

**INOX LEASING AND
FINANCE LIMITED**



**ANNUAL REPORT
2009 - 2010**



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INOX LEASING AND FINANCE LIMITED



INOX LEASING AND FINANCE LIMITED

15th ANNUAL REPORT

2009 – 2010

BOARD OF DIRECTORS

Shri D.K. Jain	<i>Chairman</i>
Shri P.K. Jain	<i>Managing Director</i>
Shri V.K. Jain	<i>Director</i>
Shri Siddharth Jain	<i>Director</i>
Shri Deepak Asher	<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 30th 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 31st 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.



- 2) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2010 to 30th 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, 23rd 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 31st March 2010.

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



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 st March, 2010	31 st 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



AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of INOX LEASING AND FINANCE LIMITED as at 31st 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 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st 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 31st 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



INOX LEASING AND FINANCE LIMITED

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 31st 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		As at 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1 Shareholders' funds:					
(a) Capital	1	106,184,670		106,184,670	
(b) Reserves and Surplus	2	882,143,317		751,198,301	
			988,327,987		857,382,971
			988,327,987		857,382,971
II. APPLICATION OF FUNDS					
1 Fixed Assets:					
Gross Block	3	18,317,830		17,260,193	
Less: Depreciation		11,263,579		9,668,623	
Net block			7,054,251		7,591,570
2 Investments:					
	4		796,632,343		460,466,389
3 Deferred Tax Asset					
			131,919		286,917
4 (i) Current Assets, Loans and Advances:					
(a) Sundry Debtors	5	3,385,819		891,880	
(b) Cash & Bank Balances	6	43,429,490		241,784,754	
(c) Loans and Advances	7	245,737,513		148,125,795	
Sub - Total (i)			292,552,822		390,802,429
(ii) Less: Current Liabilities and Provisions:					
(a) Liabilities	8	990,057		1,026,145	
(b) Provisions	9	107,053,291		738,189	
Sub - Total (ii)			108,043,348		1,764,334
Net Current Assets (i) - (ii)			184,509,474		389,038,095
			988,327,987		857,382,971
Notes forming part of accounts	11				

As per our report of even date attached

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

S. C. BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

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

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

	Sch. No.	2009-2010		2008-2009	
		Rupees	Rupees	Rupees	Rupees
INCOME					
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	
			329,729,063		119,626,200
Rent received			3,600,000		3,600,000
Interest received from Banks & Others (TDS deducted Rs. 19,36,530/-)			17,514,506		12,810,276
Profit on sale of shares & units of mutual funds			5,318,037		16,871,156
Misc Income			91,785		—
			366,508,161		154,698,087
EXPENDITURE					
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 diminition in value of long term investments		3,954,150		2,559,712	
			15,115,540		13,378,073
Profit before Tax			351,392,621		141,320,014
Less: Provision for Taxation		8,000,000		4,000,000	
Provision for Fringe Benefit Tax		—		125,000	
Deferred Tax		154,998		(286,917)	
			8,154,998		3,838,083
Profit after taxation for the year			343,237,623		137,481,931
Add/(Less): Taxes pertaining to earlier years			76,733		(8,213)
Balance Profit			343,314,356		137,473,718
Profit brought forward from previous year			369,069,474		259,595,756
Profit available for Appropriation			712,383,830		397,069,474
Less: Appropriations:					
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	351,392,621	141,320,014
Adjustments for :		
Depreciation & Amortisation	1,594,956	2,085,390
Loss on assets sold	—	5,095
Provision for Diminution in value of Investments	3,954,150	2,559,712
Interest and Dividend received	(347,243,569)	(132,436,476)
Profit on sale of investments	(5,318,037)	(16,871,156)
Interest expenditure	2,565	—
	(347,009,935)	(144,657,435)
Operating profit before working capital changes	4,382,686	(3,337,421)
Adjustments for :		
Trade & other receivables	(95,105,657)	(12,811,662)
Trade Payables	94,345	(25,456,009)
	(95,011,312)	(38,267,671)
Cash generated from operations	(90,628,626)	(41,605,092)
Income taxes paid (Net)	(7,923,267)	(4,133,213)
Net cash used in operating activities	(98,551,893)	(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
	6,383,864	284,638,282
C Cash flow from financing activities		
Interim Dividend paid	(106,184,670)	—
Interest paid	(2,565)	—
Net cash used in financing activities	(106,187,235)	—
Net increase / (decrease) in cash and cash equivalents	(198,355,264)	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	43,429,490	241,784,754

As per our report of even date attached

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

S. C. BANDI
Proprietor

VIJAY SAXENA
Company Secretary

On behalf of the Board of Directors

P.K. JAIN
Managing Director

D.K. JAIN
Chairman

Place: Mumbai
Date: 23rd August, 2010

Place : Delhi
Date : 23rd August, 2010



SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2010		As at 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - 1				
SHARE CAPITAL				
AUTHORISED :				
1,10,00,000 Equity Shares of Rs.10/- each	110,000,000		110,000,000	
15,00,000 Preference Shares of Rs.100/- each	150,000,000		150,000,000	
		260,000,000		260,000,000
ISSUED, SUBSCRIBED AND PAID UP :				
1,06,18,467 Equity Shares of Rs.10/- each		106,184,670		106,184,670
		106,184,670		106,184,670
NOTE:				
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.				
SCHEDULE - 2				
RESERVES & SURPLUS				
Reconstruction Reserve				
As per last Balance Sheet		63,952,497		63,952,497
Amalgamation Reserve				
As per last Balance Sheet		7,576,330		7,576,330
Capital Redemption Reserve				
As per last Balance Sheet		140,000,000		140,000,000
Statutory Reserve Fund*				
As per last Balance Sheet	160,600,000		132,600,000	
Add: Transferred from Profit and Loss Account	70,000,000		28,000,000	
		230,600,000		160,600,000
* Created pursuant to Reserve Bank of India (Amendment)Act, 1997				
General Reserve				
As per last Balance Sheet	10,000,000		10,000,000	
Add: Transferred from Profit and Loss Account	35,000,000		—	
		45,000,000		10,000,000
Profit and Loss Account				
Balance as per Annexed Account		395,014,490		369,069,474
		882,143,317		751,198,301



INOX LEASING AND FINANCE LIMITED

(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	As at 31.03.10	As at 31.03.09
1.	BUILDINGS	3,128,050	—	—	3,128,050	1,995,440	56,631	—	2,052,071	1,075,979	1,132,610
2.	FURNITURE & FIXTURES	1,825,800	—	—	1,825,800	661,860	210,673	—	872,533	953,267	1,163,940
3.	VEHICLES	10,909,116	—	—	10,909,116	6,080,930	1,250,017	—	7,330,947	3,578,169	4,828,186
4	OFFICE EQUIPMENTS	1,397,227	1,057,637	—	2,454,864	930,393	77,635	—	1,008,028	1,446,836	466,834
	TOTAL	17,260,193	1,057,637	—	18,317,830	9,668,623	1,594,956	—	11,263,579	7,054,251	7,591,570
	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
57,715,310	192,118,091	57,715,310	192,118,091
714,420	25,938,000	511,633	15,193,309
124,200	3,726,000	124,200	3,726,000
10,300	329,600	10,300	329,600
8,000	107,325	8,000	107,325
1,500	104,250	1,500	104,250
41,100	411,000	41,100	411,000
1,700	153,000	1,700	153,000
8,300	332,000	8,300	332,000
1,800	45,000	1,800	45,000
8,300	332,000	8,300	332,000
140,000	1,400,000	140,000	1,400,000
200	21,020	200	21,020
—	—	200	11,114
200	2,022	200	2,022
255,400	18,600,692	221,400	16,302,059
5	6,316	5	6,316
	243,626,316		230,594,106
	6,099,412		6,099,412
	237,526,904		224,494,694


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	—	—
1,000,000	10,000,000	—	—
2,000,000	20,000,000	—	—
4,538,531	45,741,533	—	—
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

SUNDRY DEBTORS (UNSECURED)

Considered good by management

- i) Over six months
- ii) Others

	As at 31st March, 2010 Rupees		As at 31st March, 2009 Rupees	
	—	—	—	—
	3,385,819	3,385,819	891,880	891,880
				<u>891,880</u>
SCHEDULE - 6				
CASH AND BANK BALANCES				
1 Cash on Hand		262,416		540,925
2 Bank Balance with Scheduled Banks				
i) In Current Accounts	3,167,074		1,243,829	
ii) In Deposit Accounts	40,000,000		240,000,000	
		43,167,074		241,243,829
		43,429,490		<u>241,784,754</u>
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	172,826,725		116,350,424	
— Considered Doubtful	—		—	
	172,826,725		<u>116,350,424</u>	
Less: Provision for doubtful advances	—		—	
	172,826,725		116,350,424	
2 Interest accrued on Bank Deposits	2,399,671		9,625,165	
3 Deposits	6,040,627		6,040,627	
4 Inter-Corporate Deposits	50,000,000		—	
5 Advance Tax & Income Tax deducted at source (net of provision of Rs. 3,31,26,600 Previous year Rs. 376,09,000)	14,470,490		16,109,579	
	245,737,513		<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

As at 31st March, 2010		As at 31st March, 2009	
Rupees	Rupees	Rupees	Rupees
—	—	—	—
396,037		256,949	
396,037		256,949	
594,020		769,196	
	990,057		1,026,145
868,621		738,189	
106,184,670		—	
	107,053,291		738,189

SCHEDULE - 9

PROVISIONS

- Gratuity & Leave Encashment
- Proposed Dividend

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

2009-2010		2008-2009	
Rupees	Rupees	Rupees	Rupees
	3,257,162		3,189,995
	232,420		218,924
	1,758,810		1,797,322
	27,769		36,930
	20,848		21,949
	272,724		319,590
	1,200,000		1,025,000
	120,759		197,223
	85,509		143,488
	717,395		—
	1,870,473		1,777,455
	9,563,869		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 & 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 dimunition 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, companys 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**

- 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.
- 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)
- Major components of the net deferred tax asset as on 31st March, 2010 are as under:

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

- Particulars of remuneration to Whole-time Director:

	2009-2010	2008-2009
	Rupees	Rupees
Salary & Incentive Bonus	11,09,160	11,09,160
Perquisites	6,49,650	6,88,162
Total	17,58,810	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.

- Particulars of Payment's to Auditor's

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



8. Basic and Diluted Earnings per Share:

Basic and Diluted Earnings have been calculated as follows:

	2009-2010	2008-2009
Profit after taxation	343,314,356	137,473,718
No. of equity shares outstanding at the beginning of the year	10618467	10618467
No. of equity shares outstanding at the close of the year	10618467	10618467
Nominal value of each share (Rs)	10	10
Basic and diluted Earnings per Share (Rs)	32.33	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. 18th 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 17th 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.)
(A) Transactions during the year					
Rent received					
Gujarat Fluorochemicals Ltd	36,00,000 (18,00,000)		— (18,00,000)		36,00,000 (36,00,000)
Dividend received					
Gujarat Fluorochemicals Ltd	31,74,34,205 (5,77,15,310)		— (5,77,15,310)		31,74,34,205 (11,54,30,620)
Reimbursement of expenses (paid)					
Gujarat Fluorochemicals Ltd	35,777 (14,208)		— (22,743)		35,777 (36,951)
Reimbursement of expenses (received)					
Gujarat Fluorochemicals Ltd	76,232 (38,420)		— (41,906)		76,232 (80,326)
Rent paid					
Rajni Farms Pvt Ltd.			12,00,000 (10,25,000)		12,00,000 (10,25,000)
Inter-Corporate Deposit paid	5,00,00,000 (—)				5,00,00,000 (—)
Inox Leisure Limited					
Interest received	49,78,082 (—)				49,78,082 (—)
Inox Leisure Limited					
Deposit paid					
Rajni Farms Pvt Ltd.			— (20,00,000)		— (20,00,000)
Investment in shares	1,07,44,691 (1,51,93,309)				1,07,44,691 (1,51,93,309)
Inox Leisure Limited					
Remuneration paid				17,58,810 (17,97,322)	17,58,810 (17,97,322)
Shri Deepak Asher					
(B) Amounts outstanding					
Investments in shares					
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)
Deposit paid			60,00,000 (60,00,000)		60,00,000 (60,00,000)
Rajni Farms Pvt Ltd.					
Inter-Corporate Deposit paid	5,00,00,000 (—)				5,00,00,000 (—)
Inox Leisure Limited					
(C) Amounts payable					
Reimbursement of expenses					
Gujarat Fluorochemicals Ltd	6,971 (7,290)				6,971 (7,290)
Remuneration				1,84,860 (1,84,860)	1,84,860 (1,84,860)
Shri Deepak Asher					



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. 18th September, 2008. Hence, transactions upto 17th September, 2008 are classified as transactions with "Enterprise 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".

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 31st 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	5,21,326	3,63,834	2,16,863	1,02,551
Interest Cost	36,493	27,694	15,180	7,968
Current Service Cost	1,55,597	1,22,549	1,32,692	1,47,170
Benefit paid	—	(35,308)	—	(5,893)
Actuarial (Gain)/Loss	(80,850)	42,557	(1,28,680)	(34,933)
Liability at the end of the year	6,32,566	5,21,326	2,36,055	2,16,863
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	1,55,597	1,22,549	1,32,692	1,47,170
Interest Cost	36,493	27,694	15,180	7,968
Actuarial (Gain)/Loss	(80,850)	42,557	(1,28,680)	(34,933)
Expenses recognized in the Profit and Loss Account	1,11,240	1,92,800	19,192	1,20,205
3. Actuarial Assumptions				
Discount Rate	8%	7%	8%	7%
Salary Escalation Rate	7%	7%	7%	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

As per our report of even date attached

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

S. C. BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

On behalf of the Board of Directors

P.K. JAIN
Managing Director

VIJAY SAXENA
Company Secretary

Place : Delhi
Date : 23rd August, 2010

D.K. JAIN
Chairman



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 31st 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 31st 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 31st 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



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	Amount outstanding	(Rs. in Lakhs) Amount overdue
Liabilities Side		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	NIL	NIL
(a) Debentures : Secured		
: 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		
Assets side:		
(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :		
(a) Secured	—	
(b) Unsecured	2312.67	
(3) Break up of Leased assets and stock on hire and other assets counting towards AFC activities		
(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	—	
(4) Break -up of Investments:		
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		
	(a) Equity		2375.27
	(b) Preference		—
	(ii) Debentures and Bonds		—
	(iii) Units of mutual funds		—
	(iv) Government Securities		—
	(v) Others (please specify)		—
2	<u>Unquoted:</u>		
	(i) Shares		
	(a) Equity		1048.26
	(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
1. Related Parties **	—	NIL	NIL
a) Subsidiaries*	—	500.00	500.00
b) Companies in the same group	—	60.00	60.00
c) Other related parties	—	NIL	NIL
2. Other than related parties	—	1752.67	1752.67
Total	—	2312.67	2312.67

*Inter Corporate Deposit to Inox Leisure Limited sub-subsiary 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)
1 Related Parties*		
a) Subsidiaries (including their subsidiaries)	81277.16	2180.56
b) Other related parties	NIL	NIL
2 Other than related parties	5,707.08	5,785.76
Total	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.

**(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	NIL
(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 State Code

Balance Sheet Date

Date Month Year

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

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

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

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/>
Sources of Funds	
Paid-up Capital	Reserves & Surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Application of Funds	
Net Fixed Assets	Investments
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="2"/>
Net Current Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
	Deferred Tax Asset
	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/>

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="5"/>
Profit Before Tax	Profit After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="3"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/>
Earning per share (Rs.)	Dividend Rate @ %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="3"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value=""/>

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

Service Description

As per our report of even date attached

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

S.C.BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

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

**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 Fluoro- chemicals 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



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

As per our report of even date attached

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

S. C. BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

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



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)
INCOME			
1 Sales and Services - Gross		128133.69	129700.24
Less: Excise Duty		2014.96	2669.14
Sales and Services - Net	10	126118.74	127031.10
2 Other Income	11	7341.07	4109.90
		133459.81	131141.00
EXPENDITURE			
1 (Increase) / Decrease in Stocks	12	(910.97)	(4483.50)
2 Materials Consumed and Purchase of Goods	13	22279.94	20832.98
3 Manufacturing, Operating and other Expenses	14	49820.81	45818.61
4 Salaries and Benefits	15	7009.08	6969.56
5 Provision for diminution in value of investments (Net)	7	1599.38	293.69
6 Interest	16	5120.26	5335.21
7 Goodwill on consolidation written off		178.69	—
8 Depreciation & Amortization	5	7806.45	6389.54
		92903.64	81156.09
Less : Expenses Capitalized		(784.95)	—
Net Expenditure		92118.69	81156.09
9 Profit before Taxation		41341.12	49984.90
10 Provision for Taxation for the year			
Current tax		7381.50	12383.25
MAT Credit Entitlement		(1102.00)	—
Deferred tax		970.55	1618.71
Fringe benefit tax		—	81.25
		7250.05	14083.21
11 Profit after tax		34091.07	35901.69
12 Add/(Less) : Taxation in respect of earlier years			
Prior Period Taxation			20.78
MAT Credit Entitlement for earlier years - ref. note no. 9		978.00	—
Reversal of current tax provision and deferred tax for earlier years - Refer Note No. 9 in Notes to Accounts		192.62	1022.62
13 Profit for the year		35258.50	36945.09
14 Less: Minority Interest		(17538.61)	(17537.12)
15 Add/(Less) : Profit of Associate/Share in (Loss)		—	(2.46)
16 Net Profit		17719.89	19405.51
17 Profit brought forward from previous year		9210.88	2617.93
18 Share in opening profit in Joint Venture		31.69	—
19 Profit available for appropriation		26962.46	22023.44
20 Less : Appropriations			
Capital Redemption Reserve		—	59.30
Dividend on shares bought back		—	(4.88)
Transfer to General Reserve		5000.00	1409.81
Transfer to Statutory Reserve Fund		700.00	280.00
Transfer to Consolidation Reserve		—	8590.19
Interim Dividend		2104.55	—
Proposed Dividend		1843.87	1824.72
Tax on Dividend		647.05	653.42
		10295.47	12812.56
21 Balance carried to Balance Sheet		16666.99	9210.88
Basic and diluted Earnings per Share of Rs. 10 each		166.88	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**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

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
A Cash flow from operating activities		
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 Diminution 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)
Net cash used in operating activities	70,946.99	25,674.46
	—	—
B Cash flow from investing activities		
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
Net cash generated from investing activities	(64,523.83)	(13,020.40)
	—	—
C Cash flow from financing activities		
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)
Net cash used in financing activities	(23,688.40)	5,887.14
	—	—
D Adjustments on account of Foreign Currency Transaction Reserve	305.25	—
E Capital Receipts	825.05	629.64
	—	—
Net increase / (decrease) in cash and cash equivalents	(12,960.62)	19,747.99
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

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

S. C. BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

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



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
SCHEDULE 1 : CAPITAL		
Authorised		
1,10,00,000 Equity Shares of Rs. 10/- each	1100.00	1100.00
15,00,000 Preference Shares of Rs. 100/- each	1500.00	1500.00
	2600.00	2600.00
Issued and Subscribed and Paid Up		
1,06,18,467 Equity Shares of Rs. 10/- each	1061.85	1061.85
Total	1061.85	1061.85
SCHEDULE 2 : RESERVES AND SURPLUS		
Reconstruction Reserve		
As per last Balance Sheet	639.52	639.52
Capital Reserves		
As per last Balance Sheet	5808.73	5477.92
Addition during the year (Refer Note No. 6 in Notes to Accounts)	433.31	330.81
	6242.04	5808.73
Share Premium Account		
As per last Balance Sheet	4326.52	4314.61
Less: Adjusted on Buyback of shares	—	(2.43)
Add: Adjustment on account of grant of stock options to employees in subsidiary company and share in Joint Venture	10.88	14.34
	4337.40	4326.52
Capital Redemption Reserve		
As per last Balance Sheet	1459.30	1400.00
Add : Transfer from Profit & Loss Account	—	59.30
	1459.30	1459.30
Statutory Reserve Fund*		
As per last Balance Sheet	1606.00	1326.00
Add : Transfer from Profit & Loss Account	700.00	280.00
	2306.00	1606.00
Consolidation Reserve		
As per last Balance Sheet	7907.31	—
Add : Adjustments during the year	16680.25	(682.88)
Add : Transfer from Profit and Loss Account	—	8590.19
	24587.56	7907.31
General Reserve		
As per last Balance Sheet	46656.18	48436.80
Less: Adjusted on buyback of shares	—	(3190.43)
Add: Transfer from Profit and Loss Account	5000.00	1409.81
	51656.18	46656.18
Amalgamation Reserve		
As per last Balance Sheet	206.15	206.15
Foreign Currency Translation Reserve	305.25	—
Profit and Loss Account		
Balance as per Annexed Account	16666.99	9210.88
Total	108406.39	77820.59
SCHEDULE 3 : SECURED LOANS		
From Banks		
Rupee Loan		
- Term Loans	25481.19	41987.45
(amount payable within one year Rs. 11452.46 Lacs , Previous year Rs. 10593.80 Lacs)		
Foreign Currency Loans		
- Term Loans	8506.43	16432.52
(amount payable within one year Rs. 1217.37 Lacs, Previous year Rs. 6246.82 Lacs)		
Total	33987.62	58419.97

*Created pursuant to RBI (Amendment) Act, 1997

**INOX LEASING AND FINANCE LIMITED****SCHEDULE 4 : UNSECURED LOANS****From Banks****Rupee Loan**

- Term Loans **9642.44**
 (amount payable within one year Rs. 4042.44 lacs, Previous year Rs. Nil)

Foreign Currency Loans

- Term Loans **16527.04**
 (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

1000.00**2.93****1002.93****218.80****27391.21**

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

—

13877.71

—

—

—

—

13877.71

Inter Corporate Deposits**Total**

Schedules Forming part of Consolidated Balance Sheet



INOX LEASING AND FINANCE LIMITED

Particulars	Amount (Rs. in lacs)									
	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	As at 31-Mar-10	As at 31-Mar-09
(a) Tangible Assets										
Land										
- Freehold Land	2250.56	458.88		2709.44					2709.44	2250.56
- Leasehold Land	1925.93	456.69	9.00	2373.62	105.94	26.70		132.64	2240.98	1819.99
Buildings and Roads	21824.61	2875.28		24699.89	1565.78	534.82		2100.60	22599.29	20258.83
Lease hold improvements	5112.74	2176.80	0.32	7289.54	505.25	329.48		834.73	6454.81	4607.49
Plant and Machinery	63344.45	14739.08		78083.21	10965.12	3942.79	0.32	14907.59	63175.62	52379.33
Wind Mill	23998.11	18196.84		42194.95	2186.45	1758.56		3945.01	38249.94	21811.66
Manufacturing and other Equipments	1979.99	541.73	15.95	2505.77	740.62	213.85	13.99	940.48	1565.30	1239.37
Furniture and Fixtures	2655.52	773.71	16.89	3412.34	682.89	264.91	10.71	937.09	2475.25	1972.63
Vehicles	506.57	76.67	13.27	569.97	192.72	51.86	10.81	233.77	336.20	313.85
Total (a)	123598.48	40295.68	55.43	163838.73	16944.79	7122.96	35.83	24031.92	139806.82	106553.70
(b) Intangible Assets										
Technical Know How	804.22	1029.07		1833.29	113.89	89.16		203.05	1630.24	690.33
Software	409.41	47.35		456.76	160.89	64.23		225.12	231.64	248.52
Film Distribution Rights & Prints Cost	1681.84		692.25	989.59	1673.44	8.40	692.25	989.59		8.40
Movie Production	290.00	82.35		372.35		335.12		335.12	37.23	290.00
Total (b)	3185.47	1158.77	692.25	3651.99	1948.22	496.91	692.25	1752.88	1899.11	1237.25
(c) Share in Joint Venture*		2332.02		2332.02		281.41		281.41	2050.61	
Grand Total (a + b + c)	126783.95	43786.47	747.68	169822.74	18893.01	7901.28	728.08	26066.21	143756.53	107890.95
Previous year	112477.64	14645.97	339.66	126783.95	12997.66	6004.58	109.23	18893.01		



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION		
Opening balance	1049.84	922.92
Add: Expenses incurred during the year		
Salaries, Wages, Allowances and benefits	319.56	196.88
Contribution to Provident and other funds	15.83	10.97
Legal, Professional and Consultancy charges	249.90	481.38
Travelling and Conveyance	156.39	102.50
Rent	3.74	15.86
Insurance	9.65	10.46
Power & Fuel	51.03	31.10
Communication expenses	6.49	13.99
Rates and Taxes	8.34	5.87
Processing fees	52.39	—
Interest on fixed loans	161.40	47.92
Lease Rentals and Hire Charges	12.11	—
Testing Charges	94.44	—
Miscellaneous expenses	123.20	292.65
Depreciation	3.38	—
Bank charges	0.00	—
Raw Materials	0.00	—
	1267.85	1209.59
Less:		
Dividend on current investments	0.91	—
Profit on sale of current investments	0.42	—
Miscellaneous income	3.95	4.06
	5.28	4.06
	1262.57	1205.53
	2312.41	2128.45
Less: Capitalized	1297.79	1078.61
Closing Balance	1014.62	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)

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


INOX LEASING AND FINANCE LIMITED

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


INOX LEASING AND FINANCE LIMITED

	Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
Reliance Equity Opportunities Fund Retail Plan- Dividend Plan	10	2,362,960	0	500.00	0.00
Reliance Banking Fund-Institutional Plan-Dividend Plan	10	881,305	0	517.07	0.00
Reliance Income Fund -Retail Plan-Growth Option	10	10,078,647	0	3000.00	0.00
Reliance Regular Savings Fund - Equity Plan- Dividend Plan	10	2,719,815	0	500.00	0.00
Reliance Fixed Horizon Fund XIII Series 6 -Growth	10	2,000,000	0	200.00	0.00
SBI- Magnum Global Fund- Dividend	10	1,768,991	0	500.00	0.00
SBI- Magnum Sector Funds Umbrella Contra-Dividend	10	2,423,799	0	503.90	0.00
SBI SHF Ultra Short Term Plan-Div	10	4,538,531	0	457.42	0.00
SBNPP Ultra ST Fund Super Institutional Daily Dividend	10	14,981,046	0	1503.65	0.00
SBNPP Select Midcap- Dividend	10	7,822,621	0	1268.05	0.00
Tata Floater Fund-Daily Dividend	10	12,974,681	0	1302.09	0.00
Tata FMS Series 25 Scheme A-Growth	10	2,000,000	0	200.00	0.00
Templeton India Equity Income Fund-Dividend Reinvestment	10	4,897,997	0	563.56	0.00
Templeton India Ultra Short Bond Fund-Div	10	4,006,319	0	408.48	0.00
Templeton India Ultra Short Bond Fund-Growth	10	2,120,531	0	250.00	0.00
UTI Treasury Advantage Fund-Institutional Plan-Daily Dividend	10	220,934	0	2209.81	0.00
UTI-Fixed Term Income Fund-Series VII-II(407)Days-G	10	1,500,000	0	150.00	0.00
Reliance Income Fund-Retail Plan-Growth Option	10	0	1,242,800	0.00	375.00
Birla Sun Life Income Plus Growth (Prudent)	10	0	913,999	0.00	375.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	0	3,467,438	0.00	375.00
Kotak Bond (Regular) Growth (Prudent)	10	0	1,468,389	0.00	375.00
ICICI Prudential Institutional Income Plan Growth	10	0	1,248,469	0.00	375.00
ICICI Prudential Flexible Income Plan Premium - Dividend	100	118,220	0	125.00	0.00
ICICI Prudential Flexible Income Plan-Dividend	100	344,099	0	362.79	0.00
UTI Treasury Advantage Fund Inst-Dividend	1000	35,605	0	356.33	0.00
UTI Liquid Cash Fund - Growth	1000	16,539	0	250.00	0.00
				35,741.50	13,280.14
Total Unquoted Investments				52055.70	30128.15
Less: Provision for diminution in value of Investment				1483.34	1444.69
Net Unquoted Investments				50572.36	28683.46
B1 QUOTED					
i) In Units of Mutual Funds					
DWS Fixed Term Fund-Sr 68-Reg Gr	10	5,000,000	0	500.00	0.00
DWS Fixed Term Fund-Sr 69-Reg Gr	10	5,000,000	0	500.00	0.00
Fortis Fixed Term Fund Series 16	10	5,000,000	0	500.00	0.00
HDFC FMP 24M Feb10-Growth Sr Xii	10	5,000,000	0	500.00	0.00
ICICI FMP Sr.51-15 Month Pl E-Gr	10	10,000,000	0	1000.00	0.00
Kotak FMP 13M Series 6 - Growth	10	5,000,000	0	500.00	0.00
Kotak FMP 24M Series 1-Growth	10	5,000,000	0	500.00	0.00
				4000.00	0.00
ii) In Fully Paid-up Equity Shares					
Advanta India Limited	10	48,590	48,590	598.39	598.39
Ahmedabad Gases Limited	10	200	200	0.02	0.02
BOC India Limited	10	200	200	0.21	0.21
Balrampur Chini Mills Limited	1	0	270,000	0.00	319.12
Borosil Glass Limited	10	63,512	63,512	366.48	366.48
Bombay Oxygen Corpn Limited	100	5	5	0.06	0.06
Brandhouse Retails Limited	10	0	13,040	0.00	0.00
Bhilwara Technical Textile Limited (Received pursuant to a scheme of arrangement)	1	301,138	0	0.00	0.00
Bhoruka Gases Limited	10	0	200	0.00	0.11
Dalmia Cement Bharat Limited	2	191,881	491,881	492.54	1652.64
Damania Capital Market Limited	10	124,200	124,200	37.26	37.26
Dewan Housing Finance Corporation Limited	10	0	496,832	0.00	958.29
Deepak Fertilisers & Petrochemicals Limited	10	600,531	600,531	996.90	996.90
TCS E-Serve Ltd.	10	200	200	1.93	1.93


INOX LEASING AND FINANCE LIMITED

	Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
EIH Limited	2	439,950	439,950	963.28	963.28
Eastern Mining Limited	10	10,300	10,300	3.30	3.30
Fame India Limited	10	17,565,288	0	8248.39	0.00
GAIL India Limited	10	0	137,781	0.00	501.49
Garware Wall Ropes Limited	10	441,308	441,308	729.88	729.88
Gujarat NRE Coke Limited	10	166,000	266,000	165.14	264.44
Gujarat Borosil Limited	10	8,000	8,000	1.07	1.07
Housing Development & Infrastructure Limited	10	156,556	156,556	1176.01	1176.01
HEG Limited	10	116,000	116,000	500.91	500.91
IFCI Limited	10	1,500	1,500	1.04	1.04
Jindal Saw Limited	10	0	143,559	0.00	1612.51
K S Oil Limited	1	621,081	621,081	552.01	552.01
Kesoram Textile Mills Limited (Received pursuant to a scheme of Arrangement)	10	131,893	131,893	0.00	0.00
Konar Organics Limited	10	41,100	41,100	4.11	4.11
Mount Everest Mineral Water Limited	10	2,590,992	2,556,992	2799.07	2776.08
Navin Flourine Limited	10	0	4,495	0.00	16.72
Orbit Corporation Limited	10	0	245,000	0.00	219.50
OCL India Limited	2	152,950	0	203.19	0.00
Orient Fabritex Limited	10	140,000	140,000	14.00	14.00
Praj Industries Limited	2	993,630	993,630	2461.04	2461.04
Prime Focus Limited	10	77,256	77,256	989.21	989.21
Punjab Woolcombers Limited	10	1,700	1,700	1.53	1.53
Rajinder Pipes Limited	10	8,300	8,300	3.32	3.32
Reliance Communication Limited	5	56,981	56,981	362.76	362.76
Reliance Petroleum Limited	10	0	70,000	0.00	118.76
RSWM Limited	10	347,695	347,695	431.30	431.30
Shree Global Tradefin Limited	5	651,093	0	1601.57	0.00
Taneja Aerospace & Aviation Limited	5	365,559	365,559	738.06	738.06
Tantia Construction Limited	10	320,585	472,287	461.03	663.80
Trent Limited	10	0	2,073	0.00	14.54
Unified Agro Industries (India) Limited	10	1,800	1,800	0.45	0.45
United Phosphorus Limited	2	0	321,326	0.00	604.20
W S Telesystems Limited	10	8,300	8,300	3.32	3.32
Total Quoted Equity shares				24908.78	20660.05
Total Quoted Investments				28908.78	20660.05
Less: Provision for diminution in value of Investment				1621.73	60.99
Net Quoted Investments				27287.05	20599.06
Total Investments				77859.41	49282.52
Market value of quoted investments				28463.85	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
Total Investment Property	0.00	271.90	271.90	0.00	0.85	0.85	271.05	0.00
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00		

Total Investments (I & II) 78,130.45 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

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

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

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

2 Sundry Debtors (Unsecured)

Considered good
Exceeding 6 months
Others

Considered Doubtful
Exceeding 6 months
Others

Less : Provision for Doubtful Debts

3 Cash and Bank Balances

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

4 Other Current Assets

Interest accrued

B LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise stated)

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

Less: Provision for Doubtful Advances

2 Deposits

3 Current investments - Inter-corporate deposits

Considered Good
Considered Doubtful

Less: Provision for Doubtful Inter-corporate deposits

4 Share Application Money

5 Balances in Excise, Service Tax and VAT Accounts

6 Entertainment Tax Refund Claimed

7 Income Tax paid (net of provisions)

8 MAT Credit Entitlement

Total

3241.20
278.98

6893.13
4.46

6897.59

1.79

1720.43

108.66

7517.08

407.39

218.91

20392.03

718.09

9834.07

10552.16

11.15

36.15

47.30

10599.46

(47.30)

10552.16

101.02

3082.47

1301.30

5527.43

4221.54

32.57

14266.33

301.00

4429.58

45.29

4474.87

45.29

4429.58

3785.33

2934.03

99.00

3033.03

99.00

2934.03

—

2520.79

795.66

591.04

2080.00

17136.43

62647.95

2981.17
191.44

6718.50
51.31

6769.81

1.41

1048.05

87.21

8205.73

—

99.03

19383.85

189.72

12641.58

12831.30

21.78

—

21.78

12853.08

(21.78)

12831.30

76.14

2460.80

308.90

20159.57

—

—

23005.41

916.52

6032.28

45.29

6077.57

45.29

6032.28

3350.60

3523.59

144.51

3668.10

144.51

3523.59

1151.34

3588.42

686.25

1972.93

—

20305.40

76442.48



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
A Current Liabilities		
1 Sundry Creditors		
- dues to Micro and Small Enterprises	21.30	66.58
- others	18077.54	14913.88
	18098.84	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	20786.27	240.03
5 Other Liabilities	1186.33	434.33
6 Interest accrued but not due	165.52	205.95
	41270.88	16658.82
B Provisions		
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	1843.87	1824.72
4 Tax on Proposed Dividend	273.67	653.42
5 For Gratuity & Leave Encashment	758.41	612.64
6 For Expenses	119.00	111.20
	3009.51	3247.77
Total	44280.39	19906.59

Schedules Forming part of Consolidated Profit and Loss Account

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
SCHEDULE 10: SALES AND SERVICES		
Sales - Gross	102602.02	107170.90
Less: Excise Duty	2014.96	2669.14
Sales (Net)	100587.06	104501.76
Box Office Revenues	18835.74	16624.69
Food and Beverages Revenues	4162.86	3523.67
Income from Movie Rights	22.35	0.00
Film Distribution Income	14.89	70.16
Conducting Fees	783.55	714.27
Advertising Income	1251.82	1351.27
Management Fees	41.95	46.66
Parking charges	78.89	88.81
Other Operating Income	339.63	109.81
Total	126118.74	127031.10



Schedules Forming part of Consolidated Profit and Loss Account

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
SCHEDULE 11: OTHER INCOME		
Interest		
- On long term investments	256.66	320.63
- On current investments	51.24	249.12
- From banks	1142.17	1093.91
- On Income-tax refunds	313.80	0.11
- Others	128.40	78.65
	1892.27	1742.42
Dividend		
- On long term investments	1082.94	928.65
- On current Investments	100.63	102.21
	1183.57	1030.86
Profit on sale of investments (Net)		
- On long term investments	96.14	153.46
- On current Investments	—	116.82
	96.14	270.28
Liabilities written back no longer required	586.18	82.20
Provision for doubtful advances written back	45.51	—
Foreign Exchange Fluctuation Gain (Net)	2445.58	—
Lease Rent	738.17	727.08
Miscellaneous Income	353.65	257.05
Total	7341.07	4109.90
SCHEDULE 12: (INCREASE)/DECREASE IN STOCKS		
Opening Stock		
Finished Goods	6769.80	3184.90
Material in Process	1048.05	281.76
By-products	1.41	2.60
Carbon Credits	99.03	54.30
	7918.29	3523.56
Less: Closing Stock		
Finished Goods	6897.59	6769.81
Material in Process	1720.43	1048.05
By-products	1.79	1.41
Carbon Credits	218.91	99.03
	8838.72	7918.30
Excise Duty on Stock of Finished Goods (Net)	9.46	(88.76)
(Increase)/Decrease in Stocks	(910.97)	(4483.50)
SCHEDULE 13: MATERIALS CONSUMED AND PURCHASE OF FINISHED GOODS		
Raw Materials consumed	16835.56	15266.25
Packing Materials consumed	3927.12	4305.61
Purchase of Finished Goods	148.33	51.52
Cost of Food and Beverages	1368.93	1209.60
Total	22279.94	20832.98



Schedules Forming part of Consolidated Profit and Loss Account

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
SCHEDULE 14: MANUFACTURING, OPERATING AND OTHER EXPENSES		
Stores and Spare parts Consumed	1956.84	1769.74
Power and Fuel	18778.79	12236.31
Entertainment tax	3167.40	2838.01
Film Distributors share	6640.53	5308.43
Advertisement and Sales Promotion	359.79	432.13
Freight and Octroi	1519.32	1671.45
Insurance	461.05	331.35
Excise duty, Custom Duty, Sales tax and Service tax	798.63	250.89
Production Labour Charges & Outsourced Personnel Cost	783.58	648.85
Processing Charges	46.42	218.94
Factory Expenses	290.96	174.92
Repairs to		
- Buildings	295.82	187.99
- Machinery	2013.99	1420.39
- Others	203.19	246.07
	2513.00	1854.45
Directors' Sitting Fees	4.60	5.20
Commission to Chairman	440.34	—
Rent and Conducting fees	3140.23	2718.99
Rates and Taxes	310.44	240.37
Travelling and Conveyance	877.68	750.33
Communication Expenses	283.17	309.16
Common Facility charges	881.45	618.56
Legal and Professional Fees and Expenses	2414.53	1671.37
Lease Rentals and Hire Charges	343.98	407.17
Discount	276.14	48.05
Loss on assets sold/scrapped (Net)	8.31	82.76
Bank Charges	111.32	222.26
Foreign exchange fluctuation loss (Net)	—	7173.44
Provision for doubtful debts	25.53	21.78
Provision for doubtful advance	—	30.10
Bad debts and remissions	16.59	64.24
Less : Provision for Doubtful debts adjusted	—	(62.44)
Commission	227.87	293.89
Royalty	40.09	192.23
Expenditure on Sustainable Development Plan	106.92	69.93
Miscellaneous Expenses	2968.14	2805.30
Preliminary Expenses written off	27.17	8.17
Loss on Sale of long term Investments (Net)	—	733.51
	49820.81	46139.83
Less :Service Tax credit in respect of earlier years	—	(321.22)
Total	49820.81	45818.61
SCHEDULE 15: SALARIES AND BENEFITS		
Salaries, Wages, Allowances and Benefits	6469.50	6492.00
Contribution to Provident and other funds	272.53	254.36
Gratuity	95.77	103.85
Staff Welfare expenses	171.28	119.35
Total	7009.08	6969.56
SCHEDULE 16: INTEREST		
Interest on fixed loans (Net of interest capitalised Rs. 264.27 Lacs, previous year Rs. 422.52 Lacs)	5007.71	5172.27
Other Interest	112.55	162.94
Total	5120.26	5335.21



INOX LEASING AND FINANCE LIMITED

SCHEDULE 17: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st 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	
		As at 31 st March 2010	As at 31 st March 2009
Subsidiary Company			
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 th April 2009)	India	NIL	N.A.
Gujarat Fluorochemicals Americas, LLC (incorporated on 8 th September 2009)	USA	NIL	N.A.

**4. Investment in Associates:**

Inox Infrastructure Private Limited (IIPL), 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:-

		Amount Rs. Lacs	
S.No.	Particulars	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 31st 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 31st 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 31st 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 31st 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 1st 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 31st 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.



INOX LEASING AND FINANCE LIMITED

- (b) Till the year ended 31st 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 31st 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 31st March 2008 can be utilized for payment of service tax after 1st April 2008. Accordingly, during the year ended 31st 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 31st March 2010 - Rs. 2372.40 lacs (as on 31st 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:

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

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.



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

Amount (Rs. in Lacs)

	2009-2010	2008-2009
(A) Deferred Tax Assets (Net)		
(i) Depreciation	0.88	1.95
(ii) Retirement Benefits	1.18	0.92
Total	2.06	2.87

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

S.No. Particulars

Amount (Rs. in Lacs)

	2009-2010	2008-2009
(A) Deferred Tax Liabilities		
(i) Depreciation (Net)	11676.71	10856.43
(ii) Amortization of Film Distribution Rights and Prints cost	0.00	2.85
Total	11676.71	10859.28
(B) Deferred Tax Assets		
(i) Expenditure allowable on payment basis	295.38	250.92
(ii) Others	48.55	52.69
Total	343.93	303.61
Net Deferred Tax Liability (A-B)	11332.78	10555.67

**INOX LEASING AND FINANCE LIMITED****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.	914.52	914.52
(ii) Accumulated Depreciation as at the end of the year	53.45	38.56
(iii) Depreciation for the year	14.90	14.90
(iv) Future minimum lease payments -		
(a) Not later than one year	775.26	737.39
(b) Later than one year and not later than five years	2959.90	2941.24
(c) Later than five years	1323.20	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. Payable in future	Amount (Rs. in Lacs)	
	2009-10	2008-09
a) Not later than one year	35.28	35.28
b) Later than one year and not later than five years	141.12	141.12
c) Later than five years	61.74	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. Payable in future	Amount (Rs. in Lacs)	
	2009-10	2008-09
a) Not later than one year	3613.57	2932.47
b) Later than one year and not later than five years	15271.70	12300.09
c) Later than five years	57192.93	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	111.20	88.40
Provided during the year	52.80	52.80
Paid during the year	45.00	30.00
Closing balance	119.00	111.20



17. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Subsidiary Company- Gujarat Fluorochemicals Limited (w.e.f. 18th 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 17th 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


INOX LEASING AND FINANCE LIMITED

(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	
A) Transactions during the year															
Sales of Goods															
Inox Air Products Limited												16.97	7.25	16.97	7.25
Others												0.04	0.12	0.04	0.12
Total												17.01	7.37	17.01	7.37
Purchase of Goods															
Inox Air Products Limited												70.08	104.74	70.08	104.74
Inox India Limited												2902.62	3145.26	2902.62	3145.26
XHCT Co. Ltd					143.86	0.00								143.86	0.00
Others												0.00	0.46	0.00	0.46
Total					143.86	0.00						2972.69	3250.45	3116.55	3250.45
Advance Call Money															
Megnasolace City Private Limited			0.00	200.00										0.00	200.00
Total			0.00	200.00										0.00	200.00
Equity shares Subscribed															
XHCT Co. Ltd					1263.89	0.00								1263.89	0.00
Inox Leisure Limited	107.45	151.93												107.45	151.93
Total	107.45	151.93			1263.89	0.00								1371.34	151.93
Expenses (Repairs)															
Inox India Limited												0.50	4.25	0.50	4.25
Refron Valves Limited												2.87	1.69	2.87	1.69
Total												3.37	5.94	3.37	5.94
Interest Received															
Inox Leisure Limited	49.78	0.00												49.78	0.00
Total	49.78	0.00												49.78	0.00
Reimbursement of expenses (paid)															
Inox Air Products Limited												4.93	4.30	4.93	4.30
Inox India Limited												0.55	0.00	0.55	0.00
Gujarat Fluorochemicals Limited	0.36	0.14										0.00	0.23	0.36	0.37
Total	0.36	0.14										5.48	4.53	5.84	4.67
Reimbursement of expenses (received)															
Inox India Limited												4.81	6.12	4.81	6.12
Gujarat Fluorochemicals Limited	0.76	0.38										0.00	0.42	0.76	0.80
Others												0.00	0.39	0.00	0.39
Total	0.76	0.38										4.81	6.93	5.57	7.31
Rent Received															
Inox Air Products Limited												137.03	126.00	137.03	126.00
Gujarat Fluorochemicals Limited	36.00	18.00										0.00	18.00	36.00	36.00
Others												0.72	0.72	0.72	0.72
Total	36.00	18.00										137.75	144.72	173.75	162.72
Rent & Lease Rentals paid															
Inox Air Products Limited												47.95	46.94	47.95	46.94
Devansh Gases Private Limited												18.00	18.00	18.00	18.00
Rajni Farms Private Limited												12.00	10.25	12.00	10.25
Others							1.20	1.20						1.20	1.20
Total							1.20	1.20				77.95	75.19	79.15	76.39
O&M Charges paid in respect of leased plant															
Inox Air Products Limited												52.31	57.67	52.31	57.67
Total												52.31	57.67	52.31	57.67
Remuneration paid															
Shri V K Jain							1818.41	2073.31						1818.41	2073.31
Shri Deepak Asher							17.59	17.97						17.59	17.97
Others							115.63	103.75	5.38	5.38				121.01	109.13
Total							1951.63	2195.03	5.38	5.38				1957.01	2200.41


INOX LEASING AND FINANCE LIMITED

(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
Commission paid to Chairman														
Shri D K Jain									440.34	0.00			440.34	0.00
Total									440.34	0.00			440.34	0.00
Sitting Fees														
Shri D K Jain									0.40	0.80			0.40	0.80
Shri P K Jain									0.05	0.05			0.05	0.05
Total									0.45	0.85			0.45	0.85
B) Amounts outstanding														
Megnasolace City Private Limited														
Equity shares			3000.00	3000.00									3000.00	3000.00
XHCT Co. Ltd														
Equity shares					1263.89	0.00							1263.89	0.00
Total			3000.00	3000.00	1263.89	0.00							4263.89	3000.00
Amount payable														
Shri V K Jain							1219.80	1335.72					1219.80	1335.72
Shri D K Jain									304.28	0.00			304.28	0.00
Shri Deepak Asher							1.85	1.85					1.85	1.85
Gujarat Fluorochemicals Limited	0.07	0.07											0.07	0.07
Others					13.93	0.00	4.84	4.40	0.45	0.00	203.45	181.19	222.67	185.59
Total	0.07	0.07			13.93	0.00	1226.49	1341.97	304.73	0.00	203.45	181.19	2248.59	1523.16
Amount receivable														
Inox Leisure Limited	500.00	0.00											500.00	0.00
Total	500.00	0.00			0.00	0.00							500.00	0.00

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
II] Segment Revenue		
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
Total Segment Revenue	148009.74	145777.78
Less : Inter Segment Revenue		
- Power	13759.12	14554.68
- WTG	784.95	0.00
- Others	5.86	82.10
Total External Revenue	133459.81	131141.00



INOX LEASING AND FINANCE LIMITED

Amount (Rs. in Lacs)

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

**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
Total	126118.74	127031.10

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)			
	Gratuity		Leave Encashment	
	As at 31.3.2010	As at 31.3.2009	As at 31.3.2010	As at 31.3.2009
1. Change in Benefit Obligation				
Liability at the beginning of the year	364.20	291.72	204.90	176.09
Interest Cost	24.85	20.70	13.64	12.16
Current Service Cost	112.90	79.03	105.97	76.72
Benefit paid	(18.20)	(32.30)	(20.44)	(51.63)
Actuarial (Gain)/Loss	(39.07)	5.05	(121.29)	(8.44)
Liability at the end of the year	444.68	364.20	182.78	204.90
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	112.90	79.03	105.98	76.72
Interest Cost	24.85	20.70	13.64	12.16
Actuarial (Gain)/Loss	(39.07)	5.06	(121.29)	(8.44)
Expenses recognized in the Profit and Loss Account	98.68	104.79	(1.67)	80.44
3. Actuarial Assumptions				
Discount Rate	8%	7%	8%	7%
Salary Escalation Rate	7% to 8%	6% to 8%	7% to 8%	6% to 8%
Retirement Age		58 years to 60 Years		
Withdrawal Rates	5% to 10%	5% to 10%	5% to 10%	5% to 10%
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.

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.	19.50	50.34
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.34	1.62
Payment made to suppliers (other than interest) beyond the appointed date during the year	81.22	84.94
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	2.32	Nil
Interest due and payable to suppliers under MSMED Act for payments already made.	1.45	1.85
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	2.32	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)	17719.89	19405.51
b)	Equity shares outstanding at the beginning of the year – (Nos.)	10618467	10618467
c)	Equity shares bought back – (Nos.)	0	0
d)	Equity shares outstanding at the end of the year – (Nos.)	10618467	10618467
e)	Weighted Average equity shares outstanding for the year – (Nos.)	10618467	10618467
f)	Nominal value of each share – (Re)	10	10
g)	Basic and Diluted Earnings per share (Rs)	166.88	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
	Current Year
SOURCES OF FUNDS	
Shareholders' Funds	
Reserves and Surplus	7.19
Loan Funds	
Unsecured Loans	659.13
Total Sources of Funds	666.32
APPLICATION OF FUNDS	
Fixed Assets	
(a) Gross Block	2332.03
(b) Less : Depreciation	281.41
(c) Net Block	2050.61
(d) Capital Work-in-progress	77.24
Total Fixed Assets	2127.85
Current Assets, Loans and Advances	
(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
Less : Current Liabilities and Provisions	
(a) Liabilities	846.28
Sub-Total (ii)	846.28
Net Current Assets (i) - (ii)	(84.38)
Profit & Loss Account	234.59
Total	2278.05
INCOME	
Sales and Services	1937.01
Other Income	84.07
Total Income	2021.08



INOX LEASING AND FINANCE LIMITED

Particulars	Rs. Lacs
	Current Year
EXPENDITURE	
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
Total Expenditure	2287.36
Profit before Taxation	(266.27)
Profit brought forward from previous year	31.69
Balance Carried to Balance Sheet	(234.59)

As per our report of even date attached

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

S. C. BANDI
Proprietor

Place: Mumbai
Date: 23rd August, 2010

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

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

ofbeing 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.