>Grand Total (a + b + c)</b>	<b>126783.95</b>	<b>43786.47</b>	<b>747.68</b>	<b>169822.74</b>	<b>18893.01</b>	<b>7901.28</b>	<b>728.08</b>	<b>26066.21</b>
Previous year	112477.64	14645.97	339.66	126783.95	12997.66	6004.58	109.23	18893.01



INOX LEASING AND FINANCE LIMITED



## Schedules Forming part of Consolidated Balance Sheet

**SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION**

**Opening balance**

**Add: Expenses incurred during the year**

- Salaries, Wages, Allowances and benefits
- Contribution to Provident and other funds
- Legal, Professional and Consultancy charges
- Travelling and Conveyance
- Rent
- Insurance
- Power & Fuel
- Communication expenses
- Rates and Taxes
- Processing fees
- Interest on fixed loans
- Lease Rentals and Hire Charges
- Testing Charges
- Miscellaneous expenses
- Depreciation
- Bank charges
- Raw Materials

**Less:**

- Dividend on current investments
- Profit on sale of current investments
- Miscellaneous income

Less: Capitalized

Closing Balance

<b>As at 31st March, 2010 Amount (Rs. in lacs)</b>	<b>As at 31st March, 2009 Amount (Rs. in lacs)</b>
1049.84	922.92
319.56	196.88
15.83	10.97
249.90	481.38
156.39	102.50
3.74	15.86
9.65	10.46
51.03	31.10
6.49	13.99
8.34	5.87
52.39	—
161.40	47.92
12.11	—
94.44	—
123.20	292.65
3.38	—
0.00	—
0.00	—
<b>1267.85</b>	1209.59
0.91	—
0.42	—
3.95	4.06
<b>5.28</b>	4.06
<b>1262.57</b>	1205.53
<b>2312.41</b>	2128.45
<b>1297.79</b>	1078.61
<b>1014.62</b>	1049.84

**SCHEDULE 7 : INVESTMENTS**
**(I) Investment in Securities  
(Long term, Non-trade, at cost, unquoted)**
**A] UNQUOTED**
**i) In Venture Capital Fund**

Indiareit Fund Scheme III  
Kshitij Venture Capital Fund

**ii) National Savings Certificates**

(Held in the name of Directors/Employees and certificates worth Rs. 21.14 lacs (previous year Rs.21.14 lacs) are pledged with Government Authorities)

<b>Face Value Rs.</b>	<b>Nos. As at 31st March, 2010</b>	<b>Nos. As at 31st March, 2009</b>	<b>As at 31st March 2010 Amount (Rs. in lacs)</b>	<b>As at 31st March 2009 Amount (Rs. in lacs)</b>
100000 1000	1,000 250,000	1,000 250,000	1000.00 2500.00	1000.00 2500.00
			3500.00  21.14	3500.00  54.94
			21.14	54.94



**INOX LEASING AND FINANCE LIMITED**

	<b>Face Value Rs.</b>	<b>Nos. As at 31st March, 2010</b>	<b>Nos. As at 31st March, 2009</b>	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
				<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>
<b>iii) In Fully Paid-up Equity Shares (unless otherwise stated)</b>					
Humsay i Global Services Limited	10	<b>4,350,000</b>	4,350,000	<b>435.98</b>	435.98
Future Ventures India Limited	10	<b>15,000,000</b>	15,000,000	<b>1500.00</b>	1500.00
The Ratnakar Bank Limited	10	<b>4,437,120</b>	4,437,120	<b>1,996.70</b>	1,996.70
Ideas & U Limited	10	<b>500,000</b>	500,000	<b>50.00</b>	50.00
Megnasolace City Private Limited (Equity shares of Rs. 10 each - paid up Rs. 1.60 per share) (Including Rs. Nil Lacs (previous year Rs. 200 Lacs) advance call money paid)	10	<b>5,000,000</b>	5,000,000	<b>3201.18</b>	3201.18
Kaleidoscope Entertainment Private Limited	1	<b>562,500</b>	562,500	<b>60.75</b>	60.75
Wearit Global Limited (shares pending allotment)	10	<b>0</b>	5,000,000	<b>0.00</b>	500.00
				<b>7244.61</b>	7744.61
<b>iii) In Cummulative, Non-convertible, Redeemable Preference Shares (fully paid-up)</b>					
Humsay i Global Services Limited	64	<b>1,638,210</b>	1,638,210	<b>1048.45</b>	1048.45
				<b>1048.45</b>	1048.45
<b>iv) In Equity linked Debentures</b>					
i) <b>Citicorp Finance (India) limited</b>					
Redeemable NCD Issue Series 173	1000000	<b>150</b>	150	<b>1500.00</b>	1500.00
Redeemable NCD Issue Series 184	1000000	<b>100</b>	100	<b>1000.00</b>	1000.00
Redeemable NCD Issue Series 200	1000000	<b>100</b>	100	<b>1000.00</b>	1000.00
ii) <b>Citifinancial Consumer Financial India</b>	100000	<b>1,000</b>	1,000	<b>1000.00</b>	1000.00
				<b>4500.00</b>	4500.00
<b>v) In Units of Mutual Funds</b>					
Birla Sunlife Income Plus-Growth	10	<b>2,533,281</b>	2,437,330	<b>1000.00</b>	2000.00
Birla Sunlife Savings Fund Instl - Dividend	10	<b>5,382,033</b>	1,008,589	<b>538.65</b>	100.95
Birla Sunlife Short Term Fund - Dividend	10	<b>958,717</b>	0	<b>102.32</b>	0.00
ICICI Prudential Institutional Income Plan-Growth	10	<b>10,106,645</b>	6,806,228	<b>3000.00</b>	2000.00
IDFC Super Saver Income Fund-Investment Plan B - Growth	10	<b>4,853,003</b>	14,099,505	<b>500.00</b>	1500.00
IDFC Dynamic Bond Fund Plan B-Growth	10	<b>9,748,489</b>	9,748,489	<b>1000.00</b>	1000.00
IDFC FMP Yearly Series 17-Plan B-Growth	10		3,000,000		300.00
IDFC FMP Yearly Series 19-Plan B-Growth	10		1,000,000		100.00
IDFC FMP-14 Months Series 1 Growth	10	<b>1,000,000</b>	0	<b>100.00</b>	0.00
Kotak Bond-Regular-Growth	10	<b>9,819,155</b>	5,935,464	<b>2500.00</b>	1500.00
Reliance Income Fund Retail Plan Growth Plan-Growth	10	<b>0</b>	6,747,468	<b>0.00</b>	2000.00
Reliance Medium Term Fund - Retail Plan - Growth	10	<b>0</b>	3,470,176	<b>0.00</b>	621.23
Birla Sunlife Midcap Fund- Plan A-Dividend- Reinvestment	10	<b>2,668,337</b>	0	<b>560.30</b>	0.00
DSP Blackrock Small & Midcap Fund-Regular Plan- Dividend	10	<b>3,579,300</b>	0	<b>500.00</b>	0.00
DSPBRS Strategic Bond Fund-Institutional Plan-Daily Dividend	10	<b>99,998</b>	0	<b>1002.12</b>	0.00
DSP Black Rock Strategic Bond Fund Growth	10	<b>0</b>	1,066	<b>0.00</b>	12.00
DSP Black Rock World Gold Fund - Growth	10	<b>0</b>	521,206		75.00
DSP Black Rock FMP 13M Series 2-Growth	10	<b>883,862</b>	0	<b>88.39</b>	0.00
HDFC Top 200 Fund-Dividend	10	<b>2,999,000</b>	0	<b>1109.66</b>	0.00
HDFC Cash Management Fund Treasury Adv Plan -D	10	<b>4,772,498</b>	957,075	<b>478.41</b>	95.96
HDFC Arbitrage Fund - Dividend	10	<b>1,977,457</b>	0	<b>200.00</b>	0.00
ICICI Prudential Infrastructure Fund - Dividend	10	<b>4,112,541</b>	0	<b>458.40</b>	0.00
ICICI Prudential Discovery Fund-Dividend	10	<b>2,624,672</b>	0	<b>500.00</b>	0.00
ICICI Prudential FMP Series 51-1Yr Plan A Growth	10	<b>1,000,000</b>	0	<b>100.00</b>	0.00
ICICI PRU FMP Series 50-19M Plan A Growth	10	<b>2,000,000</b>	0	<b>200.00</b>	0.00
JM Money Manager Fund Super Plus Plan-Daily Dividend	10	<b>10,017,526</b>	0	<b>1002.28</b>	0.00
Kotak Flexi Debt Scheme Institutional-Daily Dividend	10	<b>19,953,904</b>	0	<b>2004.87</b>	0.00
Birla Sunlife Short Term Fund-Inst.PI.-Fnd	10	<b>2,949,928</b>	0	<b>300.60</b>	0.00
HDFC Income Fund - Growth	10	<b>4,796,669</b>	0	<b>1000.00</b>	0.00
Templton India Ultra short Bond Fund Super Institutional Plan - Daily Dividend - Ddr	10	<b>12,006,381</b>	0	<b>1202.25</b>	0.00
Templeton Fixed Horizon Fund Series XI Plan G -Growth	10	<b>1,000,000</b>	1,000,000	<b>100.00</b>	100.00
Reliance Diversified Power Sector Fund- Retail Dividend Plan	10	<b>2,743,596</b>	0	<b>1065.11</b>	0.00



## INOX LEASING AND FINANCE LIMITED

	<b>Face Value Rs.</b>	<b>Nos. As at 31st March, 2010</b>	Nos. As at 31st March, 2009	<b>As at 31st March 2010</b>	As at 31st March 2009
				<b>Amount (Rs. in lacs)</b>	Amount (Rs. in lacs)
Reliance Equity Opportunities Fund Retail Plan- Dividend Plan	10	<b>2,362,960</b>	0	<b>500.00</b>	0.00
Reliance Banking Fund-Institutional Plan-Dividend Plan	10	<b>881,305</b>	0	<b>517.07</b>	0.00
Reliance Income Fund -Retails Plan-Growth Option	10	<b>10,078,647</b>	0	<b>3000.00</b>	0.00
Reliance Regular Savings Fund - Equity Plan- Dividend Plan	10	<b>2,719,815</b>	0	<b>500.00</b>	0.00
Reliance Fixed Horizon Fund XIII Series 6 -Growth	10	<b>2,000,000</b>	0	<b>200.00</b>	0.00
SBI- Magnum Global Fund- Dividend	10	<b>1,768,991</b>	0	<b>500.00</b>	0.00
SBI- Magnum Sector Funds Umbrella Contra-Dividend	10	<b>2,423,799</b>	0	<b>503.90</b>	0.00
SBI SHF Ultra Short Term Plan-Div	10	<b>4,538,531</b>	0	<b>457.42</b>	0.00
SBNPP Ultra ST Fund Super Institutional Daily Dividend	10	<b>14,981,046</b>	0	<b>1503.65</b>	0.00
SBNPP Select Midcap- Dividend	10	<b>7,822,621</b>	0	<b>1268.05</b>	0.00
Tata Floater Fund-Daily Dividend	10	<b>12,974,681</b>	0	<b>1302.09</b>	0.00
Tata FMS Series 25 Scheme A-Growth	10	<b>2,000,000</b>	0	<b>200.00</b>	0.00
Templeton India Equity Income Fund-Dividend Reinvestment	10	<b>4,897,997</b>	0	<b>563.56</b>	0.00
Templeton India Ultra Short Bond Fund-Div	10	<b>4,006,319</b>	0	<b>408.48</b>	0.00
Templeton India Ultra Short Bond Fund-Growth	10	<b>2,120,531</b>	0	<b>250.00</b>	0.00
UTI Treasury Advantage Fund-Institutional Plan-Daily Dividend	10	<b>220,934</b>	0	<b>2209.81</b>	0.00
UTI-Fixed Term Income Fund-Series VII-II(407)Days-G	10	<b>1,500,000</b>	0	<b>150.00</b>	0.00
Reliance Income Fund-Retail Plan-Growth Option	10	<b>0</b>	1,242,800	<b>0.00</b>	375.00
Birla Sun Life Income Plus Growth (Prudent)	10	<b>0</b>	913,999	<b>0.00</b>	375.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	<b>0</b>	3,467,438	<b>0.00</b>	375.00
Kotak Bond (Regular) Growth (Prudent)	10	<b>0</b>	1,468,389	<b>0.00</b>	375.00
ICICI Prudential Institutional Income Plan Growth	10	<b>0</b>	1,248,469	<b>0.00</b>	375.00
ICICI Prudential Flexible Income Plan Premium - Dividend	100	<b>118,220</b>	0	<b>125.00</b>	0.00
ICICI Prudential Flexible Income Plan-Dividend	100	<b>344,099</b>	0	<b>362.79</b>	0.00
UTI Treasury Advantage Fund Inst-Dividend	1000	<b>35,605</b>	0	<b>356.33</b>	0.00
UTI Liquid Cash Fund - Growth	1000	<b>16,539</b>	<b>0</b>	<b>250.00</b>	0.00
<b>Total Unquoted Investments</b>				<b>35,741.50</b>	13,280.14
Less: Provision for diminution in value of Investment				<b>52055.70</b>	30128.15
<b>Net Unquoted Investments</b>				<b>1483.34</b>	1444.69
<b>B) QUOTED</b>				<b>50572.36</b>	28683.46
<b>i) In Units of Mutual Funds</b>					
DWS Fixed Term Fund-Sr 68-Reg Gr	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
DWS Fixed Term Fund-Sr 69-Reg Gr	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
Fortis Fixed Term Fund Series 16	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
HDFC FMP 24M Feb10-Growth Sr XII	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
ICICI FMP Sr.51-15 Month Pl E-Gr	10	<b>10,000,000</b>	0	<b>1000.00</b>	0.00
Kotak FMP 13M Series 6 - Growth	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
Kotak FMP 24M Series 1-Growth	10	<b>5,000,000</b>	0	<b>500.00</b>	0.00
				<b>4000.00</b>	0.00
<b>ii) In Fully Paid-up Equity Shares</b>					
Advanta India Limited	10	<b>48,590</b>	48,590	<b>598.39</b>	598.39
Ahmedabad Gases Limited	10	<b>200</b>	200	<b>0.02</b>	0.02
BOC India Limited	10	<b>200</b>	200	<b>0.21</b>	0.21
Balrampur Chini Mills Limited	1	<b>0</b>	270,000	<b>0.00</b>	319.12
Borosil Glass Limited	10	<b>63,512</b>	63,512	<b>366.48</b>	366.48
Bombay Oxygen Corp Limited	100	<b>5</b>	5	<b>0.06</b>	0.06
Brandhouse Retails Limited	10	<b>0</b>	13,040	<b>0.00</b>	0.00
Bhilwara Technical Textile Limited (Received pursuant to a scheme of arrangement)	1	<b>301,138</b>	0	<b>0.00</b>	0.00
Bhoruka Gases Limited	10	<b>0</b>	200	<b>0.00</b>	0.11
Dalmia Cement Bharat Limited	2	<b>191,881</b>	491,881	<b>492.54</b>	1652.64
Damania Capital Market Limited	10	<b>124,200</b>	124,200	<b>37.26</b>	37.26
Dewan Housing Finance Corporation Limited	10	<b>0</b>	496,832	<b>0.00</b>	958.29
Deepak Fertilisers & Petrochemicals Limited	10	<b>600,531</b>	600,531	<b>996.90</b>	996.90
TCS E-Serve Ltd.	10	<b>200</b>	200	<b>1.93</b>	1.93



**INOX LEASING AND FINANCE LIMITED**

	<b>Face Value Rs.</b>	<b>Nos. As at 31st March, 2010</b>	<b>Nos. As at 31st March, 2009</b>	<b>As at 31st March 2010</b>	<b>As at 31st March 2009</b>
				<b>Amount (Rs. in lacs)</b>	<b>Amount (Rs. in lacs)</b>
EIH Limited	2	<b>439,950</b>	439,950	<b>963.28</b>	963.28
Eastern Mining Limited	10	<b>10,300</b>	10,300	<b>3.30</b>	3.30
Fame India Limited	10	<b>17,565,288</b>	0	<b>8248.39</b>	0.00
GAIL India Limited	10	<b>0</b>	137,781	<b>0.00</b>	501.49
Garware Wall Ropes Limited	10	<b>441,308</b>	441,308	<b>729.88</b>	729.88
Gujarat NRE Coke Limited	10	<b>166,000</b>	266,000	<b>165.14</b>	264.44
Gujarat Borosil Limited	10	<b>8,000</b>	8,000	<b>1.07</b>	1.07
Housing Development & Infrastructure Limited	10	<b>156,556</b>	156,556	<b>1176.01</b>	1176.01
HEG Limited	10	<b>116,000</b>	116,000	<b>500.91</b>	500.91
IFCI Limited	10	<b>1,500</b>	1,500	<b>1.04</b>	1.04
Jindal Saw Limited	10	<b>0</b>	143,559	<b>0.00</b>	1612.51
K S Oil Limited	1	<b>621,081</b>	621,081	<b>552.01</b>	552.01
Kesoram Textile Mills Limited	10	<b>131,893</b>	131,893	<b>0.00</b>	0.00
(Received pursuant to a scheme of Arrangement)					
Konar Organics Limited	10	<b>41,100</b>	41,100	<b>4.11</b>	4.11
Mount Everest Mineral Water Limited	10	<b>2,590,992</b>	2,556,992	<b>2799.07</b>	2776.08
Navin Flourine Limited	10	<b>0</b>	4,495	<b>0.00</b>	16.72
Orbit Corporation Limited	10	<b>0</b>	245,000	<b>0.00</b>	219.50
OCL India Limited	2	<b>152,950</b>	0	<b>203.19</b>	0.00
Orient Fabritex Limited	10	<b>140,000</b>	140,000	<b>14.00</b>	14.00
Praj Industries Limited	2	<b>993,630</b>	993,630	<b>2461.04</b>	2461.04
Prime Focus Limited	10	<b>77,256</b>	77,256	<b>989.21</b>	989.21
Punjab Woolcombers Limited	10	<b>1,700</b>	1,700	<b>1.53</b>	1.53
Rajinder Pipes Limited	10	<b>8,300</b>	8,300	<b>3.32</b>	3.32
Reliance Communication Limited	5	<b>56,981</b>	56,981	<b>362.76</b>	362.76
Reliance Petroleum Limited	10	<b>0</b>	70,000	<b>0.00</b>	118.76
RSVM Limited	10	<b>347,695</b>	347,695	<b>431.30</b>	431.30
Shree Global Tradefin Limited	5	<b>651,093</b>	0	<b>1601.57</b>	0.00
Taneja Aerospace & Aviation Limited	5	<b>365,559</b>	365,559	<b>738.06</b>	738.06
Tantia Construction Limited	10	<b>320,585</b>	472,287	<b>461.03</b>	663.80
Trent Limited	10	<b>0</b>	2,073	<b>0.00</b>	14.54
Unified Agro Industries (India) Limited	10	<b>1,800</b>	1,800	<b>0.45</b>	0.45
United Phosphorus Limited	2	<b>0</b>	321,326	<b>0.00</b>	604.20
W S Telesystems Limited	10	<b>8,300</b>	8,300	<b>3.32</b>	3.32
<b>Total Quoted Equity shares</b>				<b>24908.78</b>	20660.05
<b>Total Quoted Investments</b>				<b>28908.78</b>	20660.05
Less: Provision for diminution in value of Investment				<b>1621.73</b>	60.99
<b>Net Quoted Investments</b>				<b>27287.05</b>	20599.06
<b>Total Investments</b>				<b>77859.41</b>	49282.52
<b>Market value of quoted investments</b>				<b>28463.85</b>	6105.90

**(II) Investment Property (Long term and Non-trade)**

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-09	Additions	As at 31-Mar-10	As at 1-Apr-09	For the year	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Leasehold Land	0.00	169.37	169.37	0.00	0.08	0.08	169.30	0.00
Building	0.00	102.53	102.53	0.00	0.77	0.77	101.75	0.00
<b>Total Investment Property</b>	<b>0.00</b>	<b>271.90</b>	<b>271.90</b>	<b>0.00</b>	<b>0.85</b>	<b>0.85</b>	<b>271.05</b>	<b>0.00</b>
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00		
							<b>Total Investments (I &amp; II)</b>	<b>78,130.45</b>
								49,282.52



## Schedules Forming part of Consolidated Balance Sheet

**SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES**
**A Current Assets**
**1 Inventories**

Stores and Spares  
Packing Materials  
Finished Goods  
-Manufactured Goods  
-Traded Goods

By-products  
Material in process  
Food and Beverages  
Raw Materials  
Material in transit  
Carbon Credits

**As at 31st March, 2010  
Amount (Rs. in lacs)**

**3241.20**  
**278.98**  
**6893.13**  
**4.46**  
**6897.59**  
**1.79**  
**1720.43**  
**108.66**  
**7517.08**  
**407.39**  
**218.91**

**20392.03**

**As at 31st March, 2009  
Amount (Rs. in lacs)**

2981.17  
191.44  
6718.50  
51.31  
6769.81  
1.41  
1048.05  
87.21  
8205.73  
—  
99.03

19383.85

**2 Sundry Debtors (Unsecured)**

Considered good  
Exceeding 6 months  
Others

**718.09**  
**9834.07**  
**10552.16**

Considered Doubtful  
Exceeding 6 months  
Others

**11.15**  
**36.15**  
**47.30**  
**10599.46**  
**(47.30)**

**10552.16**

189.72  
12641.58  
12831.30  
21.78  
—  
21.78  
12853.08  
(21.78)

12831.30

**3 Cash and Bank Balances**

Cash on Hand  
Bank Balances with Scheduled Banks  
(a) in Current Accounts  
(b) in Cash Credit Accounts  
(c) Fixed Deposits  
(d) in Escrow account - Refer Note No.7 in Notes to Accounts  
Bank Balances with Non Scheduled Banks  
in Current Accounts

**101.02**  
**3082.47**  
**1301.30**  
**5527.43**  
**4221.54**  
**32.57**

**14266.33**

76.14  
2460.80  
308.90  
20159.57  
—  
—

12831.30  
23005.41

**4 Other Current Assets**

Interest accrued

**301.00**

916.52

**B LOANS AND ADVANCES**
**(Unsecured,considered good,unless otherwise stated )**

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

**4429.58**

6032.28

Less: Provision for Doubtful Advances

**45.29**

45.29

2 Deposits

**4474.87**

6077.57

3 Current investments - Inter-corporate deposits  
Considered Good  
Considered Doubtful

**45.29**

45.29

Less: Provision for Doubtful Inter-corporate deposits

**4429.58**

6032.28

4 Share Application Money

**3785.33**

3350.60

5 Balances in Excise, Service Tax and VAT Accounts  
6 Entertainment Tax Refund Claimed  
7 Income Tax paid (net of provisions)  
8 MAT Credit Entitlement

**2934.03**

3523.59

99.00

**3033.03**

144.51

99.00

**2934.03**

3668.10

—

**2520.79**

144.51

795.66

**795.66**

3523.59

591.04

**591.04**

1151.34

2080.00

**2080.00**

3588.42

—

**17136.43**

686.25

—

**62647.95**

1972.93

20305.40

**Total**

—

76442.48



INOX LEASING AND FINANCE LIMITED

## Schedules Forming part of Consolidated Balance Sheet

### SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS

#### A Current Liabilities

- 1 Sundry Creditors
  - dues to Micro and Small Enterprises
  - others
- 2 Trade Deposits
- 3 Investor Education and Protection Fund shall be credited by the following amounts namely:
  - Unclaimed dividends
- 4 Advances from Customers
- 5 Other Liabilities
- 6 Interest accrued but not due

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
1 Sundry Creditors	21.30	66.58
- dues to Micro and Small Enterprises	<b>18077.54</b>	14913.88
- others	<b>18098.84</b>	14980.46
2 Trade Deposits	872.61	687.13
3 Investor Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed dividends	161.31	110.92
4 Advances from Customers	<b>20786.27</b>	240.03
5 Other Liabilities	<b>1186.33</b>	434.33
6 Interest accrued but not due	<b>165.52</b>	205.95
	<b>41270.88</b>	16658.82
<b>B Provisions</b>		
1 For Taxation ( Net of Payment)	4.58	9.11
2 For Fringe Benefit Tax ( Net of Payment)	9.98	36.68
3 Proposed Dividend	<b>1843.87</b>	1824.72
4 Tax on Proposed Dividend	<b>273.67</b>	653.42
5 For Gratuity & Leave Encashment	<b>758.41</b>	612.64
6 For Expenses	<b>119.00</b>	111.20
	<b>3009.51</b>	3247.77
<b>Total</b>	<b>44280.39</b>	19906.59

## Schedules Forming part of Consolidated Profit and Loss Account

### SCHEDULE 10: SALES AND SERVICES

- Sales - Gross
- Less: Excise Duty
- Sales (Net)
- Box Office Revenues
- Food and Beverages Revenues
- Income from Movie Rights
- Film Distribution Income
- Conducting Fees
- Advertising Income
- Management Fees
- Parking charges
- Other Operating Income

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
Sales - Gross	<b>102602.02</b>	107170.90
Less: Excise Duty	<b>2014.96</b>	2669.14
Sales (Net)	<b>100587.06</b>	104501.76
Box Office Revenues	<b>18835.74</b>	16624.69
Food and Beverages Revenues	<b>4162.86</b>	3523.67
Income from Movie Rights	<b>22.35</b>	0.00
Film Distribution Income	<b>14.89</b>	70.16
Conducting Fees	<b>783.55</b>	714.27
Advertising Income	<b>1251.82</b>	1351.27
Management Fees	<b>41.95</b>	46.66
Parking charges	<b>78.89</b>	88.81
Other Operating Income	<b>339.63</b>	109.81
<b>Total</b>	<b>126118.74</b>	127031.10



## Schedules Forming part of Consolidated Profit and Loss Account

### SCHEDULE 11: OTHER INCOME

#### Interest

- On long term investments
- On current investments
- From banks
- On Income-tax refunds
- Others

#### Dividend

- On long term investments
- On current Investments

#### Profit on sale of investments ( Net )

- On long term investments
- On current Investments

#### Liabilities written back no longer required

#### Provision for doubtful advances written back

#### Foreign Exchange Fluctuation Gain (Net)

#### Lease Rent

#### Miscellaneous Income

#### Total

### SCHEDULE 12: (INCREASE)/DECREASE IN STOCKS

#### Opening Stock

- Finished Goods
- Material in Process
- By-products
- Carbon Credits

#### Less: Closing Stock

- Finished Goods
- Material in Process
- By-products
- Carbon Credits

#### Excise Duty on Stock of Finished Goods (Net)

#### (Increase)/Decrease in Stocks

### SCHEDULE 13: MATERIALS CONSUMED AND PURCHASE OF FINISHED GOODS

#### Raw Materials consumed

#### Packing Materials consumed

#### Purchase of Finished Goods

#### Cost of Food and Beverages

#### Total

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
Interest		
- On long term investments	<b>256.66</b>	320.63
- On current investments	<b>51.24</b>	249.12
- From banks	<b>1142.17</b>	1093.91
- On Income-tax refunds	<b>313.80</b>	0.11
- Others	<b>128.40</b>	78.65
	<b>1892.27</b>	1742.42
Dividend		
- On long term investments	<b>1082.94</b>	928.65
- On current Investments	<b>100.63</b>	102.21
	<b>1183.57</b>	1030.86
Profit on sale of investments ( Net )		
- On long term investments	<b>96.14</b>	153.46
- On current Investments	<b>—</b>	116.82
	<b>96.14</b>	270.28
Liabilities written back no longer required		
Provision for doubtful advances written back	<b>45.51</b>	82.20
Foreign Exchange Fluctuation Gain (Net)	<b>2445.58</b>	—
Lease Rent	<b>738.17</b>	727.08
Miscellaneous Income	<b>353.65</b>	257.05
<b>Total</b>	<b>7341.07</b>	4109.90
Opening Stock		
Finished Goods	<b>6769.80</b>	3184.90
Material in Process	<b>1048.05</b>	281.76
By-products	<b>1.41</b>	2.60
Carbon Credits	<b>99.03</b>	54.30
	<b>7918.29</b>	3523.56
Less: Closing Stock		
Finished Goods	<b>6897.59</b>	6769.81
Material in Process	<b>1720.43</b>	1048.05
By-products	<b>1.79</b>	1.41
Carbon Credits	<b>218.91</b>	99.03
	<b>8838.72</b>	7918.30
Excise Duty on Stock of Finished Goods (Net)	<b>9.46</b>	(88.76)
(Increase)/Decrease in Stocks	<b>(910.97)</b>	<b>(4483.50)</b>
Raw Materials consumed	<b>16835.56</b>	15266.25
Packing Materials consumed	<b>3927.12</b>	4305.61
Purchase of Finished Goods	<b>148.33</b>	51.52
Cost of Food and Beverages	<b>1368.93</b>	1209.60
<b>Total</b>	<b>22279.94</b>	20832.98



## Schedules Forming part of Consolidated Profit and Loss Account

### **SCHEDULE 14: MANUFACTURING, OPERATING AND OTHER EXPENSES**

Stores and Spare parts Consumed  
 Power and Fuel  
 Entertainment tax  
 Film Distributors share  
 Advertisement and Sales Promotion  
 Freight and Octroi  
 Insurance  
 Excise duty, Custom Duty, Sales tax and Service tax  
 Production Labour Charges & Outsourced Personnel Cost  
 Processing Charges  
 Factory Expenses  
 Repairs to  
   - Buildings  
   - Machinery  
   - Others  
  
 Directors' Sitting Fees  
 Commission to Chairman  
 Rent and Conducting fees  
 Rates and Taxes  
 Travelling and Conveyance  
 Communication Expenses  
 Common Facility charges  
 Legal and Professional Fees and Expenses  
 Lease Rentals and Hire Charges  
 Discount  
 Loss on assets sold/scrapped (Net)  
 Bank Charges  
 Foreign exchange fluctuation loss (Net)  
 Provision for doubtful debts  
 Provision for doubtful advance  
 Bad debts and remissions  
 Less : Provision for Doubtful debts adjusted  
  
 Commission  
 Royalty  
 Expenditure on Sustainable Development Plan  
 Miscellaneous Expenses  
 Preliminary Expenses written off  
 Loss on Sale of long term Investments (Net)  
  
 Less :Service Tax credit in respect of earlier years

#### **Total**

### **SCHEDULE 15: SALARIES AND BENEFITS**

Salaries, Wages, Allowances and Benefits  
 Contribution to Provident and other funds  
 Gratuity  
 Staff Welfare expenses

#### **Total**

### **SCHEDULE 16: INTEREST**

Interest on fixed loans  
 (Net of interest capitalised Rs. 264.27 Lacs, previous year Rs. 422.52 Lacs)  
 Other Interest

#### **Total**

<b>2009-2010</b> <b>Amount (Rs. in lacs)</b>	<b>2008-2009</b> <b>Amount (Rs. in lacs)</b>
1956.84	1769.74
18778.79	12236.31
3167.40	2838.01
6640.53	5308.43
359.79	432.13
1519.32	1671.45
461.05	331.35
798.63	250.89
783.58	648.85
46.42	218.94
290.96	174.92
295.82	187.99
2013.99	1420.39
203.19	246.07
2513.00	1854.45
4.60	5.20
440.34	—
3140.23	2718.99
310.44	240.37
877.68	750.33
283.17	309.16
881.45	618.56
2414.53	1671.37
343.98	407.17
276.14	48.05
8.31	82.76
111.32	222.26
—	7173.44
25.53	21.78
—	30.10
16.59	64.24
—	(62.44)
227.87	293.89
40.09	192.23
106.92	69.93
2968.14	2805.30
27.17	8.17
—	733.51
49820.81	46139.83
—	(321.22)
49820.81	45818.61
6469.50	6492.00
272.53	254.36
95.77	103.85
171.28	119.35
7009.08	6969.56
5007.71	5172.27
112.55	162.94
5120.26	5335.21



## **INOX LEASING AND FINANCE LIMITED**

### **SCHEDULE 17: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2010**

#### **1. Basis of preparation and principles of consolidation**

The Consolidated Financial Statements relate to Inox Leasing and Finance Limited ('the Company'), its subsidiary company - Gujarat Fluorochemicals Limited (GFL) and subsidiaries of GFL, an 'associate' of the subsidiary company and a joint venture ("the Group"). The Consolidated Financial Statements (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" as specified in the Companies (Accounting Standard) Rules, 2006.

The Consolidated Financial Statements have been prepared on the following basis.

- The financial statements of the Company, its subsidiary company (GFL) and subsidiary companies of GFL, its Associate and a Joint Venture 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 profit or losses are fully eliminated.
- Interest in joint venture is reported using proportionate method.
- The share of profit/loss of associate company is accounted under the 'equity method' as per which the share profit/loss of the associate company is adjusted to the cost of investment.
- The financial statements of the subsidiary companies and associate used in the consolidation are drawn up to the same reporting date as that of the Company viz. year ended 31.3.2010. The financial statements of the joint venture are drawn up to 31.12.2009.
- Goodwill on consolidation, being the difference between the cost of investment in subsidiary and the net asset at the time of acquisition in the subsidiary, is charged to the Consolidated Profit and Loss Account in the year of acquisition of such shares.

#### **2. Depreciation and Amortization**

- Depreciation is provided on Written Down Value Method on pro-rata basis at the rates specified in Schedule XIV of the Companies Act, 1956.
- In the case of subsidiaries :
  - i) On tangible 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.
  - iii) Amortization and Depreciation of Film Distribution Rights and Prints Cost (intangible assets):  
Cost of film distribution rights acquired and prints cost is amortized over a period of one year from the date of release of the movie as under:  
50%, 30%, 10% and 10% of the costs in the first, second, third and fourth quarter respectively and in a quarter, pro-rata for the completed weeks.

#### **3. The Subsidiary company and sub-subsidiary companies (subsidiaries of GFL)considered in the financial statements are:**

Name of the Company	Country of Incorporation	Proportion of ownership interest	
Subsidiary Company		As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
Gujarat Fluorochemicals Limited	India	52.54%	52.54%
Sub-subsidiary Companies:			
Inox Leisure Limited	India	1.15%	0.83%
Inox Infrastructure Private Limited	India	NIL	NIL
Inox Motion Pictures Limited	India	NIL	NIL
Inox Wind Limited (incorporated on 9 <sup>th</sup> April 2009)	India	NIL	N.A.
Gujarat Fluorochemicals Americas, LLC (incorporated on 8 <sup>th</sup> September 2009)	USA	NIL	N.A.



**4. Investment in Associates:**

Inox Infrastructure Private Limited (I IPL), a wholly owned subsidiary of GFL , holds 50% of the total equity capital of Megnasolace City Private Limited (Megnasolace). Megnasolace is treated as an 'Associate Company' and the investment is accounted under the equity method in accordance with AS 23 – 'Accounting for Investments in Associates'. The Group's share of the post acquisition profits is included in the carrying cost of the investment as under:-

S.No.	Particulars	Amount Rs. Lacs	
		2009-10	2008-09
1	Book value of Investment on acquisition	3000.00	3000.00
2	Share of Profit – Up to Previous Year	1.18	3.64
3	Share of (Loss)/Profit – Current Year	*	(2.46)
4	Carrying amount	3001.18	3001.18

(\*) The share of profit for the current is less than Rs. 0.01 lacs – viz. Rs. 434.

Capital commitment towards partly paid shares of Megnasolace is Rs. 16800 lacs (Previous year Rs. 16800 lacs) - net of Advance Call Money paid Rs. Nil (previous year Rs. 200 lacs).

**5. Investment in joint venture by GFL**

During the year ended 31<sup>st</sup> March 2008, GFL had entered into an agreement for formation of Joint Venture Company ("JVC") viz., Xuancheng Hengyuan Chemical Technology Co. Ltd in the People's Republic of China. Up to 31<sup>st</sup> March, 2010, the Company had paid an amount of Rs. 1263.89 lacs (previous year Rs 1151.34 lacs), equivalent to US \$ 3.12 millions (previous year US \$ 2.93 millions) as share application money towards investment in the JVC. During the current year, the Company is informed that 33.77% of the equity capital in the JVC has been allotted to the Company (including 31.71% of the equity capital allotted in earlier year).

The JVC is engaged in the business of manufacture of anhydrous hydrogen fluoride and allied activities.

- 6. During the year, GFL, has received compensation of Rs. 824.73 Lacs (previous year Rs. 629.64 Lacs), equivalent to US \$ 1.75 million (previous year US \$ 1.37 million), for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated. GFL has been advised that the compensation is a capital receipt and hence this amount is credited to Capital Reserve.
- 7. During the year, Inox Leisure Limited (ILL), has acquired 1,50,57,751 equity shares in Fame (India) Limited, being the Promoters' shareholding, comprising of 43.28% stake in Fame (India) Limited, through a block deal carried out on the Bombay Stock Exchange. ILL has further acquired another 25,07,537 equity shares in Fame (India) Limited, comprising of 7.21% stake in Fame (India) Limited, from the market, through two separate block deals carried out on the Bombay Stock Exchange.

A Share Purchase Agreement between ILL and Promoters of Fame (India) Limited recording the terms and conditions of the abovementioned first acquisition has been executed.

Consequent to the first acquisition above, ILL, through its merchant banker, Enam Securities Limited, has made a Public Announcement, under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("Takeover Code"), for an Open Offer of 8,231,759 equity shares constituting 20% of the fully-diluted capital of Fame (India) Limited, at a price of Rs. 51 per equity share. Further, as required under the Takeover Code, the Company has placed Rs 42 crores, being 100% of the funds required under the Open Offer, in escrow with HDFC Bank, and the 1,50,57,751 equity shares acquired from the Promoters of Fame (India) Limited under the terms of the Share Purchase Agreement mentioned above have been placed in escrow with Standard Chartered Bank, till conclusion of the Open Offer formalities. ILL has, through Enam Securities Limited, filed a Draft Letter of Offer with the Securities and Exchange Board of India, and is awaiting its approval on the same.

As a result of the above acquisitions, the Company holds 1,75,65,288 equity shares, comprising of 50.48% stake in Fame (India) Limited. Based on legal advice received by ILL, Fame (India) Limited shall become a subsidiary of ILL on completion of the Open Offer formalities.

**8. In respect of service tax matters of Inox Leisure Limited :-**

- (a) During the year ended 31<sup>st</sup> March 2009, in view of the Honorable Delhi High Court's judgment dated 18th April 2009 in the case of Home Solution Retail India Ltd. & Others v. Union of India, wherein it was held that renting of immovable property by itself is not a service and accordingly the levy of service tax on activity of renting immovable property is 'ultra vires' the Finance Act, 1994, the service tax of Rs. 318.84 lacs in respect of rentals paid during the year ended 31<sup>st</sup> March 2009 was not charged to the Profit and Loss Account.

During the current year, as per the amendment made by the Finance Act, 2010, renting of immovable property is now defined as a taxable service with retrospective effect from 1<sup>st</sup> June 2007. Accordingly, the Company has provided for the above service tax of Rs. 318.84 lacs in respect of rentals paid during the year ended 31<sup>st</sup> March 2009 and the same is included in the amount of Service Tax charged to the Profit and Loss Account in Schedule 14: Manufacturing, Operating and Other Expenses.



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- (b) Till the year ended 31<sup>st</sup> March 2008, as per the then prevailing regulations, the Company was claiming service tax set-off in respect of service tax paid, to the extent of 20% of service tax collected, and the balance amount of service tax paid was charged to the Profit and Loss Account. During the year ended 31<sup>st</sup> March 2009, the Central Board of Excise and Customs, vide Circular No CBEC No. 137/72/2008-CX dated 21st November, 2008, had clarified that such unutilized accumulated amount of service-tax as on 31<sup>st</sup> March 2008 can be utilized for payment of service tax after 1<sup>st</sup> April 2008. Accordingly, during the year ended 31<sup>st</sup> March, 2009 the Company had taken credit for such unutilized accumulated amount of service tax of Rs. 321.22 lacs and the same was shown separately in the Schedule 14: Manufacturing, Operating and Other Expenses, as deduction.

### **9. In respect of income-tax matters of Inox Leisure Limited :-**

- (a) In the appellate proceedings before the Commissioner of Income-tax (Appeals) the Company's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted, in respect of one more multiplex during the current year, in addition to a few multiplexes in the last year. Accordingly, treating the amount of entertainment tax exemption amounts as a capital receipt in respect of multiplexes in those States covered by the orders of the Commissioner of Income-tax (Appeals), the Company has recomputed its current tax liability and deferred tax liability, and credited an amount of Rs. 192.63 lakhs (Previous year Rs. 1022.62 lakhs) in the Profit and Loss Account under 'Taxation in respect of Earlier Years'.

Provision for current tax is also made on the same basis and consequently the provision for current taxation is for Minimum Alternate Tax payable on book profit.

- (b) The Minimum Alternate Tax (MAT) paid by GFL is entitled to be carried forward and utilized in subsequent years. In the opinion of management, on the basis of projections, estimates of future taxable income and the extension of period for utilization of MAT credit as per the amendment made by the Finance Act (No. 2), 2009, GFL would have normal tax liability within the specified period to avail such MAT credit. Consequently, GFL has now recognized the MAT credit entitlement of Rs. 978.00 lakhs in respect of earlier years and Rs. 292 lakhs in respect of current year.

### **10. In respect of Entertainment Tax liability of Inox Leisure Limited :-**

- (a) The exemption from payment of Entertainment Tax in respect of Multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective Government policies issued in this regard.
- (b) The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs 277.14 lacs (Previous Year Rs. 408.91 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to profit & loss account. Cumulative amount as on 31<sup>st</sup> March 2010 - Rs. 2372.40 lacs (as on 31<sup>st</sup> March 2009 - Rs. 2119.94 lacs).
- (c) In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Honourable High Court of Gujarat vide its order dated 26th June, 2009. Pending receipt of final eligibility certificate the figures indicated in the above note include the figures pertaining to the said Multiplex.

### **11. Contingent liabilities not provided for in respect of:**

<b>Particulars</b>	<b>Amount (Rs. in Lacs)</b>	
	<b>2009-10</b>	<b>2008-2009</b>
Sales Tax	<b>7.12</b>	27.32
Income Tax	<b>107.27</b>	29.14
Service Tax	<b>104.29</b>	88.55
Bills discounted	<b>1321.81</b>	59.61
Bank Guarantees	<b>1443.51</b>	5882.44
Claims against the Company not acknowledged as debts	<b>48.53</b>	19.30
Municipal Tax	<b>402.25</b>	1346.11
Entertainment Tax	<b>53.06</b>	53.06
Service Charge	<b>14.42</b>	0.00
Claims in respect of labour matters	<b>Amount is not ascertainable</b>	

Note: Amount of Rs. 36.94 Lacs (previous year Rs. 30.34 Lacs) has been paid in respect of above Sales Tax, Income Tax and Service Tax demands and not charged to the Profit and Loss Account.



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**12.** GFL had commenced arbitration proceedings against Gujarat Gas Company Limited (GGCL), for purported termination of the Gas Supply Agreement, and purported increase in price of gas supplied, from US \$ 4.60 per MMBTU (plus applicable taxes thereon) to US \$ 24.62 per MMBTU (plus applicable taxes thereon), for supplies made from April, 2008 till December, 2008 and had also approached the Delhi High Court for interim protection. These proceedings have been settled out of Court with GGCL on 17th December, 2009, and it has been agreed that the amounts paid by GFL to GGCL pursuant to the interim orders of the Honorable High Court of Delhi, at US \$ 10 per MMBTU (plus applicable taxes thereon), shall be the final agreed price for supplies made during 1st April, 2008 and 31st December, 2008. Since this gas supply was accounted earlier at a price of @ US \$ 4.62 per MMBTU (plus applicable taxes thereon), the difference @ US \$ 5.38 per MMBTU (plus applicable taxes thereon), amounting to Rs 2886 Lacs, is charged to books of accounts in the Power & Fuel expenses in this year on settlement during the year.

**13.** Estimated amount of contract remaining to be executed on Capital Account and not provided for, net of advances Rs. 10744.42 lacs (previous year Rs. 3947.19 lacs).

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

a) In respect of Deferred Tax Assets (Net) :

S.No. Particulars

(A) **Deferred Tax Assets (Net)**

- (i) Depreciation
  - (ii) Retirement Benefits
- Total**

Amount (Rs. in Lacs)

2009-2010	2008-2009
0.88	1.95
1.18	0.92
<b>2.06</b>	<b>2.87</b>

b) In respect of Deferred Tax Liabilities (Net) :

S.No. Particulars

(A) **Deferred Tax Liabilities**

- (i) Depreciation (Net)
- (ii) Amortization of Film Distribution Rights and Prints cost

Total

Amount (Rs. in Lacs)

2009-2010	2008-2009
11676.71	10856.43
0.00	2.85
<b>11676.71</b>	<b>10859.28</b>
295.38	250.92
48.55	52.69
<b>343.93</b>	<b>303.61</b>
<b>11332.78</b>	<b>10555.67</b>

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



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### 15. 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 )	
	2009-10	2008-09
(i) Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets.	<b>914.52</b>	914.52
(ii) Accumulated Depreciation as at the end of the year	<b>53.45</b>	38.56
(iii) Depreciation for the year	<b>14.90</b>	14.90
(iv) Future minimum lease payments -		
(a) Not later than one year	<b>775.26</b>	737.39
(b) Later than one year and not later than five years	<b>2959.90</b>	2941.24
(c) Later than five years	<b>1323.20</b>	2117.12

#### b) In respect of plant taken on operating lease:

The lease is for an initial non-cancellable period of ten years, which can be further extended at the mutual option of both parties. The lease rentals are included in Rent and Conducting Fees in Schedule 14 to the Profit and Loss Account. The future minimum lease payments under this lease arrangement are as under:-

S.No.	Amount ( Rs. in Lacs )	
	2009-10	2008-09
a) Payable in future		
a) Not later than one year	<b>35.28</b>	35.28
b) Later than one year and not later than five years	<b>141.12</b>	141.12
c) Later than five years	<b>61.74</b>	97.02
c) Operating leases for some of the multiplexes of Inox Leisure Limited –		

The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs. 3012.03 lacs (Previous Year Rs. 2633.07 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 14 to the Profit and Loss Account.

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

S.No.	Amount ( Rs. in Lacs )	
	2009-10	2008-09
a) Payable in future		
a) Not later than one year	<b>3613.57</b>	2932.47
b) Later than one year and not later than five years	<b>15271.70</b>	12300.09
c) Later than five years	<b>57192.93</b>	46870.07
d) Other significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations) taken on lease. Generally, these lease arrangements are non-cancellable, range between 11 months to 5 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent and Conducting Fees" in Schedule 14 to the Profit and Loss Account and Schedule 6: Pre-operative Expenditure Pending Allocation.		

### 16. Inox Leisure Limited has recognised provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under :-

Particulars	Amount (Rs. in Lacs)	
	2009-10	2008-09
Opening Balance	<b>111.20</b>	88.40
Provided during the year	<b>52.80</b>	52.80
Paid during the year	<b>45.00</b>	30.00
Closing balance	<b>119.00</b>	111.20



**17. Related Party Disclosures :**

(i) Names of Related Parties

**(A) Where control exists:**

Subsidiary Company- Gujarat Fluorochemicals Limited (w.e.f. 18<sup>th</sup> September 2008 – see note (a)  
Inox Leisure Limited (subsidiary of Gujarat Fluorochemicals Limited).

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

**Joint Venture**

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

**Associates of a subsidiary**

Megnasolace City Private Limited

**Key Management Personnel**

Shri P.K. Jain (Managing Director)

Shri V K Jain (Managing Director of GFL)

Shri Deepak Asher (Whole-time Director)

Shri D K Sachdeva (Whole-time Director of GFL)

Shri J S Bedi (Whole-time Director of GFL)

Shri Alok Tandon (Manager of Inox Leisure Limited)

**Relatives of Key Management Personnel**

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

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

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

Gujarat Fluorochemicals Limited (up to 17<sup>th</sup> September, 2008 – see note (a))

Devansh Gases Private Limited

Devansh Trading and Finance Private Limited

Inox India Limited

Inox Air Products Limited

Inox Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited



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(ii) Particulars of transactions: -

**(Amount Rs. in lacs)**

Particulars	Subsidiary and Sub-Subsidiary Company		Associate Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>A) Transactions during the year</b>														
<b>Sales of Goods</b>														
Inox Air Products Limited											<b>16.97</b>	7.25	<b>16.97</b>	7.25
Others											<b>0.04</b>	0.12	<b>0.04</b>	0.12
<b>Total</b>											<b>17.01</b>	7.37	<b>17.01</b>	7.37
<b>Purchase of Goods</b>														
Inox Air Products Limited											<b>70.08</b>	104.74	<b>70.08</b>	104.74
Inox India Limited											<b>2902.62</b>	3145.26	<b>2902.62</b>	3145.26
XHCT Co. Ltd													<b>143.86</b>	0.00
Others											<b>0.00</b>	0.46	<b>0.00</b>	0.46
<b>Total</b>											<b>2972.69</b>	3250.45	<b>3116.55</b>	3250.45
<b>Advance Call Money</b>														
Megnasolace City Private Limited			<b>0.00</b>	200.00									<b>0.00</b>	200.00
<b>Total</b>			<b>0.00</b>	200.00									<b>0.00</b>	200.00
<b>Equity shares Subscribed</b>														
XHCT Co. Ltd													<b>1263.89</b>	0.00
Inox Leisure Limited	<b>107.45</b>	151.93					<b>1263.89</b>	0.00					<b>1263.89</b>	0.00
<b>Total</b>	<b>107.45</b>	151.93					<b>1263.89</b>	0.00					<b>1371.34</b>	151.93
<b>Expenses (Repairs)</b>														
Inox India Limited											<b>0.50</b>	4.25	<b>0.50</b>	4.25
Refron Valves Limited											<b>2.87</b>	1.69	<b>2.87</b>	1.69
<b>Total</b>											<b>3.37</b>	5.94	<b>3.37</b>	5.94
<b>Interest Received</b>														
Inox Leisure Limited	<b>49.78</b>	0.00											<b>49.78</b>	0.00
<b>Total</b>	<b>49.78</b>	0.00											<b>49.78</b>	0.00
<b>Reimbursement of expenses (paid)</b>														
Inox Air Products Limited											<b>4.93</b>	4.30	<b>4.93</b>	4.30
Inox India Limited											<b>0.55</b>	0.00	<b>0.55</b>	0.00
Gujarat Fluorochemicals Limited	<b>0.36</b>	0.14									<b>0.00</b>	0.23	<b>0.36</b>	0.37
<b>Total</b>	<b>0.36</b>	0.14									<b>5.48</b>	4.53	<b>5.84</b>	4.67
<b>Reimbursement of expenses (received)</b>														
Inox India Limited											<b>4.81</b>	6.12	<b>4.81</b>	6.12
Gujarat Fluorochemicals Limited	<b>0.76</b>	0.38									<b>0.00</b>	0.42	<b>0.76</b>	0.80
Others											<b>0.00</b>	0.39	<b>0.00</b>	0.39
<b>Total</b>	<b>0.76</b>	0.38									<b>4.81</b>	6.93	<b>5.57</b>	7.31
<b>Rent Received</b>														
Inox Air Products Limited											<b>137.03</b>	126.00	<b>137.03</b>	126.00
Gujarat Fluorochemicals Limited	<b>36.00</b>	18.00									<b>0.00</b>	18.00	<b>36.00</b>	36.00
Others											<b>0.72</b>	0.72	<b>0.72</b>	0.72
<b>Total</b>	<b>36.00</b>	18.00									<b>137.75</b>	144.72	<b>173.75</b>	162.72
<b>Rent &amp; Lease Rentals paid</b>														
Inox Air Products Limited											<b>47.95</b>	46.94	<b>47.95</b>	46.94
Devansh Gases Private Limited											<b>18.00</b>	18.00	<b>18.00</b>	18.00
Rajni Farms Private Limited											<b>12.00</b>	10.25	<b>12.00</b>	10.25
Others													<b>1.20</b>	1.20
<b>Total</b>											<b>77.95</b>	75.19	<b>79.15</b>	76.39
<b>O&amp;M Charges paid in respect of leased plant</b>														
Inox Air Products Limited											<b>52.31</b>	57.67	<b>52.31</b>	57.67
<b>Total</b>											<b>52.31</b>	57.67	<b>52.31</b>	57.67
<b>Remuneration paid</b>														
Shri V K Jain											<b>1818.41</b>	2073.31	<b>1818.41</b>	2073.31
Shri Deepak Asher											<b>17.59</b>	17.97	<b>17.59</b>	17.97
Others											<b>115.63</b>	103.75	<b>121.01</b>	109.13
<b>Total</b>											<b>1951.63</b>	2195.03	<b>1957.01</b>	2200.41



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(Amount Rs. in lacs)

Particulars	Subsidiary and Sub-Subsidiary Company		Associate Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
<b>Commission paid to Chairman</b>														
Shri D K Jain									440.34	0.00			440.34	0.00
<b>Total</b>									440.34	0.00			440.34	0.00
<b>Sitting Fees</b>														
Shri D K Jain									0.40	0.80			0.40	0.80
Shri P K Jain									0.05	0.05			0.05	0.05
<b>Total</b>									0.45	0.85			0.45	0.85
<b>B) Amounts outstanding</b>														
<b>Megnasolace City Private Limited</b>														
Equity shares														
XHCT Co. Ltd														
Equity shares														
<b>Total</b>														
<b>Amount payable</b>														
Shri V K Jain														
Shri D K Jain														
Shri Deepak Asher														
Gujarat Fluorochemicals Limited	0.07	0.07							1219.80	1335.72			1219.80	1335.72
Others									1.85	1.85			304.28	304.28
<b>Total</b>	0.07	0.07							13.93	0.00			203.45	203.45
<b>Amount receivable</b>														
Inox Leisure Limited	500.00	0.00							4.84	4.40			181.19	181.19
<b>Total</b>	500.00	0.00							1226.49	1341.97			222.67	222.67
									13.93	0.00			2248.59	2248.59
									1226.49	1341.97			1523.16	1523.16
									0.00	0.00			500.00	500.00
									0.00	0.00			500.00	500.00

**Notes :-**

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

**18. Segment Information**

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

Description	Amount (Rs. in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>III Segment Revenue</b>		
i. Chemicals	91523.33	102225.32
ii. Multiplexes	25360.09	22516.73
iii. Power	24064.77	17017.73
iv. WTG	784.95	0.00
v. Other Segment ,Un allocable and Corporate	6276.60	4018.00
<b>Total Segment Revenue</b>	148009.74	145777.78
Less : Inter Segment Revenue		
- Power	13759.12	14554.68
- WTG	784.95	0.00
- Others	5.86	82.10
<b>Total External Revenue</b>	133459.81	131141.00



**INOX LEASING AND FINANCE LIMITED**

		<b>Amount (Rs. in Lacs)</b>	
		<b>Year Ended 31.03.2010</b>	Year Ended 31.03.2009
<b>[III] Description</b>			
<b>[III] Segment Result</b>			
i. Chemicals		<b>39110.87</b>	50732.51
ii. Multiplexes		<b>2057.46</b>	2508.86
iii. Power		<b>4016.45</b>	6469.77
iv. WTG		<b>(105.62)</b>	0.00
v. Other Segment ,Un allocable and Corporate		<b>(639.13)</b>	(286.09)
<b>Total Segment Result</b>		<b>44440.03</b>	59425.05
(Less)/Add: Un-allocable (Expenses)/Income (net)		<b>2021.35</b>	(4104.94)
Less :Interest expenses		<b>5120.26</b>	5335.21
<b>Total Profit Before Tax</b>		<b>41341.12</b>	49984.90
Less : Taxation (including Deferred tax and Fringe Benefit tax)		<b>7250.05</b>	14083.21
<b>Net Profit After Tax</b>		<b>34091.07</b>	35901.69
<b>[III] Other Information</b>			
<b>a] Segment Assets</b>			
i. Chemicals		<b>91129.44</b>	99547.59
ii. Multiplexes		<b>39979.13</b>	35292.78
iii. Power		<b>63458.97</b>	50447.13
iv. WTG		<b>10744.07</b>	0.00
v. Other Segment ,Un allocable and Corporate		<b>99117.24</b>	73653.00
<b>Total</b>		<b>304428.85</b>	258940.50
<b>b] Segment Liabilities</b>			
i. Chemicals		<b>32371.78</b>	21694.50
ii. Multiplexes		<b>4339.84</b>	2848.51
iii. Power		<b>1343.78</b>	182.15
iv. WTG		<b>2122.34</b>	0.00
v. Other Segment ,Un allocable and Corporate		<b>76814.26</b>	78034.78
<b>Total</b>		<b>116992.00</b>	102759.94
<b>c] Capital Expenditure</b>			
i. Chemicals		<b>7880.99</b>	4791.24
ii. Multiplexes		<b>4246.37</b>	4699.82
iii. Power		<b>17887.70</b>	16088.57
iv. WTG		<b>7898.81</b>	0.00
v. Other Segment ,Un allocable and Corporate		<b>2554.95</b>	1843.93
<b>Total</b>		<b>40468.82</b>	27423.56
<b>d] Depreciation &amp; Amortization</b>			
i. Chemicals		<b>3374.76</b>	2915.33
ii. Multiplexes		<b>1493.87</b>	1225.12
iii. Power		<b>2448.97</b>	1666.08
iv. WTG		<b>17.90</b>	0.00
v. Other Segment ,Un allocable and Corporate		<b>470.95</b>	583.01
<b>Total</b>		<b>7806.45</b>	6389.54
<b>e] Non-cash expenses (other than depreciation)</b>			
i. Chemicals		<b>0.00</b>	0.00
ii. Multiplexes		<b>16.22</b>	0.00
iii. Power		<b>0.00</b>	0.00
iv. WTG		<b>0.00</b>	0.00
v. Other Segment, Un allocable and Corporate		<b>1599.38</b>	293.69
<b>Total</b>		<b>1615.60</b>	293.69



## INOX LEASING AND FINANCE LIMITED

### B) Information about Secondary (Geographical) Segments.

Description	Amount (Rs. in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Domestic	60381.89	45296.98
Overseas	65736.85	81734.12
<b>Total</b>	<b>126118.74</b>	<b>127031.10</b>

### C) Notes

- 1) The Company operates in following business segments:
  - a. Investments in shares, mutual funds and Brokerage received on distribution of units of mutual funds.
  - b. Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
  - c. Power - Comprising of Power Generation.
  - d. Multiplex – Operating & Managing Multiplex Entertainment Centres
  - e. WTG – Manufacture of Wind Turbine Generators
  - f. Other Segment – Distribution of Movies and Film Production.
- 2) Inter-segment revenue comprises of:
  - a. Power generated that is captively consumed in Chemical and Multiplex Business and is priced at market value or estimated market value, as appropriate.
  - b. Wind Turbine Generators manufactured by WTG segment is capitalized as fixed assets in Power Segment and is priced at estimated market value.
  - c. Film distributors' share in respect of movies distributed by Inox Leisure Limited and exhibited in its multiplexes and is priced at market value.
- 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. The manufacturing facilities of chemicals business are common for India and overseas market and hence it is not possible to directly attribute or allocate on a reasonable basis the expenses, assets and liabilities to these geographical segments. In respect of power segment, the entire production is indigenously sold/consumed. All multiplexes are located in India and all movies are distributed/produced in India. In respect of WTG, the entire production is indigenously sold. 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.

### 12. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 259.59 Lacs (Previous Year Rs. 238.27Lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account.
- b) Defined Benefit Plans: In respect of Gratuity and Leave Encashment – as per Actuarial valuation.



**INOX LEASING AND FINANCE LIMITED**

Particulars	Amount (Rs. in lacs )			
	As at 31.3.2010	Gratuity As at 31.3.2009	Leave Encashment	
		As at 31.3.2010	As at 31.3.2009	
<b>1. Change in Benefit Obligation</b>				
Liability at the beginning of the year	<b>364.20</b>	291.72	<b>204.90</b>	176.09
Interest Cost	<b>24.85</b>	20.70	<b>13.64</b>	12.16
Current Service Cost	<b>112.90</b>	79.03	<b>105.97</b>	76.72
Benefit paid	<b>(18.20)</b>	(32.30)	<b>(20.44)</b>	(51.63)
Actuarial (Gain)/Loss	<b>(39.07)</b>	5.05	<b>(121.29)</b>	(8.44)
<b>Liability at the end of the year</b>	<b>444.68</b>	364.20	<b>182.78</b>	204.90
<b>2. Expenses recognized in the Profit and Loss Account</b>				
Current Service Cost	<b>112.90</b>	79.03	<b>105.98</b>	76.72
Interest Cost	<b>24.85</b>	20.70	<b>13.64</b>	12.16
Actuarial (Gain)/Loss	<b>(39.07)</b>	5.06	<b>(121.29)</b>	(8.44)
<b>Expenses recognized in the Profit and Loss Account</b>	<b>98.68</b>	104.79	<b>(1.67)</b>	80.44
<b>3. Actuarial Assumptions</b>				
Discount Rate	<b>8%</b>	7%	<b>8%</b>	7%
Salary Escalation Rate	<b>7% to 8%</b>	6% to 8%	<b>7% to 8%</b>	6% to 8%
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%
<b>Mortality</b>	<b>LIC (1994-96) published table of rates</b>			

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.

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

Particulars	Amount (Rs. in lacs)	
	2009-2010	2008-2009
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	<b>19.50</b>	50.34
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	<b>0.34</b>	1.62
Payment made to suppliers (other than interest) beyond the appointed date during the year	<b>81.22</b>	84.94
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	<b>2.32</b>	Nil
Interest due and payable to suppliers under MSMED Act for payments already made.	<b>1.45</b>	1.85
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	<b>2.32</b>	3.47



## 14. Calculation of Earnings Per Share (EPS):

S.No.	Particulars	2009-2010	2008-2009
a)	Amount used as the numerator - Profit after taxation – including share in profit of the Associate and after minority interest in the profit for the year (Rs in Lacs)	<b>17719.89</b>	19405.51
b)	Equity shares outstanding at the beginning of the year – (Nos.)	<b>10618467</b>	10618467
c)	Equity shares bought back – (Nos.)	<b>0</b>	0
d)	Equity shares outstanding at the end of the year – (Nos.)	<b>10618467</b>	10618467
e)	Weighted Average equity shares outstanding for the year – (Nos.)	<b>10618467</b>	10618467
f)	Nominal value of each share – (Re)	<b>10</b>	10
g)	Basic and Diluted Earnings per share (Rs)	<b>166.88</b>	182.75

## 15. Details of the Company's share in Joint Venture included in the Consolidated Financial Statement after elimination of Share Capital, Inter Company transaction and balances are as under:

Particulars	Rs. Lacs
<b>SOURCES OF FUNDS</b>	<b>Current Year</b>
<b>Shareholders' Funds</b>	
Reserves and Surplus	7.19
<b>Loan Funds</b>	
Unsecured Loans	659.13
<b>Total Sources of Funds</b>	<b>666.32</b>
<b>APPLICATION OF FUNDS</b>	
<b>Fixed Assets</b>	
(a) Gross Block	2332.03
(b) Less : Depreciation	281.41
(c) Net Block	2050.61
(d) Capital Work-in-progress	77.24
<b>Total Fixed Assets</b>	<b>2127.85</b>
<b>Current Assets, Loans and Advances</b>	
(a) Inventories	243.66
(b) Sundry Debtors	328.31
(c) Cash and Bank Balances	6.45
(d) Loans and Advances	183.46
Sub-Total (i)	761.89
<b>Less : Current Liabilities and Provisions</b>	
(a) Liabilities	846.28
Sub-Total (ii)	846.28
<b>Net Current Assets (i) - (ii)</b>	<b>(84.38)</b>
<b>Profit &amp; Loss Account</b>	
<b>Total</b>	<b>2278.05</b>
<b>INCOME</b>	
Sales and Services	1937.01
Other Income	84.07
<b>Total Income</b>	<b>2021.08</b>



**INOX LEASING AND FINANCE LIMITED**

Particulars	Rs. Lacs
	Current Year
<b>EXPENDITURE</b>	
Materials Consumed and Purchase of Goods	1766.84
Manufacturing, Operating and other Expenses	233.11
Salaries and Benefits	38.39
Interest	59.91
Depreciation & Amortization	189.10
<b>Total Expenditure</b>	<b>2287.36</b>
<b>Profit before Taxation</b>	<b>(266.27)</b>
Profit brought forward from previous year	31.69
<b>Balance Carried to Balance Sheet</b>	<b>(234.59)</b>

As per our report of even date attached

On behalf of the Board of Directors

For **S. C. BANDI & CO.**  
Chartered Accountants

**P.K. JAIN**  
Managing Director

**S. C. BANDI**  
Proprietor

Place: Mumbai  
Date: 23rd August, 2010

**VIJAY SAXENA**  
Company Secretary

**D.K. JAIN**  
Chairman

Place : Delhi  
Date : 23rd August, 2010



INOX LEASING AND FINANCE LIMITED

## INOX LEASING AND FINANCE LIMITED

Regd. Office: 69, Jolly Maker Chambers II, Nariman Point,  
Mumbai 400 021

### 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 SHAREHOLDER

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

No. of Shares held.....

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Thursday, the 30th September, 2010 at 10.00 a.m.** at 69, Jolly Maker Chambers II, Nariman Point Mumbai -400 021.

Signature of the Shareholder or Proxy

(TEAR HERE)

## INOX LEASING AND FINANCE LIMITED

Regd. Office: 69, Jolly Maker Chambers II, Nariman Point,  
Mumbai 400 021

### PROXY

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

I/We .....  
of ..... being a member/members of  
INOX LEASING AND FINANCE LIMITED hereby appoint.....  
of .....  
or failing him.....  
of .....

as my/our proxy to vote for me/us and on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Thursday, the 30th September, 2010** and at any adjournment thereof.

Signed this ..... day of ..... 2010.

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.