

**INOX LEASING AND
FINANCE LIMITED**



**ANNUAL REPORT
2010 - 2011**



INOX LEASING AND FINANCE LIMITED

INOX LEASING AND FINANCE LIMITED

16th ANNUAL REPORT

2010 – 2011

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

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 Sixteenth Annual General Meeting of the Members of **INOX LEASING AND FINANCE LIMITED** will be held on Friday, the 30th day of September, 2011 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, 2011 the Balance Sheet as at that date, the Auditors' Report thereon and the Directors' Report for the said year.
2. To consider payment of dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri D.K. Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Deepak Asher 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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 and subject to the provisions of the Articles of Association of the Company, Mr. Pavan Kumar Jain be and is hereby re-appointed as Managing Director of the Company for a period of 5 years from 1st October, 2011 to 30th September, 2016 on NIL remuneration."

By Order of the Board of Directors

D. K. JAIN
Chairman

New Delhi, 19th August, 2011

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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as per Item No. 6 hereinabove is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2011 to 30th September, 2011 (both days inclusive).



INOX LEASING AND FINANCE LIMITED

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

Item No. 6

In the meeting of the Board of Directors held on 19th August, 2011, Mr. Pavan Kumar Jain has been re-appointed as Managing Director of the company for a period of five years w.e.f. 1st October, 2011 on NIL remuneration.

Keeping in view of his wide experience and vast knowledge in Corporate Management it will be in the interest of the company that Mr. Pavan Kumar Jain be re-appointed as Managing Director of the company. Your Directors, therefore recommend the resolution for your approval.

Except Mr. Deepak Asher all the Directors may be deemed to be concerned or interested in this resolution.

The resolution along with this explanatory statement may be treated as an abstract or memorandum of interest required to be circulated to the members under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

D. K. JAIN
Chairman

New Delhi, 19th August, 2011

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 Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

1. Financial Results

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31st March 2011.

	(Rs. In lacs) 2010-2011	(Rs. In lacs) 2009-2010
Total Income	2677.94	3665.08
Profit before Interest & Depreciation	2558.37	3569.44
Less: Interest	—	0.02
Profit before Depreciation	2558.37	3569.42
Less: Depreciation	13.54	15.95
Less: Provision for diminution in value of investments	—	39.54
Profit before Tax	2544.83	3513.93
Less: Provision for Taxation	121.95	80.78
Profit for the year	2422.88	3433.15
Add: Profit brought forward from previous year	3950.14	3690.69
	6373.02	7123.84
Appropriations		
Transferred to Statutory Reserve Fund	500.00	700.00
Transferred to General Reserve	250.00	350.00
Interim Dividend	—	1061.85
Proposed Dividend	1061.85	1061.85
Balance carried to Balance Sheet	4561.17	3950.14
	6373.02	7123.84

2. Dividend

Your Directors propose a dividend of Rs. 10/- per equity share (100%) for the year ended 31st March, 2011.

Members are requested to approve the same.

3. Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors would like to confirm that:

- I. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- II. the Directors have selected such Accounting Policies and applied them consistently and made 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. D.K. Jain and Mr. Deepak Asher, Directors retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors have re-appointed Mr. Pavan Kumar Jain as Managing Director of your company for a period of 5 years from 1st October, 2011 on NIL remuneration. Members are requested to confirm his re-appointment.

6. Subsidiary Companies

In terms of the General Circular No. 2/2011 dated 8th February, 2011 (the Circular) issued by the Central Government under Section 212 of the Companies Act, 1956 the Board of Directors had accorded their consent for not attaching the balance sheets of the subsidiaries with the accounts of the company.

Pursuant to the aforesaid circular the financial data of the subsidiaries have been furnished under 'Financial Information of Subsidiary Companies' and forms part of this Annual Report. The Consolidated Financial Statements of holding company and its subsidiaries prepared in accordance with applicable Accounting Standards duly audited by the Statutory Auditors of the company are provided in the Annual Report.

The Company will make available the Annual Accounts of the subsidiary companies to the members 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.

7. 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.

8. 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.

9. Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As the Company is not a manufacturing Company, matters relating to conservation of energy and technology absorption as required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is not applicable. Foreign exchange earnings / outgo during the year is mentioned in Sr. No. 8 & 9 of Schedule 11- Notes to Accounts.

10. 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.

11. Insurance

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

By Order of the Board of Directors

D. K. JAIN
Chairman

New Delhi, 19th August, 2011



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, 2011	31 st March, 2011
3. Shares held by the Holding Company in the Subsidiary Company	:	5,77,15,310 Equity Shares of Rs. 1/- each	2,13,875 Equity Shares of Rs. 10/- each
4. Holding Company's interest	:	52.54%	0.35%
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. 26,655.55 lacs (Rs. 33584.54 lacs)	Rs. 695.79 lacs (Rs. 2605.77 lacs)

Note:

- Inox Leisure Limited is a subsidiary of Gujarat Fluorochemicals Limited.
- The Company has no investments in the other subsidiary companies of Gujarat Fluorochemicals Limited or Inox Leisure Limited.

By Order of the Board of Directors

D.K.JAIN
Chairman

New Delhi, 19th August, 2011



AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of INOX LEASING AND FINANCE LIMITED as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
 - 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 Flow for the year ended on that date.

For S.C. BANDI & CO.
Chartered Accountants
Firm Regn. No. 130850W

S.C. BANDI
Proprietor
Membership No. 16932

Mumbai
Date : 19th August, 2011



INOX LEASING AND FINANCE LIMITED

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH, 2011

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 31.03.2011 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, 2011 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
Firm Regn. No. 130850W

S.C. BANDI
Proprietor
Membership No. 16932

Mumbai
Date : 19th August, 2011



INOX LEASING AND FINANCE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2011

	Sch. No.	As at 31st March, 2011		As at 31st March, 2010	
		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	1,018,246,424		882,143,318	
					988,327,988
			1,124,431,094		988,327,988
II. APPLICATION OF FUNDS					
(1) Fixed Assets:					
Gross Block	3	18,317,830		18,317,830	
Less: Depreciation		12,617,825		11,263,579	
Net block			5,700,005		7,054,251
(2) Investments:	4		775,818,252		796,632,344
(3) Deferred Tax Asset			1,378,406		131,919
(4) (i) Current Assets, Loans and Advances					
(a) Sundry Debtors	5	633,242		3,385,819	
(b) Cash & Bank Balances	6	79,578,392		43,429,490	
(c) Loans and Advances	7	375,140,245		245,737,513	
Sub - Total (i)		455,351,879		292,552,822	
(ii) Less: Current Liabilities and Provisions:					
(a) Liabilities	8	5,472,397		990,057	
(b) Provisions	9	108,345,051		107,053,291	
Sub - Total (ii)		113,817,448		108,043,348	
Net Current Assets (i) - (ii)			341,534,431		184,509,474
			1,124,431,094		988,327,988
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

Membership No. 16932

Place: Mumbai
Date: 19th August, 2011

On behalf of the Board of Directors

D.K. JAIN
Chairman

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Place : New Delhi
Date : 19th August, 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH,2011

	Sch. No.	2010-2011		2009-2010	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Operating & Other Income					
Brokerage received			9,327,117		10,254,770
Dividend					
On long term investments		144,312,319		319,666,165	
On current investments		20,060,390		10,062,898	
			164,372,709		329,729,063
Rent received			3,600,000		3,600,000
Interest received:					
From Banks		916,628		12,536,424	
On Inter-Corporate Deposits		6,023,699		4,978,082	
On Income Tax refund		2,827,734		—	
(TDS deducted Rs. 6,94,033/-)			9,768,061		17,514,506
Profit on sale of investments (Net)			80,726,240		5,318,037
(Net of provision for diminution made in earlier years)			—		91,785
Misc Income			—		366,508,162
			267,794,127		
EXPENDITURE					
Administrative and Other Expenses	10	11,957,317		9,563,869	
Interest		—		2,565	
Depreciation	3	1,354,246		1,594,956	
Provision for diminution in value of long term investments		—		3,954,150	
			13,311,563		15,115,539
Profit before Tax			254,482,564		351,392,622
Less: Provision for Taxation		14,600,000		8,000,000	
Deferred Tax		(287,110)		154,998	
		14,312,890			8,154,998
Profit after taxation for the year			240,169,674		343,237,624
Add/Less: Taxes pertaining to earlier years			1,158,725		76,733
Add : Deferred Tax pertaining to earlier years			959,377		—
Balance Profit			242,287,776		343,314,357
Profit brought forward from previous year			395,014,491		369,069,474
Profit available for Appropriation			637,302,267		712,383,831
Less: Appropriations:					
Transfer to Statutory Reserve Fund			50,000,000		70,000,000
Transfer to General Reserve			25,000,000		35,000,000
Interim Dividend			—		106,184,670
Proposed Dividend			106,184,670		106,184,670
Balance Profit carried to Balance Sheet			456,117,597		395,014,491
Basic and diluted earnings per share			22.82		32.33

As per our report of even date attached

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

S. C. BANDI
Proprietor

Membership No. 16932

Place: Mumbai
Date: 19th August, 2011

On behalf of the Board of Directors

D.K. JAIN
Chairman

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Place : New Delhi
Date : 19th August, 2011



INOX LEASING AND FINANCE LIMITED

Cash Flow Statement for the year ended 31st March, 2011

Particulars	2010-11 Rupees	2009-10 Rupees
A Cash flow from operating activities		
Net Profit before tax	254,482,564	351,392,621
Adjustments for :		
Depreciation & Amortisation	1,354,246	1,594,956
Loss on assets sold	—	—
Provision for Diminution in value of Investments	—	3,954,150
Provision for Diminution in value of Investments written back	(19,653,300)	—
Interest and Dividend received	(174,140,770)	(347,243,569)
Profit on sale of investments	(80,726,240)	(5,318,037)
Interest expenditure	—	2,565
	(273,166,064)	(347,009,935)
Operating profit before working capital changes	(18,683,500)	4,382,686
Adjustments for :		
Trade & other receivables	(126,650,155)	(95,105,657)
Trade Payables	4,826,248	94,345
	(121,823,907)	(95,011,312)
Cash generated from operations	(140,507,407)	(90,628,626)
Income taxes paid (Net)	(12,493,424)	(7,923,267)
Net cash used in operating activities	(153,000,831)	(98,551,893)
B Cash flow from investing activities		
Purchase of fixed assets	—	(1,057,637)
Sales of fixed assets	—	—
Purchase of Investments	(465,755,304)	(442,631,218)
Sales of Investments	506,222,697	97,511,113
Interest & Dividend received	174,140,770	347,243,569
Profit on sale of investments	80,726,240	5,318,037
Net cash generated from investing activities	295,334,403	6,383,864
C Cash flow from financing activities		
Dividend/Interim Dividend paid	(106,184,670)	(106,184,670)
Interest paid	—	(2,565)
Net cash used in financing activities	(106,184,670)	(106,187,235)
Net increase / (decrease) in cash and cash equivalents	36,148,902	(198,355,264)
Cash and cash equivalents as at the beginning of the year	43,429,490	241,784,754
Cash and cash equivalents as at the end of the year	79,578,392	43,429,490

As per our report of even date attached

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

S. C. BANDI
Proprietor

Membership No. 16932

Place: Mumbai
Date: 19th August, 2011

On behalf of the Board of Directors

D.K. JAIN
Chairman

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Place : New Delhi
Date : 19th August, 2011

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

	As at 31st March, 2011		As at 31st March, 2010	
	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	230,600,000		160,600,000	
Add: Transferred from Profit and Loss Account	50,000,000		70,000,000	
		280,600,000		230,600,000
* Created pursuant to Reserve Bank of India (Amendment) Act, 1997.				
General Reserve				
As per last Balance sheet	45,000,000		10,000,000	
Add: Transferred from Profit and Loss Account	25,000,000		35,000,000	
		70,000,000		45,000,000
Profit and Loss Account				
Balance as per Annexed Account		456,117,597		395,014,491
		1,018,246,424		882,143,318



INOX LEASING AND FINANCE LIMITED

(Amount in Rs.)

Sr. No.	Description of Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.10	Addition during the year	Deletion during the year	As at 31.03.11	As at 01.04.10	Addition during the year	Deletion during the year	As at 31.03.11	As at 31.03.10
1.	BUILDINGS	3,128,050	—	—	3,128,050	2,052,071	53,799	—	2,105,870	1,075,979
2.	FURNITURE & FIXTURES	1,825,800	—	—	1,825,800	872,533	172,541	—	1,045,074	953,267
3.	VEHICLES	10,909,116	—	—	10,909,116	7,330,947	926,388	—	8,257,335	3,578,169
4	OFFICE EQUIPMENTS	2,454,864	—	—	2,454,864	1,008,028	201,518	—	1,209,546	1,446,837
		18,317,830	—	—	18,317,830	11,263,579	1,354,246	—	12,617,825	7,054,252
	PREVIOUS YEAR:	17,260,193	1,057,637	—	18,317,830	9,668,623	1,594,956	—	11,263,579	7,054,252
										—


INOX LEASING AND FINANCE LIMITED
SCHEDULE - 4
INVESTMENTS - LONG TERM (AT COST)

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

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)

(B) UNQUOTED

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

Ideas & U Limited

Humsay i Global Services Limited

(formerly known as Inox Global Services Limited)

The Ratnakar Bank Limited

Less: Provision for diminution in value of Investments

TOTAL (B)

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

Birla Sunlife Savings Fund Instl - Dividend

HDFC Cash Management Fund Treasury Adv Plan -D

Templeton Fixed Horizon Fund Series XI Plan G -Growth

Birla Sunlife Short Term Fund - Dividend

As at 31st March, 2011		As at 31st March, 2010	
Nos.	Rupees	Nos.	Rupees
57,715,310	192,118,091	57,715,310	192,118,091
213,875	9,728,658	714,420	25,938,000
124,200	3,726,000	124,200	3,726,000
10,300	329,600	10,300	329,600
—	—	8,000	107,325
—	—	1,500	104,250
41,100	411,000	41,100	411,000
—	—	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	2,022	200	2,022
255,400	18,600,692	255,400	18,600,692
5	6,316	5	6,316
	227,052,399		243,626,316
	6,099,412		6,099,412
	220,952,987		237,526,904
500,000	5,000,000	500,000	5,000,000
—	—	1,957,500	19,672,875
—	—	2,217,930	99,806,850
	5,000,000		124,479,725
	—		19,653,300
	5,000,000		104,826,425
—	—	5,382,033	53,864,950
—	—	4,772,498	47,841,101
—	—	1,000,000	10,000,000
—	—	958,717	10,231,949


INOX LEASING AND FINANCE LIMITED

	As at 31st March, 2011		As at 31st March, 2010	
	Nos.	Rupees	Nos.	Rupees
DSP Black Rock FMP 13M Series 2-Growth	883,862	8,838,620	883,862	8,838,620
HDFC Arbitrage Fund - Dividend	—	—	1,977,457	20,000,000
ICICI Prudential FMP Series 51-1Yr Plan A Growth	—	—	1,000,000	10,000,000
ICICI PRU FMP Series 50-19M Plan A Growth	2,000,000	20,000,000	2,000,000	20,000,000
IDFC FMP-14 Months Series 1 Growth	1,000,000	10,000,000	1,000,000	10,000,000
Reliance Fixed Horizon Fund XIII Series 6 -Growth	2,000,000	20,000,000	2,000,000	20,000,000
SBI SHF Ultra Short Term Plan-Div	—	—	4,538,531	45,741,533
TATA FMS Series 25 Scheme A-Growth	2,000,000	20,000,000	2,000,000	20,000,000
Templeton India Ultra Short Bond Fund-Div	—	—	4,006,319	40,848,253
Templeton India Ultra Short Bond Fund-Growth	—	—	2,120,531	25,000,000
UTI-Fixed Term Income Fund-Series VII-II(407)Days-G	1,500,000	15,000,000	1,500,000	15,000,000
UTI Fixed Term Income Fund Series VII-II (407 Days)-G	500,000	5,091,538	—	—
IDFC Money Manager Fund Treasury Plan A-Dividend	2,502,194	25,091,919	—	—
Birla Sunlife FTP Series Cu-Growth	2,008,500	20,085,000	—	—
Fidelity FMP Series V Plan E-Growth	2,000,000	20,000,000	—	—
ICICI Prudential FMP Series 55-15M Plan A-Growth	2,031,509	20,315,090	—	—
Birla Sunlife Short Term FMP Series 4-Dividend	1,066,964	10,669,640	—	—
ICICI Prudential FMP Series 55-13M Plan B-Growth	2,416,246	24,162,460	—	—
Birla Sunlife FTP Series CT-Growth	2,500,000	25,000,000	—	—
Birla Sunlife FTP Series CI-Growth	2,000,000	20,000,000	—	—
SBI Debt Fund Series 370 Days-8-Growth	2,000,000	20,000,000	—	—
ICICI Prudential FMP Series 53-1Yr Plan B-Growth	2,000,000	20,000,000	—	—
Birla Sunlife FTP Series CE-Growth	2,000,000	20,000,000	—	—
ICICI Prudential FMP Series 53-1Yr Plan A-Growth	2,000,000	20,000,000	—	—
Fidelity FMP Series 5 Plan B-Dividend	825,430	8,254,299	—	—
HDFC FMP 370D August 2010(1)-Growth	900,000	9,000,000	—	—
DSP Black Rock FMP 12M Series 6-Growth	900,000	9,000,000	—	—
DSP Black Rock FMP 3M Series 29-Dividend	2,250,585	22,505,850	—	—
HDFC FMP 370D July'2010 (1) Series XV-Growth	2,000,000	20,000,000	—	—
UTI Fixed Term Income Fund Series VIII-IV (369 Days)-G	2,000,000	20,000,000	—	—
UTI Fixed Term Income Fund Series VIII-II (367 Days)-G	2,500,000	25,000,000	—	—
HDFC FMP 370D June'2010(1)-Growth	5,000,000	50,000,000	—	—
Templeton India Income Opportunities Fund-Growth	1,139,723	11,794,200	—	—
ICICI Prudential FMP Series 55-1Yr. Plan F-Growth	3,005,665	30,056,650	—	—
In Units of Mutual Funds (Face Value of Rs.100/-)				
ICICI Prudential Flexible Income Plan-Div	—	—	344,099	36,279,184
In Units of Mutual Funds (Face Value of Rs.1000/-)				
UTI Treasury Advantage Fund Inst-Dividend	—	—	35,605	35,633,425
UTI Liquid Cash Fund - Growth	—	—	16,539	25,000,000
TOTAL (C)		549,865,266		454,279,014
TOTAL [A] + [B] +[C]		775,818,252		796,632,344
Market Value of the quoted investments		20,727,580,543		8,145,417,649



INOX LEASING AND FINANCE LIMITED

Following investments were purchased and sold/redeemed during the year.

	Nos.	Cost Rupees
Mutual Fund Units Face value Rs. 10/- each		
1 Birla Sunlife Short Term FMP Series 3-Dividend	2,500,000	25,000,000
2 DSP Black Rock FMP 3M Series 18-Dividend	2,250,000	22,500,000
3 DSP Black Rock FMP 3M Series 23-Dividend	2,250,585	22,505,850
4 Fidelity FMP Series 4 Plan B-Dividend	811,618	8,116,183
5 Fidelity FMP Series III Plan B-Dividend	811,618	8,116,183
6 HDFC FMP 100D August 2010(1)-Dividend	500,000	5,000,000
7 HDFC FMP 100D November 2010(1)-Dividend	500,000	5,000,000
8 HDFC FMP 100D September 2010(2)-Dividend	5,800,000	58,000,000
9 ICICI Prudential Interval Fund II QLY Plan F-Dividend	2,399,569	24,167,415
10 ICICI Prudential Interval I Monthly A-Dividend	2,031,509	20,315,091
11 IDFC FMP QS 61-Dividend	4,500,000	45,000,000
12 UTI FIIF QLY Interval Plan I-Dividend	5,217,866	52,185,838
13 UTI Fixed Income Monthly Interval Plan II-Dividend	5,115,836	51,158,387
Mutual Fund Units Face value Rs. 100/- each		
ICICI Prudential Flexible Income Plan-Growth	58,787	10,683,800
Mutual Fund Units Face value Rs. 1000/- each		
DSP Black Rock Money Manager Fund - Dividend	22,488	22,519,503
		<u>380,268,250</u>

SCHEDULE - 5

SUNDRY DEBTORS (UNSECURED)

Considered good by management

- i) Over six months
- ii) Others

	As at 31st March, 2011		As at 31st March, 2010	
	Rupees	Rupees	Rupees	Rupees
	—		—	
	<u>633,242</u>		<u>3,385,819</u>	
		<u>633,242</u>		<u>3,385,819</u>
		95,215		262,416
	<u>29,483,177</u>		3,167,074	
	<u>50,000,000</u>		<u>40,000,000</u>	
		<u>79,483,177</u>		<u>43,167,074</u>
		<u>79,578,392</u>		<u>43,429,490</u>

SCHEDULE - 6

CASH AND BANK BALANCES

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



SCHEDULE - 11

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

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 diminution is made to recognize the decline, other than temporary, in the values of these investments. Income from investments is accounted for on accrual basis.

v) 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.

vi) 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.

vii) 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 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.
3. 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).

**INOX LEASING AND FINANCE LIMITED****4. Major components of the net deferred tax asset as on 31st March, 2011 are as under:**

Particulars	2010-11 Rupees	2009-10 Rupees
Deferred Tax Liabilities	Nil	Nil
Deferred Tax Assets:		
Depreciation	8,01,679	87,586
Provision for Gratuity	2,64,310	37,810
Provision for Leave Encashment	1,29,096	6,523
Provision for Bonus	1,83,321	—
Net Deferred Tax	13,78,406	1,31,919

5. Particulars of remuneration to Whole-time Director:

	2010-2011 Rupees	2009-2010 Rupees
Salary & Incentive Bonus	11,09,160	11,09,160
Perquisites	6,49,650	6,49,650
Total	17,58,810	17,58,810

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.

6. Particulars of Payment's to Auditor's

Particulars	2010-2011 Rupees	2009-2010 Rupees
Audit Fees	100000	87500
Tax Audit Fees	50000	37500
Taxation matters	55000	32500
Certification	2500	—
Service Tax	21373	16224
Total	2,28,873	1,73,724

7. Basic and Diluted Earnings per Share:

Basic and Diluted Earnings have been calculated as follows:

	2010-2011	2009-2010
Profit after taxation	242,287,776	343,314,357
No. of equity shares outstanding at the beginning and end of the year	10618467	10618467
Nominal value of each share (Rs)	10	10
Basic and diluted Earnings per Share (Rs)	22.82	32.33

**INOX LEASING AND FINANCE LIMITED**

8. Expenditure in foreign currency:

Particulars

Others - Travelling

Total

2010-11 Rupees	2009-10 Rupees
4,67,732	Nil
4,67,732	Nil

9. Earnings in foreign currency :

Total

2010-11 Rupees	2009-10 Rupees
Nil	Nil
Nil	Nil

10. 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

Subsidiary Companies of Gujarat Fluorochemicals Limited:

Inox Leisure Limited

Inox Infrastructure Private Limited

Inox Motion Pictures Limited

Inox Wind Limited (incorporated on 9th April, 2009)Gujarat Fluorochemicals Americas-LLC, USA. (incorporated on 8th September, 2009)Inox Renewables Limited (incorporated on 11th November, 2010)

Subsidiary Companies of Inox Leisure Limited:

Fame India Limited (w.e.f. 6th January, 2011)

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

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

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

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

— Rajni Farms Private 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 and Sub-Subsidiary 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 (36,00,000)			36,00,000 (36,00,000)
Dividend received				
Gujarat Fluorochemicals Ltd	14,42,88,275 (31,74,34,205)			14,42,88,275 (31,74,34,205)
Reimbursement of expenses (paid)				
Gujarat Fluorochemicals Ltd	38,688 (35,777)			38,688 (35,777)
Reimbursement of expenses (received)				
Gujarat Fluorochemicals Ltd	76,072 (76,232)			76,072 (76,232)
Rent paid				
Rajni Farms Pvt Ltd.		12,00,000 (12,00,000)		12,00,000 (12,00,000)
Inter-Corporate Deposit paid				
Inox Leisure Limited	13,00,00,000 (5,00,00,000)			13,00,00,000 (5,00,00,000)
Interest received				
Inox Leisure Limited	60,23,699 (49,78,082)			60,23,699 (49,78,082)
Remuneration paid				
Shri Deepak Asher			17,58,810 (17,58,810)	17,58,810 (17,58,810)
(B) Amounts outstanding				
Deposit paid				
Rajni Farms Pvt Ltd.		60,00,000 (60,00,000)		60,00,000 (60,00,000)
Inter-corporate Deposit paid				
Inox Leisure Limited	18,00,00,000 (5,00,00,000)			18,00,00,000 (5,00,00,000)
(C) Amounts payable				
Reimbursement of expenses				
Gujarat Fluorochemicals Ltd	4,491 (6,971)			4,491 (6,971)
Remuneration				
Shri Deepak Asher			1,84,860 (1,84,860)	1,84,860 (1,84,860)

Note:

Figures in bracket represent previous year figures.



11. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of **Rs. 2,28,096/-** (Previous year Rs. 2,08,669/-) 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, 2011.

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Change in Benefit Obligation				
Liability at the beginning of the year	6,32,566	5,21,326	2,36,055	2,16,863
Interest Cost	50,605	36,493	18,884	15,180
Current Service Cost	1,70,990	1,55,597	1,42,807	1,32,692
Benefit paid	—	—	—	—
Actuarial (Gain)/Loss	(39,522)	(80,850)	(1,52,422)	(1,28,680)
Liability at the end of the year	8,14,639	6,32,566	2,45,324	2,36,055
Expenses recognized in the Profit and Loss Account				
Current Service Cost	1,70,990	1,55,597	1,42,807	1,32,692
Interest Cost	50,605	36,493	18,884	15,180
Actuarial (Gain)/Loss	(39,522)	(80,850)	(1,52,422)	(1,28,680)
Expenses recognized in the Profit and Loss Account	1,82,073	1,11,240	9,269	19,192
Actuarial Assumptions				
Discount Rate	8%	8%	8%	8%
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.

12. 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.
13. In respect of amounts mentioned under unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.
14. Particulars of Segment Information as required by Accounting Standard (AS17)
Company being an investment company there are no reportable business segments.

**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 :

		Amount (Rs. in Lacs)	
S.No	Particulars	2010-2011	2009-2010
(i)	Gross carrying amount of asset given on operating lease included in Buildings of Fixed Assets.	14.86	14.86
(ii)	Accumulated Depreciation as at the end of the year	10.92	10.72
(iii)	Depreciation for the year	0.21	0.22
(iv)	Future minimum lease payments -		
	(a) Not later than one year	18.00	36.00
	(b) Later than one year and not later than five years	—	18.00
	(c) Later than five years	—	—

- (v) General description of significant Leasing arrangements - Assets given on operating lease are Office Premises. The non-cancellable initial lease tenure is for five years, which can be further extended at the mutual option of both the parties.

b) In respect of assets taken on operating lease:

		Amount (Rs. in Lacs)	
S.No	Payable in Future	2010-2011	2009-2010
(i)	Not later than one year	4.00	12.00
(ii)	Later than one year and not later than five years	—	4.00
(iii)	Later than five years	—	—

- (iv) The company's significant leasing arrangements are in respect of operating leases for premises taken on lease. Generally, these lease arrangements are non-cancellable, for a period of 11 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent" in Schedule 10 to the Profit and Loss Account.

16. 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.

17. Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule VI to the Companies Act, 1956, is attached.

18. 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

On behalf of the Board of Directors

D.K. JAIN
Chairman

S. C. BANDI
Proprietor

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 19th August, 2011

Place : New Delhi
Date : 19th August, 2011



AUDITORS' REPORT

The Board of Directors,
Inox Leasing and Finance Limited
Mumbai.

Dear Sirs,

We have audited the Balance Sheet of Inox Leasing and Finance Limited as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as amended up to June 30, 2010 issued by Reserve Bank of India we give hereunder our report on matters specified in paragraph 3(A) and (C) of the said Directions.

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.
2. The asset/ income pattern of the company as on 31.03.2011 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 31-03-2011, there by that company is entitled to continue to hold such CoR in terms of its asset/income pattern as on March 31, 2011.
3. The Board of Directors have passed a resolution for non- acceptance of any public deposits.
4. The company has not accepted any public deposits during the relevant period/year;
5. 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.
6. The capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Reserve Bank of India in Directions applicable to the 'Systemically important non-deposit taking non-banking financial company' as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007. It has also furnished the statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7).

For S.C. BANDI & CO.
Chartered Accountants
Firm Regn. No. 130850W

S.C. BANDI
Proprietor
Membership No. 16932

Mumbai
Date : 19th August, 2011



Assets Side	Previous year	
	Amount out-standing	Amount out-standing
(iii) Other loans counting towards AFC activities		
(a) Loans swwhere assets have been repossessed	—	—
(b) Loans other than (a) above	—	—
(4) Break -up of Investments:		
<u>Current Investmenmts</u>		
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:		
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of Mutual Funds	—	—
(iv) Government Securities	—	—
(v) Others (Please specify)	—	—
<u>Long Term investments:-</u>		
1 <u>Quoted:</u>		
(i) Shares		
(a) Equity	2209.53	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	50.00	1048.26
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of mutual funds	5,498.65	4542.79
(iv) Government Securities	—	—
(v) Others (please specify)	—	—



INOX LEASING AND FINANCE LIMITED

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

Please see Note 2 below

Category	Amount net of provisions			Previous year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **	—	NIL	NIL	—	NIL	NIL
a) Subsidiaries*	—	1800.00	1800.00	—	500.00	500.00
b) Companies in the same group	—	60.00	60.00	—	60.00	60.00
c) Other related parties	—	NIL	NIL	—	NIL	NIL
2. Other than related parties	—	1891.40	1891.40	—	1752.67	1752.67
Total	—	3751.40	3751.40	—	2312.67	2312.67

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

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

Please see note 3 below

Category	Market value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Previous year	
			Market value/ Breakup or fair value or NAV	Book value (Net of Provisions)
1 Related Parties*				
a) Subsidiaries (including their subsidiaries)	207091.24	2018.47	81277.16	2180.56
b) Other related parties	NIL	NIL	NIL	NIL
2 Other than related parties	5,733.21	5,739.71	5,707.08	5,785.76
Total	212,824.45	7,758.18	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	Previous year	
	Amount	Amount
(i) Gross Non -Performing Assets		
(a) Related Parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(ii) Net Non -Performing Assets		
(a) Related Parties	NIL	NIL
(b) Other than related parties	NIL	NIL
(iii) Assets acquired in satisfaction of debt	NIL	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 as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 have been followed.
- 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.

Additional Disclosures by a Systemically important Non-Deposit taking Non-Banking Financial Company as required by Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

1) Capital to Risk Assets Ratio (CRAR)

	Current year	Previous year
(i) CRAR (%)	70.74%	75.67%
(ii) CRAR - Tier I capital (%)	70.74%	75.67%
(iii) CRAR - Tier II capital (%)	NIL	NIL

2) Exposure to Real Estate Sector

(a) Direct Exposure

(i) Residential Mortgages	NIL	NIL
(ii) Commercial Real Estate	NIL	NIL
(iii) Investments in Mortgage Backed Securities (MBS)	NIL	NIL

(b) Indirect Exposure

	NIL	NIL
--	-----	-----

3) Maturity pattern of certain items of assets and liabilities

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 month upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities :									
Borrowings from Banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
Assets :									
Advances (net of NPA's)	0.13	0.12	0.09	0.26	62.15	3688.65	—	—	3751.40
Investments (net of Provision)	596.00	325.06	950.48	980.00	2202.34	444.77	—	2259.53	7758.18

On behalf of the Board of Directors

D.K. JAIN
Chairman

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Place: Mumbai
Date: 19th August, 2011

Financial Information of Subsidiary Companies

Particulars	Name of Subsidiary company (including subsidiaries of subsidiaries)										(Rupees in lacs)
	Gujarat Fluorochemicals Limited	Inox Infrastructure Pvt. Ltd.	Inox Motion Pictures Limited	Gujarat Fluorochemicals Americas LLC, USA*	Inox Wind Limited	Inox Renewables Limited	Inox Leisure Limited	Fame India Limited	Fame Motion Pictures Limited (formerly known as Shringar Films Limited)	Big Pictures Hospitality Services Private limited	
Capital	1,098.50	5,000.00	300.00	564.70	3,000.00	305.00	6,154.18	3,494.80	99.99	5.00	
Reserves and Surplus	173,622.70	146.57	(557.98)	27.49	414.77	(16.74)	25,624.41	3,380.58	1,779.74	(98.34)	
Total Assets	292,369.32	5,162.34	3.27	1,537.79	20,018.61	362.29	59,338.46	24,382.59	2,004.38	0.50	
Total Liabilities	117,648.12	15.76	261.25	945.60	16,693.84	374.02	27,534.45	17,507.21	124.65	93.84	
Investments (other than investment in subsidiary)	42,329.36	3,946.03	—	—	—	0.45	33.64	173.20	0.10	—	
Turnover/Total Income	112,847.71	—	0.15	993.36	7,192.08	—	33,732.05	16,123.23	679.31	0.36	
Profit/(Loss) before taxation	35,148.96	61.82	(62.86)	101.04	432.01	(16.74)	921.20	135.46	(35.70)	(0.12)	
Provision for taxation	10,211.08	19.12	—	21.96	(107.15)	—	225.41	(63.35)	0.61	—	
Profit/(Loss) after taxation	24,937.88	42.70	(62.86)	79.08	539.16	(16.74)	695.79	198.81	(35.09)	0.12	
Proposed Dividend	2,746.25 (250%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

*Exchange Rate as on 31st March, 2011 : 1USD = Rs. 44.59



INOX LEASING AND FINANCE LIMITED

INOX LEASING AND FINANCE LIMITED

CONSOLIDATED ANNUAL ACCOUNTS

2010 – 2011



Auditor's Report on Consolidated Financial Statements

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF INOX LEASING AND FINANCE LIMITED ON CONSOLIDATED FINANCIAL STATEMENTS OF INOX LEASING AND FINANCE LIMITED, ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE.

We have audited the attached Consolidated Balance Sheet of Inox Leasing and Finance Limited (the "Company"), its subsidiaries, joint ventures and associate, (collectively "Group") as at 31st March 2011, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the 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 have not audited the financial statements of the Subsidiary Company, Gujarat Fluorochemicals Limited, its subsidiaries, and subsidiaries of subsidiaries, joint venture and associate which reflect total assets (net) of Rs. 361368.33 lacs as at 31st March 2011, and total revenue of Rs. 153836.43 lacs, and net cash inflow amounting to Rs. 57.24 lacs for the year then ended, as considered in the consolidated financial statements. These financial statements and other financial information of these subsidiaries, joint ventures and associate have been audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of said subsidiaries, joint venture and associate, is based solely on the reports of the other auditors.

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.

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 2011;
- (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
Firm Regn. No. 130850W

S.C. BANDI
Proprietor
Membership No. 16932

Place : Mumbai
Dated : 19th August, 2011



INOX LEASING AND FINANCE LIMITED

Consolidated Balance Sheet of Innox Leasing and Finance Limited and its Subsidiary Companies as at 31st March, 2011

	Schedule Number	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
I SOURCES OF FUNDS			
1 Shareholders' Funds			
(a) Capital	1	1061.85	1061.85
(b) Reserves and Surplus	2	120082.94	108406.39
		121144.79	109468.24
2 Minority Interest		94716.05	77968.61
3 Loan Funds			
(a) Secured Loans	3	52294.71	44077.31
(b) Unsecured Loans	4	24563.02	17301.52
		76857.73	61378.83
4 Deferred Tax Liability		15123.28	11332.78
Total		307841.85	260148.46
II APPLICATION OF FUNDS			
1 Goodwill on consolidation		5053.30	—
2 Fixed Assets	5		
(a) Gross Block		227111.20	169841.47
(b) Less : Depreciation		40941.63	26084.94
(c) Net Block		186169.57	143756.53
(d) Capital Work-in-progress (including capital advances)		41656.61	18877.24
(e) Pre-operative expenditure pending allocation	6	1096.96	1014.62
		228923.14	163648.39
3 Investments	7	52080.66	78130.45
4 Deferred Tax Asset		247.07	2.07
5 (i) Current Assets, Loans and Advances	8		
(a) Inventories		25502.29	20392.03
(b) Sundry Debtors		20021.12	10552.16
(c) Cash and Bank Balances		6912.87	14266.32
(d) Other Current Assets		301.77	301.00
(e) Loans and Advances		30890.12	17136.43
Sub-Total (i)		83628.17	62647.94
(ii) Less : Current Liabilities and Provisions	9		
(a) Liabilities		58032.51	41270.88
(b) Provisions		4057.98	3009.51
Sub-Total (ii)		62090.49	44280.39
Net Current Assets (i) - (ii)		21537.68	18367.55
Total		307841.85	260148.46
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

D.K. JAIN
Chairman

S. C. BANDI
Proprietor

VIJAY SAXENA
Company Secretary

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 19th August, 2011

Place : New Delhi
Date : 19th August, 2011



Consolidated Profit and Loss Account of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31st March, 2011

	Schedule Number	2010-2011 Amount (Rs. in Lacs)	2009-2010 Amount (Rs. in Lacs)
INCOME			
1 Sales and Services - Gross		147536.27	128133.69
Less: Excise Duty		3439.17	2014.96
Sales and Services - Net	10	144097.10	126118.74
2 Other Income	11	10878.14	7341.07
		154975.24	133459.81
EXPENDITURE			
1 (Increase) / Decrease in Stocks	12	1372.67	(910.97)
2 Materials Consumed and Purchase of Goods	13	34961.20	22279.94
3 Manufacturing, Operating and other Expenses	14	65741.13	49820.80
4 Salaries and Benefits	15	8892.14	7009.08
5 Provision for diminution in value of investments (Net)	7	60.75	1599.38
6 Interest	16	4268.00	5120.26
7 Goodwill on consolidation written off		—	178.69
8 Depreciation & Amortization	5	9713.38	7806.45
		125009.57	92903.62
Less : Expenses Capitalized		(6918.42)	(784.95)
Net Expenditure		118091.15	92118.97
9 Profit before Taxation		36884.09	41341.14
10 Provision for Taxation for the year			
Current tax		7644.79	7381.50
MAT Credit Entitlement		(693.38)	(1102.00)
Deferred tax		3583.73	970.55
		10533.14	7250.05
11 Profit after tax		26348.95	34091.09
12 Add: Taxation in respect of earlier years (refer Note No. 10 in Notes to Accounts)			
MAT Credit Entitlement		1543.39	978.00
Deferred tax Credit		—	192.63
Income tax		142.00	(3.19)
		1685.39	1167.44
13 Profit for the year		28034.34	35258.53
14 Add/(Less): Minority Interest		(12752.19)	(17538.61)
15 Net Profit		15282.15	17719.92
16 Profit brought forward from previous year		16666.98	9210.88
17 Share in opening profit in Joint Venture		—	31.69
18 Profit available for appropriation		31949.13	26962.49
19 Less : Appropriations			
Transfer to General Reserve		7250.00	5000.00
Transfer to Statutory Reserve Fund		500.00	700.00
Transfer to Statutory Surplus Reserve		12.72	—
Interim Dividend		521.35	2104.55
Proposed Dividend		2365.22	1843.87
Tax on Dividend		627.96	647.05
		11277.25	10295.47
20 Balance carried to Balance Sheet		20671.88	16667.02
Basic and diluted Earnings per Share of Rs 10 each		143.92	166.88
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**D.K. JAIN**
Chairman**S. C. BANDI**
Proprietor**VIJAY SAXENA**
Company Secretary**P.K. JAIN**
Managing Director**Membership No. 16932**Place: Mumbai
Date: 19th August, 2011Place : New Delhi
Date : 19th August, 2011



INOX LEASING AND FINANCE LIMITED

Consolidated Cash Flow Statement of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31st March, 2011

Amount (Rs. in Lacs)

	2010-2011	2009-2010
A Cash flow from operating activities		
Net profit before tax	36884.09	41341.12
Adjustments for :		
Depreciation and Amortisation	9713.38	7806.45
Provision for diminution in value of investments	60.75	1599.38
Provision for doubtful debts	118.67	25.53
Provision of doubtful advances	7.06	—
Bad debts written off	3.41	15.37
Liabilities and provisions written back	(398.19)	(586.18)
Amounts written-off	54.82	—
Unrealised Foreign exchange (Gain)/Loss	432.17	(4868.38)
Loss on assets sold/written off (Net)	61.94	8.31
Amortization of Value of Stock Option	9.87	16.22
Goodwill written off	—	178.69
Income in respect of Investments (Net)	(5487.23)	(2644.73)
Interest	4029.71	4871.93
Profit on sale of investments	(807.26)	—
	7799.11	6422.59
Operating profit before working capital changes	44683.20	47763.71
Adjustments for :		
Trade and other receivables	(15992.40)	13476.35
Inventories	(5023.77)	(1008.18)
Trade payables	10439.40	18387.72
	(10576.77)	30855.89
Cash generated from operations	34106.42	78619.60
Direct taxes paid (Net)	(7773.98)	(6549.34)
Net cash from operating activities	26332.44	72070.26
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital work in progress, capital advances and pre-operative expenses)	(61135.01)	(37780.37)
Sale of fixed assets	19.06	11.26
Acquisition of intangible assets	—	318.65
Purchase of investments	(93288.87)	(145967.41)
Deposit in Escrow Account for Open Offer - see note below	4221.54	(4221.54)
Redemption/Sale of Investments	115586.78	116256.65
Purchase of Investment property	—	(271.90)
Inter corporate and other loans (Net)	471.84	589.56
Interest , Dividend received and others (Net of expenses)	2279.83	6533.90
Profit on sale of investments	807.26	—
Adjustment for receivables on investment account	145.06	7.37
Net cash used in investment activities	(30892.52)	(64523.83)
C Cash flow from financing activities		
Share issue under ESOP	7.16	4.17
Shares issued	0.06	0.06
Debentures issued	—	1000.00
Repayment of/Proceeds from Inter Corporate Deposits (Net)	1300.00	—
Proceeds from/Repayment of Long Term Loan (Net)	(10343.32)	(28543.94)
Repayment of /Proceeds from Short Term Loan (Net)	8275.39	19173.22
Proceeds from Cash Credit/Overdraft(Net)	8038.02	—
Interest paid	(2228.81)	(5190.96)
Dividend paid (Including Tax on Dividend)	(5678.34)	(8079.90)
Net cash (used in)/from financing activities	(629.84)	(21637.35)
D Adjustment on accounts of Foreign Currency Translation Reserve	277.05	305.25
E Capital receipts	—	825.05
(Please refer to Note No. 6 in Note to Accounts)		
Net (increase)/decrease in cash and cash equivalent	(4912.85)	(12960.62)
Cash and cash equivalents as at 1st April, 2010 (Opening balance)	10044.79	23005.41
Add: on acquisition of subsidiary (refer Note No. 7 in Note to Accounts)	1780.95	—
Cash and cash equivalents as at 31st March, 2011 (Closing balance)	6912.87	10044.79

Note : Components of cash and cash equivalents are as per Schedule 8 to the Balance Sheet, excluding amount in Escrow Account.

As per our report of even date attached

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

Chartered Accountants

S. C. BANDI

Proprietor

Membership No. 16932

Place: Mumbai

Date: 19th August, 2011

On behalf of the Board of Directors

D.K. JAIN

Chairman

P.K. JAIN

Managing Director

VIJAY SAXENA

Company Secretary

Place : New Delhi

Date : 19th August, 2011



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
SCHEDULE 1 : CAPITAL		
Authorised		
1,10,00,000 Equity Shares of Re 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 Re 10/- each	1061.85	1061.85
Total	1061.85	1061.85
SCHEDULE 2 : RESERVES AND SURPLUS		
Reconstruction Reserve		
As per last Balance Sheet	639.53	639.53
Capital Reserves		
As per last Balance Sheet	6242.04	5808.73
Addition during the year (refer Note No. 6 in Notes to Accounts)	—	433.31
	6242.04	6242.04
Share Premium Account		
As per last Balance Sheet	4337.08	4326.52
(Less)/Add: Adjustment on account of FCCB premium and grant of stock options to employees in subsidiaries	(11.39)	10.56
	4325.69	4337.08
Capital Redemption Reserve		
As per last Balance Sheet	1459.30	1459.30
Amalgamation Reserve		
As per last Balance Sheet	206.15	206.15
General Reserve		
As per last Balance Sheet	51656.18	46656.18
Add: Transfer from Profit and Loss Account	7250.00	5000.00
	58906.18	51656.18
Statutory Reserve Fund*		
As per last Balance Sheet	2306.00	1606.00
Add : Transfer from Profit & Loss Account	500.00	700.00
	2806.00	2306.00
Consolidation Reserve		
As per last Balance Sheet	24587.52	7907.31
Add : Adjustments during the year	(61.02)	16680.21
	24526.50	24587.52
Foreign Currency Translation Reserve		
	281.25	298.37
Profit and Loss Account		
Balance as per Annexed Account	20671.88	16667.02
Group Share in Joint Ventures		
	18.42	7.20
Total	120082.94	108406.39
SCHEDULE 3 : SECURED LOANS		
From Banks		
- Cash Credit/Overdraft	8038.02	—
- Rupee Loans (amount payable within one year Rs. 8253.58 Lacs, Previous year Rs. 11452.46 Lacs)	13620.49	25481.19
- Foreign Currency Loans (amount payable within one year Rs. 11081.34 Lacs, Previous year Rs. 1217.37 Lacs)	30636.20	18596.12
Total	52294.71	44077.31

* Created pursuant to RBI (Amendment) Act, 1997



INOX LEASING AND FINANCE LIMITED

	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
SCHEDULE 4 : UNSECURED LOANS		
From Banks		
Short Term Loans		
- Rupee Loans	11000.00	9642.44
- Foreign Currency Loans	6083.13	5997.02
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 66.12	1000.00 2.93
	1066.12	1002.93
Foreign Currency Convertible Bonds (Refer Note No. 12 in notes to accounts)		
8,000 Zero-coupon Series A Foreign Currency Convertible Bonds of US \$ 1,000 per bond	3572.00	—
4,000 0.5% per annum Series B Foreign Currency Convertible Bonds of US \$ 1,000 per bond	1786.00	—
	23507.25	17142.39
	1055.77	659.13
Group Share in Joint Ventures	24563.02	17301.52

Schedules Forming part of Consolidated Balance Sheet



INOX LEASING AND FINANCE LIMITED

Particulars	Gross Block				Depreciation/Amortization				Net Block				
	As at 1-Apr-10	Translation Difference	Acquisition(*)	Additions	Deductions	As at 31-Mar-11	As at 1-Apr-10	Translation Difference	Acquisition(*)	For the Year	Deductions	As at 31-Mar-11	As at 31-Mar-10
(a) Tangible Assets													
Land													
- Freehold Land	2709.44	—	483.60	140.28	—	3333.32	—	—	—	—	—	3333.32	2709.44
- Leasehold Land	2373.62	—	—	2642.89	—	5016.51	132.64	—	—	33.56	—	4850.31	2240.98
Buildings and Roads	24699.89	—	230.31	2981.30	—	27911.50	2100.60	—	14.16	627.40	—	25169.34	22599.29
Lease hold improvements	7289.54	—	9914.08	1662.81	14.25	18852.18	834.73	—	3126.73	683.50	8.82	14216.04	6454.81
Plant and Machinery	78083.21	-0.52	4844.37	27399.41	10.37	110316.10	14907.59	-0.04	1239.58	4787.12	6.40	20927.85	63175.62
Wind Mill	42194.95	—	—	1561.99	9.20	43747.74	3945.01	—	—	2294.83	—	37507.90	38249.94
Manufacturing and other Equipments	2505.78	-0.51	774.73	635.69	76.99	3838.70	942.81	-0.04	409.16	269.10	55.82	2273.49	1562.97
Furniture and Fixtures	3412.34	-0.02	2038.95	850.35	99.22	6202.40	937.08	—	658.24	401.40	58.13	4263.81	2475.26
Vehicles	569.96	—	49.58	115.76	41.58	693.73	231.43	—	35.89	52.36	30.59	404.61	338.53
Total (a)	163838.73	-1.05	18335.62	37990.48	251.61	219912.18	24031.89	-0.08	5483.76	9149.27	159.76	38505.11	139806.84
(b) Intangible Assets													
Technical Know How	1833.29	—	—	1032.90	—	2866.19	203.05	—	—	245.34	—	448.39	1630.24
Software	456.76	—	137.39	70.97	—	665.12	225.12	—	137.22	73.20	—	435.54	231.64
Film Distribution Rights & Prints Cost	989.59	—	130.26	—	890.17	229.68	989.59	—	130.26	—	890.17	229.68	—
Negative rights	—	—	2.66	—	—	2.66	—	—	2.66	—	—	2.66	—
Movie Production	372.35	—	—	—	—	372.35	335.12	—	—	37.23	—	372.35	37.23
Total (b)	3651.99	—	270.31	1103.87	890.17	4136.00	1752.88	—	270.14	355.77	890.17	1488.62	1899.11
(c) Group share in Joint Ventures													
Group share in Joint Ventures	2350.75	-10.34	552.44	170.17	—	3063.02	300.15	-1.32	442.58	206.48	—	947.89	2050.60
Grand Total (a+b+c)	169841.97	-11.39	19158.37	39264.52	1141.78	227111.20	26084.93	-1.40	6196.48	9711.52	1049.93	40941.63	143756.53
Previous year	126783.94	—	—	43805.21	747.68	169841.47	18893.00	—	—	7920.02	728.09	26084.94	—

(*) Addition to Gross Block and Accumulated Depreciation/Amortisation on account of Acquisition in respect of Fame India Limited, as on 6th January 2011 viz. the date on which parent-subidiary relationship came in existence refer note no.7 in Notes to Accounts.

Notes:

1. Gross block of Building includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.
2. Freehold Land includes Company's share of undivided plot of land in respect of one of its multiplexes.



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION		
Opening balance	1014.63	1049.84
Opening balance of Fame India Limited	311.97	0.00
	1326.60	1049.84
Add: Expenses incurred during the year		
Salaries, Wages, Allowances and benefits	287.16	319.56
Contribution to Provident and other funds	8.65	15.83
Staff welfare	2.57	2.81
Legal, Professional and Consultancy charges	307.43	249.90
Travelling and Conveyance	130.93	156.39
Rent	1.57	3.74
Insurance	2.67	9.65
Power & Fuel	47.05	51.03
Communication expenses	3.84	6.49
Outsourced personnel cost	22.20	20.60
Security charges	25.21	29.69
Rates and Taxes	3.40	8.34
Processing fees	0.00	52.39
Interest on fixed loans	405.99	161.40
Lease Rentals and Hire Charges	14.15	12.11
Testing Charges	115.49	94.44
Miscellaneous expenses	47.18	70.10
Depreciation	0.00	3.38
	1425.50	1267.85
Less:		
Dividend on current investments	0.00	0.91
Profit on sale of current investments	0.00	0.42
Miscellaneous income	6.23	3.94
	6.23	5.27
	1419.26	1262.58
	2745.86	2312.42
Less: Capitalized	1620.56	1297.80
Less: Expenses on Abandoned Projects Written off	28.34	0.00
Closing Balance	1096.96	1014.62

	Face Value Rs.	Nos. As at 31st March, 2011	Nos. As at 31st March, 2010	As at 31st March 2011 Amount (Rs. in Lacs)	As at 31st March 2010 Amount (Rs. in Lacs)
SCHEDULE 7 : INVESTMENTS					
(I) Investment in Securities					
(Long term, Non-trade, at cost, unquoted)					
A] UNQUOTED					
i) In Venture Capital Fund					
	100000	850.78	1,000	850.78	1,000.00
	940	2,50,000	2,50,000	2,350.00	2,500.00
				3,200.78	3,500.00
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)					
				52.77	21.14
				52.77	21.14
iii) In Fully Paid-up Equity Shares (unless otherwise stated)					
	10	0	43,50,000	0.00	435.98
	10	1,50,00,000	1,50,00,000	1,500.00	1,500.00
	10	500,000	500,000	50.00	50.00
	100	0	4,43,712	0.00	1,996.70



Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2011	Nos. As at 31st March, 2010	As at 31st March 2011 Amount (Rs. in Lacs)	As at 31st March 2010 Amount (Rs. in Lacs)
SCHEDULE 7 : INVESTMENTS (Contd...)					
Megnasolance City Private Limited (Equity shares of Rs. 10 each - paid up Rs. 1.60 per share)	10	50,00,000	50,00,000	3,201.18	3,201.18
Kaleidoscope Entertainment Private Limited	1	5,62,500	5,62,500	60.75	60.75
Ideas & U Ltd.	10	5,00,000	5,00,000	50.00	50.00
				4811.93	7,244.61
iii) In Cummulative, Non-convertible, Redeemable Preference Shares (fully paid-up)					
Humsay i Global Services Limited	64	0	16,38,210	0.00	1,048.45
				0.00	1,048.45
iv) In Equity linked Debentures					
i) Citicorp Finance (India) limited					
Redeemable NCD Issue Series 173	1000000	0	150	0.00	1,500.00
Redeemable NCD Issue Series 184	1000000	0	100	0.00	1,000.00
Redeemable NCD Issue Series 200	1000000	0	100	0.00	1,000.00
ii) Citifinancial Consumer Financial India					
	100000	0	1,000	0.00	1,000.00
				0.00	4,500.00
v) In Units of Mutual Funds					
Birla Sunlife Income Plus-Growth	10	0	25,33,281	0.00	1,000.00
Birla Sunlife FMP Series.CQ-Growth	10	1,00,00,000	0	1,000.00	0.00
Birla Sunlife FMP Series CP Growth	10	1,00,00,000	0	1,000.00	0.00
Birla Sunlife Midcap Fund- Plan A-Dividend-Reinvestment	10	4,57,330	26,68,337	108.72	560.30
Birla Sunlife Short Term Fund-Instl.-Fnd	10	0	29,49,928	0.00	300.60
Birla Sunlife FTP Series CE-Growth	10	2,000,000	0	200.00	0.00
Birla Sunlife FTP Series CI-Growth	10	2,000,000	0	200.00	0.00
Birla Sunlife FTP Series CT-Growth	10	2,500,000	0	250.00	0.00
Birla Sunlife FTP Series CU-Growth	10	2,008,500	0	200.85	0.00
Birla Sunlife Savings Fund Instl - Dividend	10	0	5,382,033	-	538.65
Birla Sunlife Short Term FMP Series 4-Dividend	10	1,066,964	0	106.70	0.00
Birla Sunlife Short Term Fund - Dividend	10	0	958,717	0.00	102.32
BNP Paribas FTF Series.21B-Growth	10	1,00,00,000	0	1,000.00	0.00
BNP Paribas FTF Series.21 E-Growth	10	1,00,00,000	0	1,000.00	0.00
Canara Robeco FMP Series 6 - 13M (Plan A) - Growth	10	1,00,00,000	0	1,000.00	0.00
DSP Blackrock Small & Midcap Fund-Regular Plan-Dividend	10	39,09,152	35,79,300	544.74	500.00
DSP Blackrock Strategic Bond Fund-Institutional Plan					
-Daily Dividend	10	0	99,998	0.00	1,002.12
DSP Blackrock FMP-12 Month Series.14 - Growth	10	1,00,00,000	0	1,000.00	0.00
DSP Black Rock FMP 12M Series 6-Growth	10	900,000	0	90.00	0.00
DSP Black Rock FMP 13M Series 2-Growth	10	883,862	883,862	88.39	88.39
DSP Black Rock FMP 3M Series 29-Dividend	10	2,250,585	0	225.06	0.00
DWS Fixed Term Fund-Series 68-Regular Growth	10	50,00,000	50,00,000	500.00	500.00
DWS Fixed Term Fund-Series 69-Regular Growth	10	50,00,000	50,00,000	500.00	500.00
FTF Series 16D - Growth	10	50,00,000	50,00,000	500.00	500.00
Fidelity FMP Series.5 Plan A-Growth	10	50,00,000	0	500.00	0.00
Fidelity FMP Series 5 Plan B-Dividend	10	825,430	0	82.54	0.00
Fidelity FMP Series V Plan E-Growth	10	2,000,000	0	200.00	0.00
HDFC Top 200 Fund-Dividend	10	2,80,960	29,99,000	119.96	1,109.66
HDFC Income Fund - Growth	10	0	47,96,669	0.00	1,000.00
HDFC FMP 24 Months Feb 10-Series XII - Growth	10	50,00,000	50,00,000	500.00	500.00
HDFC Arbitrage Fund - Dividend	10	0	1,977,457	0.00	200.00
HDFC Cash Management Fund Treasury Adv Plan -D	10	0	4,772,498	0.00	478.41
HDFC FMP 370D August 2010(1)-Growth	10	900,000	0	90.00	0.00
HDFC FMP 370D July'2010 (1) Series XV-Growth	10	2,000,000	0	200.00	0.00
HDFC FMP 370D June'2010(1)-Growth	10	5,000,000	0	500.00	0.00



Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2011	Nos. As at 31st March, 2010	As at 31st March 2011 Amount (Rs. in Lacs)	As at 31st March 2010 Amount (Rs. in Lacs)
SCHEDULE 7 : INVESTMENTS (Contd...)					
ICICI Prudential Infrastructure Fund - Dividend	10	9,80,689	41,12,541	110.09	458.40
ICICI Prudential Discovery Fund-Dividend	10	29,71,809	26,24,672	567.61	500.00
ICICI Prudential FMP Series 51-15 Monthly Plan E - Cumulative	10	1,00,00,000	1,00,00,000	1,000.00	1,000.00
ICICI Prudential FMP Series 55-1 Year Plan B - Cumulative	10	1,00,00,000	0	1,000.00	0.00
ICICI Prudential Institutional Income Plan-Growth	10	0	1,01,06,645	0.00	3,000.00
ICICI Prudential FMP Series.55-1 Year.Plan.B-Growth	10	1,50,00,000	0	1,500.00	0.00
ICICI Prudential.FMP Series.55-1 Year.Plan.C-Growth	10	1,00,00,000	0	1,000.00	0.00
ICICI PRU FMP Series 50-19M Plan A Growth	10	2,000,000	2,000,000	200.00	200.00
ICICI Prudential Flexible Income Plan-Div	100	0	344,099	0.00	362.79
ICICI Prudential FMP Series 51-1Yr Plan A Growth	10	0	1,000,000	0.00	100.00
ICICI Prudential FMP Series 53-1Yr Plan A-Growth	10	2,000,000	0	200.00	0.00
ICICI Prudential FMP Series 53-1Yr Plan B-Growth	10	2,000,000	0	200.00	0.00
ICICI Prudential FMP Series 55-13M Plan B-Growth	10	2,416,246	0	241.62	0.00
ICICI Prudential FMP Series 55-15M Plan A-Growth	10	2,031,509	0	203.15	0.00
ICICI Prudential FMP Series 55-1Yr. Plan F-Growth	10	3,005,665	0	300.57	0.00
IDFC FMP Yearly Series.38-Growth	10	1,00,00,000	0	1,000.00	0.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	0	48,53,003	0.00	500.00
IDFC Dynamic Bond Fund Plan B-Growth	10	0	97,48,489	0.00	1,000.00
IDFC FMP Yearly Series.37-Growth	10	1,00,00,000	0	1,000.00	0.00
IDFC FMP-14 Months Series 1 Growth	10	1,000,000	1,000,000	100.00	100.00
IDFC Money Manager Fund Treasury Plan A-Dividend	10	2,502,194	0	250.92	0.00
JM Money Manager Fund Super Plus Plan-Daily Dividend	10	0	1,00,17,526	0.00	1,002.28
JPMORGAN India FMP 400 Days Series.1-Growth	10	1,00,00,000	0	1,000.00	0.00
Kotak Flexi Debt Scheme Institutional-Daily Dividend	10	0	1,99,53,904	0.00	2,004.87
Kotak FMP 13 Months Series 6 - Growth	10	50,00,000	50,00,000	500.00	500.00
Kotak FMP 24 Months Series 1-Growth	10	50,00,000	50,00,000	500.00	500.00
Kotak FMP Series 37 - Growth	10	50,00,000	0	500.00	0.00
Kotak FMP Series 35 - Growth	10	1,00,00,000	0	1,000.00	0.00
Kotak FMP Series 34 - Growth	10	1,00,00,000	0	1,000.00	0.00
Kotak Bond-Regular-Growth	10	0	98,19,155	0.00	2,500.00
Liquid Benchmark Daily Dividend (Current Investment)	10	782	0	7.82	0.00
L&T FMP-III(JAN 369 Days)-Growth	10	1,00,00,000	0	1,000.00	0.00
Reliance Diversified Power Sector Fund- Retail Dividend Plan	10	1,44,797	27,43,596	67.20	1,065.11
Reliance Equity Opportunities Fund Retail Plan-Dividend Plan	10	25,81,455	23,62,960	547.26	500.00
Reliance Banking Fund-Institutional Plan-Dividend Plan	10	0	8,81,305	0.00	517.07
Reliance Income Fund -Retail Plan-Growth Option	10	0	1,00,78,647	0.00	3,000.00
Reliance Regular Savings Fund - Equity Plan- Dividend Plan	10	0	27,19,815	0.00	500.00
Reliance Fixed Horizon Fund XIII Series 6 -Growth	10	2,000,000	2,000,000	200.00	200.00
SBI- Magnum Global Fund- Dividend	10	17,68,991	17,68,991	500.00	500.00
SBI- Magnum Sector Funds Umbrella Contra-Dividend	10	3,65,187	24,23,799	84.83	503.90
SBI Debt Fund Series 370 Days-8-Growth	10	2,000,000	0	200.00	0.00
SBI SHF Ultra Short Term Plan-Div	10	0	4,538,531	0.00	457.42
Sundram FMP AX 366 Days Growth	10	50,00,000	0	500.00	0.00
SBNPP Ultra ST Fund Super Institutional Daily Dividend	10	0	1,49,81,046	0.00	1,503.65
Sundram Select Midcap- Dividend	10	13,71,196	78,22,621	230.81	1,268.05
Templeton India Ultra short Bond Fund Super Institutional Plan-Daily Dividend	10	0	1,20,06,381	0.00	1,202.25
Templeton Fixed Horizon Fund Series XI Plan G -Growth	10	0	1,000,000	0.00	100.00
Templeton India Income Opportunities Fund-Growth	10	1,139,723	0	117.94	0.00
Templeton India Ultra Short Bond Fund-Div	10	0	4,006,319	0.00	408.48
Templeton India Ultra Short Bond Fund-Growth	10	0	2,120,531	0.00	250.00
Tata Floater Fund-Daily Dividend	10	0	1,29,74,681	0.00	1,302.09
TATA FMP Series.31 Scheme A-Growth	10	1,00,00,000	0	1,000.00	0.00
TATA FMS Series 25 Scheme A-Growth	10	2,000,000	2,000,000	200.00	200.00
Templeton India Equity Income Fund-Dividend Reinvestment	10	2,56,370	48,97,997	36.00	563.56



Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2011	Nos. As at 31st March, 2010	As at 31st March 2011 Amount (Rs. in Lacs)	As at 31st March 2010 Amount (Rs. in Lacs)
SCHEDULE 7 : INVESTMENTS (Contd...)					
Uti Treasury Advantage Fund-Institutional Plan-Daily Dividend	10	0	2,20,934	0.00	2,209.81
JM High Liquidity Fund Instl. Plan Daily Dividend	10	19,42,499	0	194.56	0.00
JP Morgan India Liquid Fund-Super Instl. Daily Dividend Plan	10	18,15,122	0	181.66	0.00
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	10	95,153	1,18,220	100.61	125.00
UTI Fixed Term Income Fund Series VII-II (407 Days)-Growth	10	500,000	0	50.92	0.00
UTI Fixed Term Income Fund Series VIII-II (367 Days)-Growth	10	2,500,000	0	250.00	0.00
UTI Fixed Term Income Fund Series VIII-IV (369 Days)-Growth	10	2,000,000	0	200.00	0.00
UTI Liquid Cash Fund - Growth	1000	0	16,539	0.00	250.00
UTI Treasury Advantage Fund Inst-Dividend	1000	0	35,605	0.00	356.33
UTI-Fixed Term Income Fund-Series VII-II(407)Days-G	10	1,500,000	1,500,000	150.00	150.00
				30,900.52	39,741.50
Total Unquoted Investments				38,966.00	56,055.71
Less: Provision for diminution in value of Investment				60.75	1,483.34
Net Unquoted Investments				38,905.25	54,572.37
B] QUOTED					
ii) In Fully Paid-up Equity Shares					
Advanta India Limited	10	48,590	48,590	598.39	598.39
Borosil Glass Works Limited	10	0	63,512	0.00	366.48
Bhilwara Technical Textile Limited (Received pursuant to a scheme of arrangement)	1	0	3,01,138	0.00	0.00
Dalmia Bharat Sugar and Industries Limited	2	1,91,881	1,91,881	155.15	492.54
Deepak Fertilisers & Petrochemicals Corporation Limited	10	0	6,00,531	0.00	996.90
TCS E-Serve Ltd.	10	200	200	1.93	1.93
EIH Limited	2	4,39,950	4,39,950	963.28	963.28
Fame India Limited	10	0	1,75,65,288	0.00	8,248.39
Garware Wall Ropes Limited	10	4,41,308	4,41,308	729.88	729.88
Gujarat NRE Coke Limited	10	0	1,66,000	0.00	165.14
Housing Development & Infrastructure Limited	10	1,56,556	1,56,556	1,176.01	1,176.01
HEG Limited	10	1,16,000	1,16,000	500.91	500.91
K S Oil Limited	1	6,21,081	6,21,081	552.01	552.01
Kesoram Textile Mills Limited (Received pursuant to a scheme of arrangement)	10	1,31,893	1,31,893	0.00	0.00
Mount Everest Mineral Water Limited	10	25,90,992	25,90,992	2,799.07	2,799.07
OCL India Limited	2	1,12,950	1,52,950	150.05	203.19
Praj Industries Limited	2	9,93,630	9,93,630	2,461.04	2,461.04
Prime Focus Limited	1	7,72,560	7,72,560	989.21	989.21
Reliance Communication Limited	5	56,981	56,981	362.76	362.76
RSWM Limited	10	0	3,47,695	0.00	431.30
Shree Global TradeFin Limited	5	6,51,093	6,51,093	1,601.57	1,601.57
Taneja Aerospace & Aviation Limited	5	3,65,559	3,65,559	738.06	738.06
Tantia Construction Limited	10	2,24,774	3,20,585	332.94	461.02
Bajaj Finance Limited	10	640	0	4.79	0.00
Central Bank of India	10	2,007	0	4.40	0.00
City Union Bank Limited	1	9,013	0	4.27	0.00
Dewan Housing Finance Corporation.Limited	10	1,542	0	4.82	0.00
Edelweiss Capital Services Limited	1	10,144	0	5.85	0.00
Emkay Global Finance Services Limited	10	1,976	0	2.10	0.00
GIC Housing Finance Limited	10	3,017	0	3.99	0.00
India Infoline Limited	2	4,294	0	4.92	0.00
Indian Bank	10	1,835	0	4.71	0.00
Mahindra & Mahindra Financial Services Limited	10	573	0	4.55	0.00
Motilal Oswal Financial Services Limited	1	2,075	0	3.82	0.00



Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2011	Nos. As at 31st March, 2010	As at 31st March 2011 Amount (Rs. in Lacs)	As at 31st March 2010 Amount (Rs. in Lacs)
Phoneix Mills Limited	2	1,946	0	4.10	0.00
Sobha Developers Limited	10	1,530	0	5.12	0.00
Geojit Financial Services Limited	1	7,787	0	2.97	0.00
Federal Bank Limited	10	924	0	3.96	0.00
LIC Housing Finance Limited	2	1,835	0	4.93	0.00
Shriram City Union Finance Limited	10	144	0	0.99	0.00
Sundaram Finance Limited	10	453	0	2.99	0.00
Cholamandalam Investment & Finance Limited	10	1,048	0	1.93	0.00
Manappuram General Finance & Leasing	2	2,535	0	3.68	0.00
YES Bank Limited	10	1,789	0	5.02	0.00
Shriram Transport Finance Company Limited	10	309	0	2.23	0.00
Damania Capital Market Limited	10	124,200	124,200	37.26	37.26
Eastern Mining Limited	10	10,300	10,300	3.30	3.30
Gujarat Borosil Limited	10	0	8,000	0.00	1.07
I F C I Limited	10	0	1,500	0.00	1.04
Konar Organics Limited	10	41,100	41,100	4.11	4.11
Punjab Woolcombers Limited	10	0	1,700	0.00	1.53
Rajinder Pipes Limited	10	8,300	8,300	3.32	3.32
Unified Agro Industries (India) Limited	10	1,800	1,800	0.45	0.45
W S Telesystem Limited	10	8,300	8,300	3.32	3.32
Orient Fabritex Limited	10	140,000	140,000	14.00	14.00
BOC India Limited	10	200	200	0.21	0.21
Ahmedabad Gases Limited	10	200	200	0.02	0.02
Bombay Oxygen Corpn. Limited	100	5	5	0.06	0.06
Total Quoted Equity shares				14,264.44	24,908.77
Total Quoted Investments				14,264.44	24,908.77
Less: Provision for diminution in value of Investment				1,368.66	1,621.74
Net Quoted Investments				12,895.78	23,287.03
Total Investments				51,801.03	77,859.40
Group share in Joint Ventures				10.42	—
				51,811.45	77,859.40
Market value of quoted investments				5,814.34	10,145.36

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

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-10	Additions	As at 31-Mar-11	As at 1-Apr-10	For the year	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Leasehold Land	169.37	0	169.37	0.08	0.17	0.25	169.13	169.30
Building	102.53	0	102.53	0.77	1.67	2.44	100.08	101.75
Total	271.90	0	271.90	0.85	1.84	2.69	269.21	271.05
Previous Year	0	271.90	271.90	0	0.85	0.85		
Total Investments (I & II)							52,080.66	78,130.45



Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES		
A Current Assets		
1 Inventories		
Stores and Spares	3752.15	3241.20
Packing Materials	227.97	278.98
Finished Goods		
-Manufactured Goods	5879.46	6893.13
-Traded Goods	0.00	4.46
	5879.46	6897.59
By-products	10.93	1.79
Material in process	1030.31	1720.43
Food and Beverages	225.74	108.66
Raw Materials	13408.55	7273.42
Material in transit	0.00	407.39
Carbon Credits	523.84	218.91
	25058.95	20148.37
Group Share in Joint Ventures	443.34	243.66
	25502.29	20392.03
2 Sundry Debtors (Unsecured)		
Considered good		
Exceeding 6 months	1090.10	718.09
Others	18113.68	9505.75
	19203.78	10223.84
Considered Doubtful		
Exceeding 6 months	169.19	11.15
Others	—	36.15
	169.19	47.30
	19372.97	10271.15
Less : Provision for Doubtful Debts	(169.19)	(47.30)
	19203.78	10223.85
Group Share in Joint Ventures	817.34	328.31
	20021.12	10552.16
3 Cash and Bank Balances		
Cash on Hand	142.31	101.01
Bank Balances with Scheduled Banks		
(a) in Current Accounts	2671.56	3082.47
(b) in Cash Credit Accounts	218.46	1301.30
(c) in Fixed Deposits	3433.59	5527.43
(d) in Escrow account - (refer Note No. 7 in Notes to Accounts)	—	4221.54
Bank Balances with Non Scheduled Banks		
(a) in Current Accounts	118.57	26.12
	6584.49	14259.87
Group Share in Joint Ventures	328.38	6.45
	6912.87	14266.32
4 Other Current Assets		
Interest accrued	301.77	301.00



INOX LEASING AND FINANCE LIMITED

Schedules Forming part of Consolidated Balance Sheet

	As at 31st March, 2011 Amount (Rs. in Lacs)	As at 31st March, 2010 Amount (Rs. in Lacs)
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES (Contd..)		
B LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
1 Advances recoverable in cash or in kind or for value to be received	10560.60	4246.12
Considered Good	85.65	45.29
Considered Doubtful	10646.25	4291.41
Less: Provision for Doubtful Advances	85.65	45.29
	10560.60	4246.12
2 Deposits	8002.03	3785.34
3 Inter-corporate deposits		
Considered Good	2266.22	2934.03
Considered Doubtful	99.00	99.00
Less: Provision for Doubtful Inter-corporate deposits	2365.22	3033.03
	99.00	99.00
	2266.22	2934.03
4 Balances in Excise, Service Tax and VAT Accounts	2859.54	2520.79
5 Entertainment Tax Refund Claimed	846.13	795.66
6 Income Tax paid (Net of provisions)	1431.04	591.03
7 MAT Credit Entitlement	4446.33	2080.00
	30411.89	16952.97
Group Share in Joint Ventures	478.23	183.46
	30890.12	17136.43
Total	83628.17	62647.94
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
A Current Liabilities		
1 Sundry Creditors		
- dues to Micro and Small Enterprises	12.03	21.30
- others	25692.11	17238.08
	25704.14	17259.38
2 Foreign Currency Convertible Bonds (refer Note No. 19 in Notes to Accounts)	446.50	—
3 Foreign Currency Convertible Bonds YTM provision (refer Note No. 19 in Notes to Accounts)	2178.38	—
4 Trade Deposits	1284.04	872.61
5 Investor Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed dividends	195.19	161.31
6 Advances from Customers	24943.29	20786.27
7 Other Liabilities	1823.58	1179.51
8 Interest accrued but not due	270.77	165.52
	56845.89	40424.60
Group Share in Joint Ventures	1186.62	846.28
	58032.51	41270.88
B Provisions		
1 For Taxation (Net of Payment)	31.07	4.58
2 For Fringe Benefit Tax (Net of Payment)	4.50	9.98
3 Proposed Dividend	2365.22	1843.87
4 Tax on Proposed Dividend	445.51	273.67
5 For Gratuity & Leave Encashment	1079.55	758.41
6 For Expenses	131.80	119.00
	4057.65	3009.51
Group Share in Joint Ventures	0.33	—
	4057.98	3009.51
Total	62090.49	44280.39

**Schedules Forming part of Consolidated Profit and Loss Account**

	2010-2011 Amount (Rs. in Lacs)	2009-2010 Amount (Rs. in Lacs)
SCHEDULE 10: SALES AND SERVICES		
Sales - Gross	105834.06	100665.01
Less: Excise Duty	3439.17	2014.96
Sales (Net)	102394.89	98650.05
Box Office Revenues	27613.63	18835.74
Food and Beverages Revenues	6028.68	4162.86
Income from Movie Rights	0.04	22.35
Film Distribution Income	1.39	14.89
Conducting Fees	1066.22	783.55
Advertising Income	1724.30	1251.82
Management Fees	83.36	41.95
Parking charges	76.81	78.89
Programming Revenue	13.70	—
Other Operating Income	404.84	255.61
	139407.86	124097.71
Group Share in Joint Ventures	4689.24	2021.03
Total	144097.10	126118.74
SCHEDULE 11: OTHER INCOME		
Interest		
- On long term investments	5.15	1.85
- On inter corporate deposits	133.57	306.05
- From banks	413.41	1142.17
- On Income-tax refunds	50.04	313.80
- Others	144.57	128.40
	746.74	1892.27
Dividend		
- On long term investments	429.00	1082.94
- On current investments	285.87	100.63
	714.87	1183.57
Profit on sale of investments (Net)		
- On long term investments	5110.99	96.14
- On current investments	9.52	—
	5120.51	96.14
Liabilities written back no longer required	201.66	586.18
Provision for doubtful advances written back	—	45.51
Bad debts recovered	1.62	—
Foreign Exchange Fluctuation Gain (Net)	2607.77	2445.58
Lease Rent	773.28	738.17
Miscellaneous Income	706.29	353.60
	10872.74	7341.02
Group Share in Joint Ventures	5.40	0.05
Total	10878.14	7341.07

**Schedules Forming part of Consolidated Profit and Loss Account**

	2010-2011 Amount (Rs. in Lacs)	2009-2010 Amount (Rs. in Lacs)
SCHEDULE 12: (INCREASE)/DECREASE IN STOCKS		
Opening Stock		
Finished Goods	6897.59	6769.80
Material in Process	1720.43	1048.05
By-products	1.79	1.41
Carbon Credits	218.91	99.03
	8838.72	7918.29
Less: Closing Stock		
Finished Goods	6475.06	6897.59
Material in Process	434.71	1720.43
By-products	10.93	1.79
Carbon Credits	523.84	218.91
	7444.54	8838.72
Excise Duty on Stock of Finished Goods (Net)	(21.51)	9.46
(Increase)/Decrease in Stocks	1372.67	(910.97)
SCHEDULE 13: MATERIALS CONSUMED AND PURCHASE OF FINISHED GOODS		
Raw Materials consumed	24173.33	15068.71
Packing Materials consumed	3513.05	3927.12
Purchase of Finished Goods	1473.77	148.33
Cost of Food and Beverages	1950.59	1368.93
	31110.74	20513.10
Group Share in Joint Ventures	3850.46	1766.84
Total	34961.20	22279.94
SCHEDULE 14: MANUFACTURING, OPERATING AND OTHER EXPENSES		
Stores and Spare parts Consumed	2539.01	1956.84
Power and Fuel	19649.47	18778.79
Entertainment tax	4923.15	3167.40
Film Distributors share	9845.35	6640.53
Other Exhibition cost	401.69	234.26
Advertisement and Sales Promotion	334.42	359.68
Freight and Octroi	2558.27	1441.37
Insurance	480.59	446.68
Excise duty, Custom Duty, Sales tax and Service tax	103.03	792.45
Production Labour Charges & Outsourced Personnel Cost	1361.83	783.58
Processing Charges	140.87	46.42
Factory Expenses	359.02	290.96
Repairs to		
- Buildings	221.14	295.82
- Machinery	2552.10	2013.99
- Others	523.50	203.19
	3296.74	2513.00

**Schedules Forming part of Consolidated Profit and Loss Account**

	2010-2011 Amount (Rs. in Lacs)	2009-2010 Amount (Rs. in Lacs)
SCHEDULE 14: MANUFACTURING, OPERATING AND OTHER EXPENSES (Contd...)		
Directors' Sitting Fees	6.05	4.60
Commission to Chairman	326.85	440.34
Rent and Conducting fees	5263.30	3134.75
Rates and Taxes	795.06	308.32
Travelling and Conveyance	1065.16	877.68
Communication Expenses	304.93	283.17
Common Facility charges	1709.03	881.45
Legal and Professional Fees and Expenses	2079.21	2414.53
Lease Rentals and Hire Charges	225.11	343.98
Discount	249.28	276.14
Loss on assets sold/scrapped (Net)	61.94	8.31
Bank Charges	173.29	111.12
Provision for doubtful debts	118.67	25.53
Provision for doubtful advance	7.06	—
Bad debts and remissions	3.41	15.37
Commission	330.72	227.87
Royalty	504.96	40.09
Purchase of Carbon Credits	3665.41	—
Expenditure on Sustainable Development Plan	88.24	106.92
Miscellaneous Expenses	3092.67	2608.19
Expenses on Abandoned Project Written Off	28.34	—
Preliminary Expenses written off	0.69	27.17
Less: Service tax on lease rentals in respect of earlier years reversed - refer Note No. 9 in Notes to Accounts)	(561.34)	—
	65531.48	49587.69
Group Share in Joint Ventures	209.65	233.11
Total	65741.13	49820.80
SCHEDULE 15: SALARIES AND BENEFITS		
Salaries, Wages, Allowances and Benefits	8014.17	6437.31
Contribution to Provident and other funds	386.51	272.53
Gratuity	167.05	95.77
Staff Welfare expenses	275.27	165.07
	8843.00	6970.68
Group Share in Joint Ventures	49.44	38.40
Total	8892.44	7009.08
SCHEDULE 16: INTEREST		
Interest on fixed loans (Net of interest capitalised Rs. 405.99 Lacs, previous year Rs. 264.27 Lacs)	4090.14	4947.80
Other Interest	96.91	112.55
	4187.05	5060.35
Group Share in Joint Ventures	80.95	59.91
Total	4268.00	5120.26



INOX LEASING AND FINANCE LIMITED

SCHEDULE 17: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

1. Basis of preparation and principles of consolidation :-

The Consolidated Financial Statements relate to Inox Leasing and Finance Limited ('the Company'), its subsidiary company — a joint venture of the Company and the joint ventures of a subsidiary and an 'associate' of a subsidiary company ("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 and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealised profits are fully eliminated. Unrealised losses resulting from inter-company transactions are eliminated unless cost cannot be recovered.
- Interest in joint ventures is reported using proportionate consolidation method.
- The share of profit/loss of associate company is accounted under the 'equity method' as per which the share of profit/loss of the associate company is adjusted to the cost of investment.
- Financial statement of foreign subsidiary has been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard-11 "Effects of Changes in Foreign Exchange Rates".
- Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, and is recognized as an asset in the Consolidated Financial Statements. For this purpose, the Company share of equity is determined on the basis of the latest financial statements prepared and certified by the Management, prior to the date of acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. The Goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired. In the previous year, the Goodwill on consolidation, in respect of acquisition of additional shares of existing subsidiary was charged to the Consolidated Profit and Loss Account, considering the non-materiality of the amount involved.
- The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances, except where it is not practicable to do so. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- The Minority interest in the net assets of consolidated subsidiary consist of the amount of equity attributable to minority at the date on which investment in subsidiary is made and the minority's share of movement in equity since the date the parent subsidiary relationship comes into existence.

2. Other Significant Accounting Policies

a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and are in accordance with applicable mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) FIXED ASSETS AND INTANGIBLE ASSETS

Freehold land is carried at cost. Leasehold land is carried at cost, comprising of lease premium and expenses on acquisition thereof, as reduced by accumulated amortisation. Other Fixed Assets and intangible assets are carried at cost less accumulated depreciation/ amortisation. Cost comprises of purchase price/cost of construction, including any expenses attributable to bring the asset to its working condition for its intended use, and is net of CENVAT & VAT Credit.

c) DEPRECIATION & AMORTIZATION

i) On tangible fixed assets: Cost of Leasehold land is amortised over the period of the lease. Depreciation on other Fixed Assets, excluding Freehold land, is provided on straight line method as under:

- On leasehold improvements, electrical installations and air-conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule XIV of the Companies Act, 1956, whichever is shorter.
- On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Fixed Assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.

ii) On intangible fixed assets: Cost of Technical Know-how is amortized equally over a period of ten years and cost of Software is amortized @ 16.21% p.a. on straight line method.

Cost of Film Distribution Rights (and corresponding prints cost) and Negative Rights is amortized in proportion to the management's estimate of gross revenues expected to be realized over a period.



The cost of movie rights acquired is amortised using the individual film forecast method. Under this method costs are amortised in proportion to management's estimate of gross revenues expected to be realised over a period.

Certain fixed assets of a subsidiary are depreciated on the written down value method. However, the difference between the straight-line basis and written down value basis is not material.

d) IMPAIRMENT OF ASSETS

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets and impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

e) INVESTMENTS

i) In Securities

Long Term Investments are carried at cost. Provision for diminution is made to recognise the decline, other than temporary, in the values of these investments. Current Investments are carried at lower of cost and fair value. Income from investments is accounted for on accrual basis except that no income is recognised in respect of doubtful investments.

ii) In Investment Property

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

f) INVENTORIES

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

g) REVENUE RECOGNITION

The Company recognises sales when the significant risks and rewards of ownership of the goods have passed to the customers, which is generally at the point of dispatch of goods. Gross sales includes excise duty but are exclusive of sales tax. Revenue from Carbon Credits is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyer and is net of payment towards cancellation of contracts. Income on sale of electricity generated is recognised on the basis of actual units generated and transmitted to the purchaser and is net of unscheduled interchange charges paid.

Income from Box Office and Film Distribution is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the Company's Multiplexes. Income from conducting fees and management of multiplexes/theatres is recognized on accrual basis as per the contractual arrangements. Advertisement income is recognized on the date of exhibition of the advertisement / event or over the period of the contract, as applicable. Revenue from programming is recognized as and when the movie is exhibited and comprises of proceeds from sale of tickets, net of taxes and theatre owner's share. As the Group is the primary obligor with respect to the programming activities, the share of distributor in these proceeds is disclosed as programming cost. In respect of Movie Rights, revenue from theatrical exhibition is recognized as and when the movie is exhibited and revenue from film's satellite, video and other rights are recognized from effective date of exploitation of rights or when the rights are made available to the assignee for exploitation, in terms of the agreement.

Dividend income is recognized when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest bearing securities is recognized on time proportion basis, except in cases where interest is doubtful of recovery.

h) EMPLOYEE BENEFITS

Short-term employee benefits are recognized 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. Retirement benefits in the form of Gratuity and Leave Encashment are recognized 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 recognized in the Profit and Loss Account.

i) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset. Other borrowing costs are charged to Profit and Loss Account.

j) TAXES ON INCOME

Income tax expense comprises of current tax & deferred tax charge. Deferred tax is recognised on timing differences, subject to consideration of prudence, being the differences between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences



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which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax is recognized only if there is a virtual certainty of realization of such assets. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period prescribed for utilization of such credit.

k) CENVAT and VAT CREDIT

Excise duty, Service tax and VAT on inputs and services are carried forward in current assets and is included in "Balance in Excise, Service tax and VAT Accounts" till it is utilized. Consequently such inputs and services are accounted for exclusive of excise duty, service tax and VAT credits.

l) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or Losses on settlement of the transactions are recognised in the Profit and Loss Account. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognised in the Profit and Loss Account. In respect of forward exchange contracts entered, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of such contract. Currency and interest rate swaps are accounted in accordance with their contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principles and the net loss after considering the offsetting effect on the underlying hedge items is charged to the Profit and Loss Account. Net gains on the mark-to-market basis are not recognised.

m) LEASE

Lease rentals in respect of assets acquired on operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

n) PROVISIONS

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made.

3. The Subsidiary companies considered in the financial statements are:

(A) Subsidiaries of the Company:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2011	As at 31 st March 2010
Subsidiary Company			
Gujarat Fluorochemicals Limited (GFL)	India	52.54%	52.54%
Subsidiaries of GFL			
Inox Leisure Limited	India	0.35%	1.15%
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	NIL
Gujarat Fluorochemicals Americas, LLC (incorporated on 8 th September 2009)	USA	NIL	NIL
Inox Renewables Limited (incorporated on 11 th November 2010)	India	NIL	N.A.

(B) Subsidiaries of Inox Leisure Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2011	As at 31 st March 2010
Fame India Limited (see note 7 below)	India	NIL	N.A.

(C) Subsidiaries of Fame India Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2011	As at 31 st March 2010
Fame Motion Pictures Limited (formerly Shringar Films Limited)	India	NIL	N.A.
Big Picture Hospitality Services Private Limited	India	NIL	N.A.

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 31.03.2011.

**4. Joint venture**

GFL has a Joint Venture interest of 33.77% in Xuancheng HengYuan Chemical Technology Company Ltd., a Company incorporated in the People's Republic of China. As on 31.03.2011 the Company has invested a sum of Rs.1263.89 Lacs in the share capital of this Joint Venture.

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

The financial statements of Xuancheng HengYuan Chemical Technology Co. Ltd. a Joint Venture are drawn up to 31.12.2010.

Joint ventures of Fame India Limited considered in these CFS are:

Name of the Company	Country of Incorporation	Proportion of ownership interest of Fame India Limited as on 31 st March 2011
Swanston Multiplex Cinemas Private Limited	India	50%
Headstrong Films Private Limited	India	50%

Swanston Multiplex Cinemas Private Limited is engaged in exhibition of films in India, including managing a multiplex. Headstrong Films Private Limited is engaged in production and distribution of films.

5. Investment in Associates:

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

S.No.	Particulars	Amount (Rs. in Lacs)	
		2010-2011	2009-2010
1	Book value of Investment on acquisition	3000.00	3000.00
2	Share of Profit – Up to Previous Year	1.18	1.18
3	Share of (Loss)/Profit – Current Year	Nil	*
4	Carrying amount	3001.18	3001.18

(*) The share of profit for the previous year is less than Rs. 0.01 lacs – viz. Rs. 434.00

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

6. GFL has been advised that the compensation received for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated, is a capital receipt and hence, the said amount is credited to capital reserve.
7. During the year ended 31st March 2010, the Inox Leisure Limited had acquired 1,50,57,751 equity shares in Fame (India) Limited ("Fame"), being the Promoters' shareholding, through a block deal carried out on the Bombay Stock Exchange. The Inox Leisure Limited had thereafter acquired another 25,07,537 equity shares in Fame, from the market, through two separate block deals carried out on the Bombay Stock Exchange. As a result of these acquisitions, the Inox Leisure Limited held 1,75,65,288 equity shares comprising of 50.48% stake in Fame. Pursuant thereto, as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, an Open Offer was made to the Shareholders of Fame for acquisition of 82,31,759 equity shares in Fame at a price of Rs. 51 per share. In this regard, the Inox Leisure Limited had placed Rs. 42 crores, being 100% of the funds required under the Open Offer, in escrow with HDFC Bank, and 1,50,57,751 equity shares acquired from the Promoters of Fame were placed in escrow with Standard Chartered Bank, till the conclusion of the Open Offer formalities.

During the current year, the open offer was made from 16th December 2010 to 4th January 2011 and after completion thereof, on 6th January 2011 the amount of Rs. 42 crores and the equity shares placed in escrow were released. The Inox Leisure Limited's stake in Fame now stands at 50.27% of the existing issued and paid-up capital of Fame. Accordingly, as per the provisions of Companies Act, 1956, Fame has become a subsidiary of Inox Leisure Limited w.e.f. 6th January 2011.

Consequently, the consolidated results of Fame are included in the CFS from 6th January 2011 on the basis of the financial statements prepared and certified by the Fame's management for the period ended on 31st December 2010, after making necessary adjustment for material events between 31st December 2010 and 6th January 2011.

Inox Leisure Limited "Group" consists of Inox Leisure Limited its subsidiaries and Joint Ventures.



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8. Employee Stock Options

a) In case of the Inox Leisure Limited

During the year ended 31st March 2006, the Inox Leisure Limited had issued 5,00,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of Rs. 75 lacs to the Trust for subscription of these shares at the beginning of the plan.

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 5,00,000 equity shares allotted to the Trust, 1,46,263 shares have been transferred to employees up to 31st March 2011.

Following stock options have been granted to the employees:

On 29 th January 2007 (First Grant)	2,44,120 shares
On 27 th October 2009 (Second Grant)	33,332 shares

The vesting period for these equity settled options is between one to four years from the date of the grant. The options are exercisable within one year from the date of vesting. The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1 st April 2010	91,112
Granted during the year	Nil
Lapsed during the year	4,970
Exercised during the year	47,723
Outstanding as on 31 st March 2011	38,419
Exercisable as on 31 st March 2011	21,753
Weighted average exercise price of all stock options	Rs. 15

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

Options granted on 29 th January 2007	0.83 years
Options granted on 27 th October 2009	2.08 years

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Salaries, Wages, Allowances and Benefits' in Schedule 16 includes Rs. 9.87 lacs (previous year Rs. 16.22 lacs) being the amortization of employee compensation.

b) In case of the Fame India Limited

On 21 May 2009, the Company established the 'Employee Stock Option Scheme 2009' ('ESOS' or 'the Plan' or "the Scheme"). Under the Plan, the Company is authorised to issue not more than 5% of its equity share capital to eligible employees. Employees covered by the Plan are granted an option to purchase the shares of the Company subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of the Company administers the plan.

As per the Scheme, the Committee shall issue stock options to the employees at an exercise price of Rs. 14.47 per option. The Scheme provides that these options would vest in tranches over a period of 5 years as follows:

Period within which options will vest unto the participant	% of options that will vest	
	Grant A	Grant B
End of 12 months from the date of grant of options	15	-
End of 24 months from the date of grant of options	15	10
End of 36 months from the date of grant of options	20	25
End of 48 months from the date of grant of options	25	25
End of 60 months from the date of grant of options	25	40

Further, the participants shall exercise the options within a period of 5 years commencing on or after the respective date of vesting of the options.



The terms and conditions of the scheme, as approved by the remuneration committee of the Board of Directors of the Company in its meeting held on 21st May 2009 in pursuance to the approval of the Company at its Annual General Meeting held on 27th September 2006, are in line with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended vide Circular no SEBI/CFD/DIL/ESOP/5/2009/03/09 dated 3rd September 2009 and in accordance with the terms of the resolutions passed by the Company.

Employee stock option activity under the scheme is as follows.

	Nos.
Outstanding at the beginning of the year	10,63,300
Granted during the year	-
Forfeited during the year *	(6,37,750)
Vested and Exercised during the year	(1,51,770)
Outstanding at the end of the year #	2,73,780

* On account of employees leaving the organisation prior to the date of vesting.

On 21st May 2011, the second tranche of options have vested to the eligible employees.

9. In respect of service tax matters of Inox Leisure Limited "Group":-

As per the amendment made by the Finance Act 2010, renting of immovable property was defined as a taxable service with retrospective effect from 1st June 2007. Accordingly, in the annual accounts for the year ended 31st March 2010, the Group had provided service tax for Rs. 1041.07 lacs in respect of rentals paid for the year ended 31st March, 2009 and 31st March, 2010.

During the current year, the Group has challenged this levy by filing Writ Petition with various High Courts. While Honourable High Court of Mumbai, Delhi and Karnataka have granted stay for the levy of service tax in respect of immovable properties of the Company situated within their respective jurisdictions, matter is pending for hearing at Honourable Andhra Pradesh High Court.

Based on legal advice obtained by the Group, the recovery of service tax on renting of immovable property cannot be said to be final, and accordingly no provision of service tax on lease rentals is made for the year ended 31st March, 2011. Further, the amount provided in the accounts during the year ended 31st March 2010, towards service tax on lease rentals for the year ended 31st March 2009 and 31st March 2010, has been reversed during the year ended 31st March 2011. The amount of service tax on lease rentals not charged to the consolidated Profit and Loss Account for the year ended 31st March 2011 is Rs. 483.64 lacs and the cumulative amount for the Group as at 31st March 2011 is Rs. 1722.41 lacs.

10. In respect of income-tax matters of Inox Leisure Limited "Group" :-

- a) In the appellate proceedings before the Commissioner of Income-tax (Appeals) the Inox Leisure Limited's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted. Accordingly, provision for current tax is computed on the same basis and is for Minimum Alternate Tax payable on book profit, in the case of the Inox Leisure Limited and Fame India Limited.
- b) The Minimum Alternate Tax (MAT) paid by the Inox Leisure Limited and Fame India Limited 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, the Parent Company and Fame India Limited would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Group has recognized the MAT credit entitlement.

11. In respect of Entertainment Tax liability of Inox Leisure Limited "Group": -

- a) The exemption from payment of Entertainment Tax in respect of Multiplexes of the Group, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far by the Group, which is liable to be paid if the relevant multiplex ceases operations prior to completing the minimum period of operations in terms of the respective policies of the States – Rs. 14311.39 lacs.
- b) In respect of Inox Leisure Limited, 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. 440.46 lacs being Entertainment Tax in respect of such Multiplexes has not been charged to Profit & Loss Account. Cumulative amount as on 31st March 2011 - Rs. 2812.86 lacs.
- c) In respect of Inox Leisure Limited, in respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Honourable High Court of Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in note (b) above includes the figures pertaining to the said Multiplex.



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12. Contingent liabilities not provided for in respect of:

Particulars	Amount (Rs. in Lacs)	
	2010-2011	2009-2010
Sales Tax	7.12	7.12
Income Tax	3191.25	107.27
Service Tax (also refer Note No. 9)	366.24	104.29
Bills discounted	0.00	68.08
Bank Guarantees	5486.54	1443.51
Electricity Duty	1317.30	0.00
Claims against the Company not acknowledged as debts	814.54	44.53
Municipal Tax	475.39	402.25
Entertainment Tax	53.06	53.06
Service Charge	0.00	14.42
ESIC demand	9.71	0.00
Claims in respect of labour matters and Custom duty on import of cinematographic films	Amount is not ascertainable	

Note: Amount of Rs. 149.38 Lacs (previous year Rs. 36.94 Lacs) has been paid in respect of above Sales Tax, Income Tax, Service Tax and Electricity Duty demands and not charged to the Profit and Loss Account.

13. Foreign Currency Convertible Bonds

On 21st April 2006, Fame India Limited, pursuant to a resolution of the Board of Directors dated 28th January 2006 and by a resolution of the shareholders dated 8th March 2006, issued

- 12,000 Zero Coupon Series A Unsecured Foreign Currency Convertible Bonds ("Series A Bonds") of the face value of US \$ 1000; and
- 8,000 0.5% per annum Series B Unsecured Foreign Currency Convertible Bonds ("Series B Bonds") of the face value of US \$ 1000

aggregating to USD 2,00,00,000 due in 2011 (the Series A Bonds and the Series B Bonds are collectively called the "Bonds"). The Series B Bonds bear interest at the rate of 0.5 per cent per annum which accrues semi-annually in arrears on 31st December and 30th June of each year. Interest will accrue on each interest payment date and on maturity, accrued interest will be paid. The Bonds will mature on 22nd April 2011.

The Bonds are convertible at any time on or after 21st May 2006 and prior to 12th April 2011 at the option of the bond holders into newly issued, ordinary equity shares of par value of Rs. 10 per share ("Shares"), at an initial conversion price of

- Rs. 90 per share for Series A Bonds; and
- Rs. 107 per share for Series B Bonds

(as defined in terms and conditions of the Bonds) at the rate of exchange equal to the US Dollar to Rupees exchange rate as announced by the Reserve Bank of India (the "RBI") on the business day immediately prior to the issue date. The conversion price is subject to adjustment in certain circumstances.

Unless previously converted, redeemed or repurchased and cancelled,

- the Series A Bonds will be redeemed on 22nd April 2011 at 137.01 percent of their principal amount representing a gross yield to maturity of 6.5%; and
- the Series B Bonds will be redeemed on 22nd April 2011 at 140.69 percent of their principal amount representing a gross yield to maturity of 7.5%.

During the year ended 31st March 2008: 15,04,999 equity shares of Rs. 10 each were allotted against 3,000 Series A Foreign Currency Convertible Bonds (FCCB) of US \$ 1,000 each at an exercise price of Rs. 90 per share and 16,87,850 equity shares of Rs. 10 each were allotted against 4,000 Series B FCCB of US \$ 1,000 each at an exercise price of Rs. 107 per share, thus aggregating to a total allotment of 31,92,849 equity shares of Rs. 10 each of the Company. There has been no conversion of FCCBs during the year ended 31st March 2011. Exchange gain / loss arising on such conversion have been adjusted against share premium account. Premium on FCCB amortised and adjusted to the share premium account upto the date of conversion has been reversed. The bond issue expenses have been adjusted against share premium as per the provision of Section 78 of the Act.

As at 31st March 2011, in accordance with the terms and conditions of the FCCB, upon 'change of control' event taking place in the Company during the year ended 31st March 2010, certain bondholders had opted for early redemption aggregating to USD 13,65,445 (face value of USD 10,00,000 and YTM of USD 3,65,445, subject to tax), which is subject to approval from Reserve Bank of India.

During the year ended 31st March 2011, provision of Rs. 257.13 lacs is made towards potential withholding tax liability on account of redemption of the Bonds and the same is adjusted to the share premium account.

- Estimated amount of contract remaining to be executed on Capital Account and not provided for, net of advances Rs. 3,956.53 lacs (previous year Rs. 10,744.42 lacs)

**15. The major components of the net deferred tax assets and liability are as under :****In respect of Deferred Tax Assets (Net):**

S.No. Particulars	Amount (Rs. in Lacs)	
	2010-2011	2009-2010
(A) Deferred Tax Assets (Net)		
(i) Expenditure allowable on payment basis	21.02	1.18
(ii) Carry Forward Losses	793.55	0.00
(iii) Others	30.66	0.88
Total	845.23	2.06
(B) Deferred Tax Liabilities		
Depreciation	598.16	0.00
Total	598.16	0.00
Net Deferred Tax Assets (A-B)	247.07	2.06

In respect of Deferred Tax Liabilities (Net):

S.No. Particulars	Amount (Rs. in Lacs)	
	2010-2011	2009-2010
(A) Deferred Tax Liabilities		
(i) Depreciation (Net)	15559.00	11676.71
Total	15559.00	11676.71
(B) Deferred Tax Assets		
(i) Expenditure allowable on payment basis	360.43	295.38
(ii) Others	75.29	48.55
Total	435.72	343.93
Net Deferred Tax Liability (A-B)	15123.28	11332.78

Note: Amount of deferred tax recognized in the CFS exclude the net deferred tax asset of Rs. 2288.76 lacs (including share in joint ventures of Rs. 53.46 lacs) in the case of Fame India Limited, one of its subsidiary and one of its joint venture, as the same is not recognized in the standalone financials of these companies due to absence of virtual certainty of realization.

16. 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 :

S.No. Particulars	Amount (Rs. in Lacs)	
	2010-2011	2009-2010
(i) Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets	929.38	929.38
(ii) Accumulated Depreciation as at the end of the year	87.02	71.92
(iii) Depreciation for the year	15.11	15.12
(iv) Future minimum lease payments -		
(a) Not later than one year	760.70	811.26
(b) Later than one year and not later than five years	2949.64	2977.90
(c) Later than five years	517.84	1323.20



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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 agreement. 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)	
		2010-2011	2009-2010
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	26.46	61.74

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

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 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)	
		2010-2011	2009-2010
a)	Not later than one year	7818.75	3613.57
b)	Later than one year and not later than five years	32369.70	15271.70
c)	Later than five years	84243.32	57192.93

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.

17. 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)	
	2010-2011	2009-10
Opening Balance	119.00	111.20
Provided during the year	52.80	52.80
Paid during the year	40.00	45.00
Closing balance	131.80	119.00

18. In respect of Inox Leisure Limited, the arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of Rs. 18.23 lacs. (Previous Year Rs. 75.07 lacs). Total amount of interest receivable upto 31st March, 2011 is Rs. 93.30 lacs. During the current year the said award has been challenged before the District Court and the matter is pending.

19. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Subsidiary Company – Gujarat Fluorochemicals Limited

Subsidiary Companies of Gujarat Fluorochemicals Limited :

Inox Leisure Limited

Inox Infrastructure Private Limited

Inox Motion Pictures Limited

Inox Wind Limied (incorporated on 9th April, 2009)

Gujarat Fluorochemicals America-LLC, USA (incorporated on 8th September, 2009)

Inox Renewables Limited (incorporated on 11th November, 2010)



Subsidiary Companies of Inox Leisure Limited :

Fame India Limited (w.e.f. 6th January, 2011)

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

Big Pictures Hospitality Services Private Limited (subsidiary of Fame India 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

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

Following parties have become 'related parties' w.e.f. 6th January 2011 viz. the date on which Fame India Limited (FIL) has become a subsidiary of Inox Leisure Limited. Accordingly, transactions with these parties w.e.f. 6th January 2011 are considered in related party disclosures:

Key Management Personnel

Shri Rishi Negi – Chief Operating Officer in FIL (resigned on 28th February 2011)

Shri Shyam Shroff – Director in Fame Motion Pictures Limited (FMPL) (Resigned on 21st January 2011)

Shri Balkrishna Shroff – Director in FMPL (resigned on 21st January 2011)

Shri Aditya Shroff – Director in FIL (resigned on 21st January 2011)

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

M/s Shringar Films (upto 21st January 2011)

Adlabs Shringar Multiplex Cinemas Private Limited ('ASMCP') (upto 21st January 2011)


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(ii) Particulars of transactions: -

(Amount Rs. in Lacs)

Particulars	Subsidiary and Sub-Subsidiary Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
A) Transactions during the year												
Sales of Goods												
Inox Air Products Limited									19.58	16.97	19.58	16.97
Others									0.22	0.04	0.22	0.04
Total									19.80	17.01	19.80	17.01
Purchase of Goods												
Inox Air Products Limited									111.57	70.08	111.57	70.08
Inox India Limited									1748.05	2902.62	1748.05	2902.62
XHCT Co. Ltd			112.91	143.86							112.91	143.86
Others									0.08	0.00	0.08	0.00
Total			112.91	143.86					1859.70	2972.70	1972.61	3116.56
Inter-corporate Deposits paid												
Inox Leisure Limited	1300.00	500.00									1300.00	500.00
Total	1300.00	500.00									1300.00	500.00
Equity shares Subscribed												
XHCT Co. Ltd			0.00	1263.89							0.00	1263.89
Total			0.00	1263.89							0.00	1263.89
Interest Paid/Interest on Debentures.												
Devansh Trading & Finance Private Limited									17.55	0.82	17.55	0.82
Inox Chemicals Private Limited									17.55	0.82	17.55	0.82
Siddhapavan Trading & Finance Private Limited									17.55	0.82	17.55	0.82
Siddho Mal Investments Private Limited									17.55	0.82	17.55	0.82
Total									70.20	3.28	70.20	3.28
Expenses (Repairs)												
Inox India Limited									1.67	0.50	1.67	0.50
Refron Valves Limited									9.68	2.87	9.68	2.87
Total									11.35	3.37	11.35	3.37
Reimbursement of expenses (paid)												
Inox Air Products Limited									5.05	4.93	5.05	4.93
Inox India Limited									0.00	0.55	0.00	0.55
Gujarat Fluorochemicals Ltd. ASMCP	0.39	0.36							1.73	0.00	0.39	0.36
Total	0.39	0.36							6.78	5.48	7.17	5.84
Reimbursement of expenses (received)												
Inox India Limited									4.64	4.81	4.64	4.81
Gujarat Fluorochemicals Limited	0.76	0.76									0.76	0.76
Total	0.76	0.76							4.64	4.81	5.40	5.57
Rent Received												
Inox Air Products Limited									144.90	137.03	144.90	137.03
Gujarat Fluorochemicals Ltd.	36.00	36.00									36.00	36.00
Others									0.72	0.72	0.72	0.72
Total	36.00	36.00							145.62	137.75	181.62	173.75
Rent paid												
Inox Air Products Limited									0.60	0.60	0.60	0.60
Devansh Gases Private Limited									18.00	18.00	18.00	18.00
Rajni Farms Pvt. Ltd.									12.00	12.00	12.00	12.00
Shringar Flims									6.69	0.00	6.69	0.00
ASMCP									52.41	0.00	52.41	0.00
Others					1.20	1.20					1.20	1.20
Total					1.20	1.20			89.70	30.60	90.90	31.80
Deposit refund received												
Shringar Flims									19.68	0.00	19.68	0.00
Total									19.68	0.00	19.68	0.00
O&M Charges & Lease Rents paid												
Inox Air Products Limited									116.31	99.66	116.31	99.66
Total									116.31	99.66	116.31	99.66
Remuneration paid												
Shri V K Jain					1369.04	1818.41					1369.04	1818.41
Shri Deepak Asher					17.97	17.97					17.97	17.97
Others					158.29	115.63	5.38	5.38			163.67	121.01
Total					1545.30	1952.01	5.38	5.38			1550.68	1957.39


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(Amount Rs. in Lacs)

Particulars	Subsidiary and Subsidiary Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Commission paid to Chairman												
Shri D K Jain							326.85	440.34			326.85	440.34
Total							326.85	440.34			326.85	440.34
Sitting Fees												
Shri D K Jain							1.00	0.40			1.00	0.40
Shri P K Jain							0.00	0.05			0.00	0.05
Total							1.00	0.45			1.00	0.45
B) Amounts outstanding												
Amount payable												
Shri V K Jain					907.82	1219.80					907.82	1219.80
Shri D K Jain							225.85	304.28			225.85	304.28
Shri Deepak Asher					1.85	1.85					1.85	1.85
Inter -corporate deposits received												
Inox Leasing & Finance Limited	1800.00	500.00									1800.00	500.00
Debentures Outstanding												
Devansh Trading & Finance Private Limited									250.00	250.00	250.00	250.00
Inox Chemicals Private Limited									250.00	250.00	250.00	250.00
Siddhapavan Trading & Finance Private Limited									250.00	250.00	250.00	250.00
Siddho Mal Investments Private Limited									250.00	250.00	250.00	250.00
Interest on Debentures accrued not paid.												
Devansh Trading & Finance Private Limited									16.53	0.73	16.53	0.73
Inox Chemicals Private Limited									16.53	0.73	16.53	0.73
Siddhapavan Trading & Finance Private Limited									16.53	0.73	16.53	0.73
Siddho Mal Investments Private Limited									16.53	0.73	16.53	0.73
Others			27.69	13.93	5.63	4.84	0.45	0.45	181.51	203.45	215.28	222.67
Total	1800.00	500.00	27.69	13.93	915.30	1226.49	226.30	304.73	1247.63	1206.37	4216.92	3251.51

20. Derivative outstanding and not hedged foreign currency exposure as at Balance Sheet date:

a) Derivative outstanding as at Balance Sheet date:

(Figures in Lacs)

S. No.	Nature of Contract	Foreign Currency	Buy/Sell	2010-2011	2009-2010	Purpose
a)	Forward Contracts	USD	Sell	540.60	-	Hedging of Receivable
b)	Forward Contracts	EURO	Sell	1,777.50	2,160.00	Hedging of Receivable
c)	Forward Contracts	USD	Buy	-	128.32	Hedging of Loan
d)	Currency and Interest Rate Swap	USD	Buy	286.25	107.81	Hedging of Loan and Interest Rate of Loan
e)	Interest Rate Swap (Notional Principal)	USD	Buy	162.32	189.37	Hedging of Interest Rate of Loan


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

(Figures in Lacs)

Sr. No.	Particulars	2010-2011						2009-2010					
		USD	EURO	JPY	GBP	CHF	YUAN	USD	EURO	JPY	GBP	CHF	YUAN
a)	Receivables	-	-	-	-	-	-	64.93	292.02	-	-	-	-
b)	Payables	84.67	8.73	344.39	0.87	0.04	0.00	53.87	2.48	352.66	0.25	0.04	0.00
c)	Advances Received	21.45	372.79	-	0.00	0.00	0.00	31.36	596.25	-	-	-	-
d)	Advances Paid	40.37	10.79	586.77	0.85	0.01	0.00	96.49	5.60	354.57	0.29	0.05	0.00
e)	ECB/FCNRB	231.50	-	-	-	-	-	289.31	-	-	-	-	-
f)	PCFC	115.06	-	-	-	-	-	0.00	-	-	-	-	-
g)	Buyers Credit	180.14	-	-	-	-	-	5.19	-	-	-	-	-
h)	Interest Payable	0.92	-	-	-	-	-	1.17	-	-	-	-	-
i)	Bills Discounted	0.00	-	-	-	-	-	1.50	-	-	-	-	-
j)	Investments	12.24	-	-	-	-	229.89	4.41	-	-	-	-	229.89
k)	FCCB liability	130.00	-	-	-	-	-	-	-	-	-	-	-
l)	YTM on FCCB	48.79	-	-	-	-	-	-	-	-	-	-	-

21. Segment Information
A) Information about Primary (Business) Segments.

Amount (Rs. in Lacs)

Description	Year Ended	Year Ended
	31.03.2011	31.03.2010
[I] Segment Revenue		
i. Chemicals	103733.33	91523.33
ii. Theatrical Exhibition	37125.56	25360.09
iii. Power	21976.28	24064.77
iv. WTG	7192.08	784.95
v. Other Segment	18.93	86.56
vi. Un allocable and Corporate	5865.88	6190.04
Total Segment Revenue	175912.06	148009.74
Less : Inter Segment Revenue		
- Power	13744.62	13759.12
- WTG	7192.08	784.95
- Others	0.10	5.86
Total External Revenue	154975.26	133459.81
[II] Segment Result		
i. Chemicals	34240.59	39110.87
ii. Theatrical Exhibition	1579.53	2057.46
iii. Power	825.96	4016.45
iv. WTG	806.35	(105.62)
v. Other Segment	(114.51)	(467.96)
vi. Un allocable and Corporate	519.37	(171.17)
Total Segment Result	37857.29	44440.02
Add / (Less): Un-allocable Income / (Expenses) (Net)	3294.80	2021.35
Less : Interest expenses	4268.00	5120.26
Total Profit Before Tax	36884.09	41341.12
Less : Taxation (including Deferred tax)	8849.75	6082.59
Net Profit After Tax	28034.34	35258.53


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Amount (Rs. in Lacs)

[III] Other Information		
a] Segment Assets		
i. Chemicals	135458.23	91129.44
ii. Theatrical Exhibition	66318.64	39979.13
iii. Power	72747.20	63458.97
iv. WTG	19820.72	10744.07
v. Other Segment	489.03	126.40
vi. Un allocable and Corporate	75098.50	98990.84
Total	369932.32	304428.85
b] Segment Liabilities		
i. Chemicals	40780.23	32371.78
ii. Theatrical Exhibition	7918.57	4339.84
iii. Power	1497.52	1343.78
iv. WTG	4613.10	2122.34
v. Other Segment	251.99	51.70
vi. Un allocable and Corporate	99000.60	76762.56
Total	154062.01	116992.00
c] Capital Expenditure		
i. Chemicals	41308.68	7880.99
ii. Theatrical Exhibition	3391.92	4246.37
iii. Power	13125.04	17887.70
iv. WTG	4313.96	7898.81
v. Other Segment	0.00	482.35
vi. Un allocable and Corporate	1687.66	2072.60
Total	63827.26	40468.82
d] Depreciation & Amortization		
i. Chemicals	3295.40	3374.76
ii. Theatrical Exhibition	2292.85	1493.87
iii. Power	3457.23	2448.97
iv. WTG	394.28	17.90
v. Other Segment	42.19	370.28
vi. Un allocable and Corporate	231.43	100.66
Total	9713.38	7806.44
e] Non-cash expenses (other than depreciation)		
i. Chemicals	16.99	11.62
ii. Theatrical Exhibition	118.35	16.22
iii. Power	0.00	0.00
iv. WTG	0.00	0.00
v. Other Segment	51.05	0.00
vi. Un allocable and Corporate	60.75	1587.76
Total	247.14	1615.60
B) Information about Secondary (Geographical) Segments.		
Domestic	83177.42	60381.89
Overseas	60919.68	65736.85
Total	144097.10	126118.74
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. Theatrical Exhibition – Operating & Managing Multiplex Entertainment Centres and cinema theatres.		
e. WTG – Manufacture of Wind Turbine Generators.		
f. Other Segment – Distribution of Movies, programming business, production of movies and food courts & malls management.		



INOX LEASING AND FINANCE LIMITED

- 2) Inter-segment revenue comprises of:-
 - a. Power generated that is captively consumed in Chemical and Theatrical Exhibition 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 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/theatres are located in India and all movies are distributed/produced in India. In respect of WTG, the entire production is captively sold in India. 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.

22. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 375.67 Lacs (Previous Year Rs. 259.82 Lacs) 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.

Amount (Rs. in Lacs)

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
1. Change in Benefit Obligation				
Liability at the beginning of the year	511.55	364.20	218.84	204.90
Interest Cost	37.56	24.85	13.91	13.64
Current Service Cost	143.74	112.90	140.26	105.97
Recognised Past Service Cost	0.09	0.00	0.00	0.00
Benefit paid	(35.23)	(18.20)	(61.90)	(20.44)
Actuarial (Gain)/Loss	(32.84)	(39.07)	(22.29)	(121.29)
Liability at the end of the year	624.87	444.68	288.82	182.78
Group Share in joint ventures	0.15	0.00	0.12	0.00
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	143.74	112.90	140.26	105.98
Interest Cost	37.56	24.85	13.91	13.64
Recognised Past Service Cost	0.09	0.00	0.00	0.00
Actuarial (Gain)/Loss	(32.82)	(39.07)	(22.29)	(121.29)
Expenses recognized in the Profit and Loss Account	148.57	98.68	131.88	(1.67)
Group Share in joint ventures	0.00	0.00	(0.03)	0.00
3. Actuarial Assumptions				
Discount Rate	7 to 8.17 %	8%	7 to 8.17 %	8%
Salary Escalation Rate	7% to 12%	7% to 8%	7% to 12%	7% 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.

**INOX LEASING AND FINANCE LIMITED****23. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006;**

Particulars	Amount (Rs. in Lacs)	
	2010-2011	2009-2010
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	9.18	19.50
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.04	0.34
Payment made to suppliers (other than interest) beyond the appointed date during the year.	48.10	81.22
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year.	0.00	2.32
Interest due and payable to suppliers under MSMED Act for payments already made.	0.49	1.45
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	2.85	2.32

24. Calculation of Earnings Per Share (EPS):

S.No.	Particulars	Amount (Rs. in Lacs)	
		2010-2011	2009-2010
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)	15282.15	17719.92
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.)	143.92	166.88

As per our report of even date attached

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

On behalf of the Board of Directors

D.K. JAIN
Chairman**S. C. BANDI**
Proprietor**VIJAY SAXENA**
Company Secretary**P.K. JAIN**
Managing Director**Membership No. 16932**Place: Mumbai
Date: 19th August, 2011Place : New Delhi
Date : 19th August, 2011



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 SIXTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, 30th September, 2011 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 SIXTEENTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, 30th September, 2011** and at any adjournment thereof.

Signed this day of..... 2011.

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.