

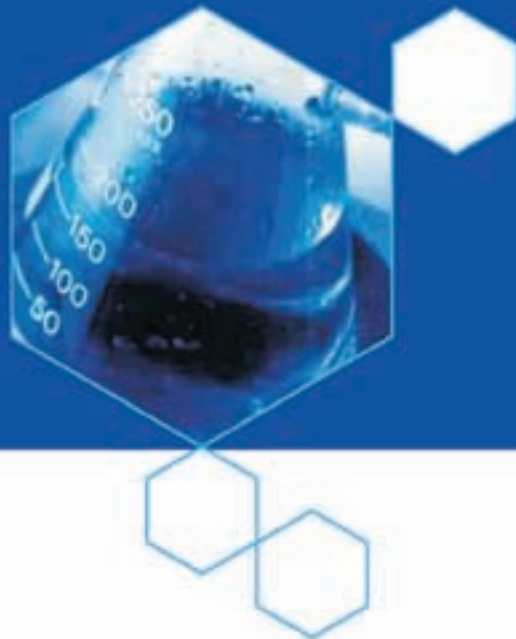
GUJARAT
FLUOROchemicals
LIMITED



GROUP COMPANY

23rd Annual Report 2009-10

Creating the right formula
for **growth**



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Gujarat Fluorochemicals Limited

GUJARAT FLUOROchemicals LIMITED

TWENTY-THIRD ANNUAL GENERAL MEETING

Saturday, the 10th July, 2010

at 11.30 a.m.

at

Survey No. 16/3, 26&27

Ranjitnagar 389 380

Taluka Ghoghamba

Dist. Panchmahal

Gujarat

Request to Shareholders

- Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.
- Kindly send all your transfer deeds together with Share Certificates for transfer of Shares to our Registrar and Share Transfer Agents at the following address :

Link Intime India Pvt. Ltd.

308, 1st Floor,

Jaldhara Complex

Opp. Manisha Society

Vadodara - 390 015

- Kindly notify change of your address and write only to the Registrar and Share Transfer Agents in respect of any matter connected with your Shares.

BOARD OF DIRECTORS

Shri D.K. Jain

Shri Shailendra Swarup

Shri V.P. Mittal

Shri Pavan Jain

Shri Vivek Jain

Shri D.K. Sachdeva

Shri J.S. Bedi

Shri O.P. Lohia

Dr. S. Rama Iyer

Shri Deepak Asher

Shri S.P. Jain

Chairman

Director

Director

Director

Managing Director

Whole-Time Director

Whole-Time Director

Director

Director

Director and Group Head

Corporate Finance

Director

Audit Committee

Shri D.K. Jain

Shri S.P. Jain

Shri Shailendra Swarup

Company Secretary

Shri B.V. Desai

Auditors

M/s. Patankar & Associates

Chartered Accountants

Bankers

Canara Bank

Bank of Maharashtra

ABN Amro Bank N.V.

ICICI Bank

United Bank of India

Oriental Bank of Commerce

UCO Bank

Registered Office

S/No. 16/3, 26&27,

Ranjitnagar 389 380

Taluka Ghoghamba,

Dist. Panchmahal,

Gujarat.

Tel.: 02678-248 153

Corporate Office

ABS Towers, 2nd Floor,

Old Padra Road,

Vadodara 390 007,

Gujarat. 0265 - 6198111

PLANT LOCATION

Ranjitnagar Project

Survey No. 16/3, 26 & 27,

Ranjitnagar 389 380,

Taluka Ghoghamba,

District Panchmahal,

Gujarat - State

Dahej Project

Plot No. 12A,

GIDC Dahej Industrial Estate,

Taluka Vagra,

District Bharuch,

Gujarat - State

Wind Farm Project

Village Gudhe, Panchgini,

Maharashtra State

Village Sadiya & Osiya,

Rajasthan State

GUJARAT FLUOROchemicals LIMITED

NOTICE

NOTICE is hereby given to the Members of **Gujarat Fluorochemicals Limited** that the **Twenty-Third Annual General Meeting** of the Company will be held at the Registered Office of the Company at S/No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahals, Gujarat, on Saturday, the 10th July, 2010, at 11:30 am, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, the Balance Sheet as at that date, the report of the Auditors thereon and the report of the Board of Directors for the said year.
2. To note payment of interim dividends and declare final dividend for the year ended 31st March, 2010.
3. To appoint a Director in place of Shri OP Lohia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr S Rama Iyer who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 including amendment thereto or re-enactment thereof ("Act") read with Schedule XIII to Act, Shri Dinesh Kumar Sachdeva be re-appointed, as a Whole-time Director of the Company for a further period of one year commencing from 29th November, 2010 on such terms and conditions including remuneration as set out below, with the authority to the Board of Directors / Managing Director to grant increments within the range stated below:

1. Remuneration: Remuneration of upto Rs 35 lakhs per annum.

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

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

2. Leave encashment payable in addition to the aforesaid remuneration as per the rules of the Company.
3. Gratuity payable in addition to the above remuneration at the rate of half month's salary for each completed year of service.

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

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

7. To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 including amendment thereto or re-enactment thereof ("Act") read with Schedule



Gujarat Fluorochemicals Limited

XIII to Act, Shri JS Bedi be re-appointed as Whole-time Director of the Company for a further period of one year commencing from 1st December, 2010 on such terms and conditions including remuneration as set out below, with the authority to the Board of Directors / Managing Director to grant increments within the range stated below:

1. Remuneration: Remuneration of upto Rs 40 lakhs per annum.

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

In addition to remuneration within the above range, Mr JS Bedi would also be entitled to the Company car with driver, telephone facility, insurance for self; furnished Company owned or leased accommodation, and other perquisites including medical expenses reimbursement and leave travel concession as per the rules of the Company. Use of Car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961.

2. Leave encashment payable in addition to the aforesaid remuneration as per the rules of the Company.
3. Gratuity payable in addition to the above remuneration at the rate of half month's salary for each completed year of service.

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

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

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

"RESOLVED THAT pursuant to the provisions of sub-section (4) of the Section 309 and other applicable provisions of the Companies Act, 1956 (hereinafter referred to as the "Act"), Shri DK Jain, Chairman of the Company be paid commission for a period of five financial years commencing from the financial year 2009-10, of an amount equal to one percent of the net profits of the Company to be computed in accordance with the provisions of sub-section (1) of Section 198 of the said Act."

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

By Order of the Board of Directors

Noida
22nd May, 2010

DK JAIN
Chairman

Registered Office :

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

Note :

- a) A Member entitled to attend the Meeting and vote thereat is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a Member. Duly executed proxies must be registered with the Company not later than forty-eight hours before the scheduled time of the Meeting.
- b) The Register of Members and the Share Transfer Books of the Company will be closed from 05th July, 2010 to 10th July, 2010 (both days inclusive).
- c) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above is annexed hereto.

- d) Those Members who have not received interim dividend and / or final dividend for 2002-2003 and / or 2003-2004 and / or 2004-2005 and / or 2005-06 and / or 2006-2007 and / or 2007-08 and / or 2008-09 and / or 2009-10 declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents at the following address :

Link Intime India Private Limited,
308, Jaldhara Complex, First Floor,
Opp Manisha Society, Vasna Road
VADODARA 390 015

ANNEXURE TO THE NOTICE

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

Items No. 6

At the Twenty-Second General Meeting of the Company, the Members had appointed Shri DK Sachdeva as a Whole-Time Director of the Company for a period from 29th November, 2009 to 28th November, 2010. It is desirable that the Company should continue to avail his services as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution be approved.

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

Item No. 7

At the Twenty-Second Annual General Meeting of the Company, the Members had appointed Shri JS Bedi as a Whole-Time Director of the Company for a period from 1st December, 2009 to 30th November, 2010. It is desirable that the Company should continue to avail his services as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The Directors commend that the proposed Resolution be approved.

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

Item No. 8

Section 309(4) of the Companies Act, 1956 permits payment of commission to a director who is not in whole time employment of the Company, with the approval of the Shareholders in General Meeting.

Shri DK Jain, Chairman of your Company, has given valuable guidance to the Company on various aspects of general management, corporate governance and business. It is, therefore, desirable to continue to avail his services for future growth and better prospects of the Company and pay remuneration to him as is permissible under Section 309 (4) of the Companies Act, 1956.

The Directors commend that the proposed resolution be approved.

None of Directors of the Company are concerned or interested in the proposed Resolution, except Shri DK Jain himself, and Shri PK Jain and Shri VK Jain, being relatives of Shri DK Jain, to the extent of payment of commission to Shri DK Jain, Chairman of the Company.

By Order of the Board of Directors

Noida
22nd May, 2010

DK JAIN
Chairman

Registered Office :

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

**DIRECTORS' REPORT**

To the Members of

GUJARAT FLUOROchemicals LIMITEDYour Directors take pleasure in presenting to you their Twenty-Third Annual Report for the year ended 31st March, 2010.**1. FINANCIAL RESULTS**

Following are the working results for the year 2009-2010:

(Rs in lacs)

	2009-2010	2008-2009
Turnover	98634.50	104452.17
Gross Profit before Interest and Depreciation	52271.98	57427.46
Less: Interest	4803.33	4999.97
Profit before Depreciation	47468.55	52427.49
Less: Depreciation and amortization for the year	5703.07	4718.44
Less: Provision for diminution in value of investments	1559.84	268.09
Profit before Taxation	40205.74	47440.96
Provision for Taxation	6799.05	13427.34
Profit for the year	33406.69	34013.62
Add: Taxation pertaining to earlier years	8.66	0
Add: Profit brought forward from previous year	169.19	80.56
	33584.03	34094.18
Appropriations		
Capital Redemption Reserve	0	59.30
Proposed Dividend written back	0	-4.88
Transferred to General Reserve	28800.00	29372.39
Interim dividend	2197.00	0.00
Proposed Dividend subject to approval of the shareholders	1647.75	3844.75
Tax on Dividend	647.05	653.42
Balance carried to Balance Sheet	292.74	169.20
	33584.03	34094.18

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Industry structure and developments**

The Company makes HCFC22 – a product that is used as a refrigerant and as feedstock in the manufacture of PTFE. There are 4 major manufacturers of refrigerants in India, of which your company is the largest. Around 80% of your company's refrigerant production was being exported to around 75 countries across the globe. The Refrigerant Gas market in India comprises of two distinct customer categories - distributors, who cater to the replacement demand, and OEs, who represent requirements for new equipment. Internationally, the market is serviced

predominantly by a network of distributors. The commissioning and stabilisation of the chemical complex set up by the Company at Dahej, including the PTFE plant, will ensure a steady demand for the HCFC22 produced by the Company.

Your company has set up a chemical complex at Dahej, District Bharuch, Gujarat. The Company manufactures Caustic Soda, Chlorine, Chloromethanes and Poly Tetra Fluoro Ethane (PTFE) at this facility, and also operated a 28 MW gas based captive power plant and a 25 MW Coal based captive power plant. Any power generated in excess of captive requirements is sold in the market. These products add to the Company's product portfolio, improve its competitive advantage due to forward and backward integration, and provide longevity to the Company's HCFC22 production beyond the control provisions of the Montreal Protocol. After fully stabilising its existing capacities and attaining acceptable levels of product quality and capacity utilisation, the Company has decided to invest around Rs 500 crores in increasing its plant capacity of Caustic Soda to 170000 tpa, Chloromethane capacity 1,20,000 tpa and Poly Tetra Fluoro Ethane (PTFE) to 12,500 tpa, with corresponding increase in the capacity of its captive power plant.

The Company has been successfully operating, for more than 4 years now, a Clean Development Mechanism Project which affects Greenhouse Gas Emission Reductions by Thermal Oxidation of HFC23, and earns Carbon Credits. Your Company is amongst the largest Carbon Credit generating projects in the world. Industrial installations and utilities in Europe and Japan buy these Carbon Credits for compliance under the Kyoto Protocol and / or the European Union Emissions Trading Scheme.

Your Company already has around 65 MW of installed capacity in wind power generation. Your Company has set up a subsidiary, "Inox Wind Limited" (IWL) which has set up manufacturing facilities for wind turbines at Una, Himachal Pradesh and Bawla, Gujarat and has commenced commercial production of nacelles and hubs for wind turbines at Una, in pursuance of your Company's business plans to set up and operate wind farms. Your Company is also in the process of acquiring land banks and setting up an operating team for this business.

Opportunities and threats

The Refrigerant Business of your Company is operating at near full capacity. The key threat to the Refrigerant Gas Business continues to be pressures on margins due to competition from China. However, your Company's competitive advantage has been enhanced with the stabilisation of the integration projects set up at Dahej.

The Chemical Complex at Dahej has now stabilised and attained acceptable levels of capacity utilisation and product quality. The key threats to this business are availability and cost of energy (being one of the key inputs) and your company's ability to meet the stringent quality standards of the export markets.

On the Carbon Credit Business, your Company continues its strong presence in the international markets, and the sale of Carbon Credits to European buyers has added a healthy revenue stream to your Company's operating results and is expected to do so, right upto 2012, and potentially beyond. The key threat to this business is the price volatility in the carbon markets, and your Company has implemented an effective price hedging strategy to mitigate this risk.

The Wind Energy Business is quite nascent in the country, and there is a good opportunity of creating value by identifying viable sites, a cost-effective equipment sourcing strategy and ability to raise capital efficiently. The key threat in this business is increasing costs due to supply constraints of components, wind uncertainty, and regulatory restrictions leading to inability to sell the power generated at viable tariffs.

b) Segment-wise and product-wise performance

In line with the requirements of the Accounting Standard on Segment Reporting (AS-17), the Company has disclosed performance of each segment in the Note No 22 of Notes to the Accounts of Annual Report of the Company.

c) Outlook

HCFC22 is expected to witness a growth of around 5% per annum globally, largely due to growth in PTFE demand. Your company, due to its vast marketing reach and increasing cost competitiveness, as also due to faster Montreal Protocol mandated phase-out schedules in developed countries, has been able to maintain a healthy growth rate over the past few years, and, with the stabilisation and increased production levels at the Dahej chemical complex, expects to be able to operate at near full capacity levels, into the future.

The outlook on the Chemical Complex at Dahej is quite positive, with increasing volumes due to higher capacities and improved PTFE realizations due to better product quality.

On the Carbon Credit front, it is expected that with deeper emission reduction targets contemplated by Europe, prices of Carbon Credits generated by your Company should remain firm. There is still some uncertainty about the market post 2012, over which some clarity could evolve over the next year(s).



As regards the Wind Energy Business, there continues to be a demand-supply gap for energy in general and renewable energy in particular, and regulatory framework is evolving to encourage more investments in renewable energy projects. This should provide the impetus for to further improve the viability of this business.

d) Internal control system and their adequacy

The Company has an adequate internal control system commensurate with the size and nature of its business.

The company has an adequate internal audit system commensurate with its size and the nature of its business. The internal audit is carried out by independent firms of Chartered Accountants, who interact with the Audit Committee on a regular basis, with respect to the scope of audit, significant audit observations, and remedial action required, if any.

e) Discussion on financial performance with respect to operational performance

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

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

The company has around 900 employees on its rolls. Your company continues to have cordial and harmonious relations with all its employees.

3. RESPONSIBILITY STATEMENT

Your Directors would like to confirm that

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

4. DIVIDEND

Your Company had already paid two interim dividends of Rs. 1.00 per equity share (100%) each. Your Directors now recommend a final dividend of Rs 1.50 per equity share (150%) subject to approval of the shareholders. The total dividend payout (including dividend distribution tax) for the year will be Rs 4491.80 lacs.

5. DIRECTORS

Shri OP Lohia and Dr S Rama Iyer retire by rotation and being eligible, offer themselves for re-appointment. During the year, Shri CP Jain who was appointed as an Additional Director on the Board had resigned with effect from 12th February, 2010.

7. SUBSIDIARIES AND JOINT VENTURE

The Balance Sheet, Profit and Loss Account, Auditors' Report and Directors' Report and a Statement of your Company's interest in Inox Leisure Limited, Inox Wind Limited, Inox Infrastructure Private Limited, Inox Motion Pictures Limited and Gujarat Fluorochemicals Americas LLC, as required under Section 212 of the Companies Act, 1956, for the year 31st March 2010 are annexed hereto.

The Company has entered into a joint venture with Yeng Peng Chemical Company Limited, China for manufacture of 35000 TPA Anhydrous Hydrofluoric Acid, a strategic raw material of the Company.

8. AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualifications. The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

9. AUDITORS

Members are requested to appoint Auditors for the current year and to fix, or authorise the Board to fix, their remuneration. The Auditors, M/s. Patankar & Associates, retire and offer themselves for re-appointment. Due notice has been received from them that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

10. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

In compliance with the requirements of Clause 49(V), a certificate from the Managing Director and Director and Group Head (Corporate Finance) of the Company, who are responsible for the finance function, was placed before the Board.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the matters contained therein is given by way of an Annexure to this Report.

12. PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

13. SUSTAINABLE DEVELOPMENT ACTIVITIES

The Company undertakes sustainable development work as part of its ongoing efforts to improve the quality of life of the people in the areas surrounding its plant. Your company has spent around Rs 106.92 lakhs in the last financial year on these initiatives. Diligent and sincere efforts in this direction have had a positive and lasting impact on the neighbouring community. During the year, the Company has had its Corporate Social Responsibility initiatives certified by Ernst and Young.

14. SAFETY, HEALTH AND ENVIRONMENT

Safety, health and environment have been of prime concern to the Company and necessary efforts were made in this direction in line with the safety, health and environment policy laid down by the Company. The Company has achieved certification of ISO: 14001:2004 (Environment Management System) and ISO 18001:2007 (Occupational Health and Safety Management System) for its Ranjitnagar Unit. Health of employees is being regularly monitored and environment has been maintained as per statutory requirements.

15. INSURANCE

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

16. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By Order of the Board of Directors

Noida
22nd May, 2010

DK JAIN
Chairman



ANNEXURE

To The Directors' Report

Information as required under Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

(A) CONSERVATION OF ENERGY

Ranjitnagar Unit :

(a) Energy conservation measures taken :

1. Benefits of energy savings are continued to be obtained due to implementation of jacket hot water recovery scheme in the Gas Based Co-generation plant was further enhanced during the year by augmenting the utilization of the low grade heat for evaporating treated effluent. This resulted in increase in the fuel utilization efficiency of Gas Based Co-generation plant from about 75% to 79% during the year.
2. The following measures were taken during the year for reducing power consumption for plant, street and office illumination:
 - Installation of timers for street lights.
 - Replacement of 125 W HPMV lamps with 20 Watt CFL lamps at 55 numbers of plant lighting points.
 - Replacement of ordinary tube lights of 40 Watts with Energy Efficient Fluorescent tube light 14/28 Watt.

The net Energy savings on account of above measures was 24000 kWH per annum.

3. The benefits of conversion of Cross Flow Cooling Towers into higher efficient counter flow configuration using structured packing continues to accrue at the rate of about 13.2 lacs kWH per annum.
4. Variable Frequency Drive was installed on B-104 Klin Blower resulting in savings of about 1.32 lacs kWH per annum.
5. Condensate recovery increased from about 68 m³/ day to 75-80 m³/ day by connecting remaining steam traps to condensate recovery line.

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

1. Energy intensive treated effluent evaporators will be stopped by diverting the treated effluent to an approved Common Effluent treatment plant (CETP) facility. This will reduce fuel consumption in Boilers by 13200 MMBTU per annum.
2. Heat recovery from AHF Klin fuel gases is proposed to be augmented, for use in Spar Dryer. This will reduce fuel consumption in AHF plant by 1180 MMBTU per annum.
3. AHF plant Refrigeration Compressor drive speed was increased by changing the drive pulley. This increased the refrigeration output per compressor, thereby, enabling capacity operation with reduced number of compressors. This resulted in a net reduction in power consumption by 1.23 lacs kWH per annum.
4. Better utilization of recovered water in process and to reduce water consumption. Water meters were installed at various locations for better monitoring of water consumption. Water level switches were installed in all the water tanks to avoid water flow.

Dahej Unit :

(a) Energy conservation measures taken :

1. Energy Audit of all the plant units was conducted and relevant suggestions were implemented resulting into substantial power saving in each plant operations.
2. At various locations 250 / 125 W HPMV lamp being replaced by 75 W metal halides lamps.
3. Operations improvements as given hereunder are carried out in CMS plant resulting into reduction of power consumption from 507.46 KW/MT to 467.59 KW/MT of CMS consumption:
 - Philosophy of thermal reactor operation was modified and stabilized which has reduced chances of failure of thermal reactor RD and hence, huge production loss.

- Operation of thermal reaction in lower temperature zone with lower temperature variations at each location. This avoids carbon deposition in Reactor and quenching tower sparger choking and hence, lowers down time.
 - With new catalyst, operation of Hydro reaction in lower temperature was implemented to improve the lift of catalyst, with lower carbon deposition.
 - Reduced distillation stabilization time from 24 hrs to 12 hrs results in higher productivity.
 - With modifications in process control loops, reduced N₂ consumption and hence, reduction in energy cost.
 - Chilled water VAM unit installed as replacement of Chilled water screw compressor in CA plant which resulted the saving of power @20 kWH / MT of caustic soda.
 - Ammonia VAM unit installed to liquefy the Chlorine in place of Freon compressors in CA plant which resulting in power saving @30 kWH / MT of caustic soda.
 - After addition of 3rd electrolyser power saving of 270 units / MT of caustic soda due to operations at lower current density.
 - Optimising lighting load at PTFE complex, saving in kWH = 360/days.
 - VFD commissioned for cooling tower fan at TFE Utility, which resulted into saving of 96 kWH / day.
 - SOP improvement for PTFE by stopping compressor for 2 hrs / day and using Nitrogen for back flushing of washing kettles strainers when Air jet mills of PTFE plants are not in operation has resulted into saving of kWH= 500 / day.
- Installation of VAM & stoppage of Screw Chiller resulted in saving of kWH = 5800 / day.
- Automation in level control of seal pot of DI water tank for Nitrogen blanketing resulted in saving of Nitrogen consumption by 770 M³ / day and hence, energy saving.

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

1. Phase Angel system to be implemented. Actual saving impact will come on load fluctuation at power plant. Hence, power export limit increase 200 KW.

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

1. The impact of the measures indicated in (a) and (b) above are expected to be favourable i.e., reduced energy consumption and its consequential effect on cost of production.

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

				Current Year	Previous Year
A	1	A	Power and Fuel Consumption		
			Electricity		
			Purchased		
			Units (in lacs)	87.47	376.53
			Total Amount (Rs in lacs)	914.45	2276.19
			Rate/Unit (Rs.)	10.45	6.05
	B	Own Generation	Units (in lacs)	2392.89	1805.38
			Total Amount (Rs in lacs)	11958.33	9217.85
			Rate/Unit (Rs.)	5.00	5.11
			Coal		
	2				

				Current Year	Previous Year
			Quantity (MT)	83714.074	0
			Total amount (Rs in lacs)	3394.82	0
			Average Rate (Rs)	0.04	0
	3		Furnace Oil		
			Quantity (k. ltrs.)	229.82	701.90
			Total Amount (Rs. in lacs)	63.89	186.87
			Average Rate (Rs.)	27.80	26.62
	4		RLNG SCM		
			Quantity (scm)	661.90	554.87
			Total Amount (Rs. in lacs)	9575.53	7061.33
			Average Rate (Rs.)	14.47	12.73
B			Consumption per unit of production		
			Ranjitnagar (Fluorochemicals) Unit		
	1		Electricity KWH/MT	771	735
	2		Fuel Oil LTR/MT	6	17
	3		RLNG SCM/MT	275	253
	4		Coal	0	0
	5		Others	0	0
			Dahej (Chemicals) Unit		
	1		Electricity KWH/MT	2198	2357
	2		Fuel Oil LTR/MT	0.14	1
	3		RLNG SCM/MT	562	571
	4		Coal Qty MT/Coal Power unit lacs	74.26	0
	5		Others	0	0

(B) TECHNOLOGY ABSORPTION
(e) efforts made in technology absorption as per Form B ;
Ranjitnagar Unit:
Research and Development

1. Specific areas in which R & D carried out by the Company : Nil
2. Benefits derived as a result of the above R & D: Nil
3. Future plan of action: Nil

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

- i. The Company has dedicated professionals working on ongoing development for improvement in process efficiency, product quality, Energy and Emission control and enhancing process of safety.

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

- i. The benefit of development work has resulted in improved throughput, improved efficiency and better quality, better capacity utilization and consistency in product and by-product quality and improved profitability.

Dahej Unit:

Research and Development

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

- i. Continuous efforts are being put to improve the efficiency of the operation and quality of products.
- ii. TFE conversion to prepare other relevant Fluoropolymers prevailing in the market.
- iii. Specialty grade value added TFE product (Fire retardant) from it's by product.
- iv. Dispersion grade and modified grade PTFE other than suspension grade polymer.
- v. Development of new grade post treated PTFE special application.
- vi. All operational units have implemented Planned Preventive Maintenance.

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

- i. Technical support in terms of process optimization and performance of the final product was provided to all the PTFE processors as a part of the Company's policy to grow along with the Company's valued customers.
- ii. New application areas were explored and continuous efforts being put to grow new business.
- iii. GFRC is equipped with latest testing facilities to understand and develop Fluoropolymer with improved properties in terms of purity of resin and with better mechanical properties to cater the global market.
- iv. Validation studies being carried out to improve operational efficiency and product performance.
- v. GFRC has contributed positively to grow domestic market of PTFE by setting up new applications in various fields including chemical, marine and power sector.
- vi. GRFC is working actively with the marketing team to increase awareness among domestic processors about the latest technological advancements in the field of fluoropolymer processing.

3. Future plan of action

- i. Proposed to develop value added by-products and enhancement of power generation, Caustic and Methylene Chloride production.
- ii. PTFE conversion for compounding operation.

Technology absorption, adaptation and innovation :

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

- i. Indigenous spare parts were developed to have better availability of the plant and compatibility of operation. Oil cooler for Rectifier Transformer job under progress.
- ii. Indian SS Tile heater developed and installed in place of Chinese Cast copper heater for Thermal Reactor.

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

- i. Improvements in operational efficiency.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|---------------------------|---|--|
| (f) Foreign exchange used | - | Refer to Note No. 18 of Schedule 15 of Annual Accounts |
| Foreign exchange earned | - | Refer to Note No. 19 of Schedule 15 of Annual Accounts |

By Order of the Board of Directors

Noida
22nd May, 2010

DK JAIN
Chairman



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Company	:	Inox Leisure Limited	Inox Infrastructure Private Limited	Inox Motion Pictures Limited	Inox Wind Limited	Gujarat Fluorochemicals America LLC,
2. Financial year ended	:	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010
3. Shares held by the Holding Company in the Subsidiary Company	:	4,06,15,092 Equity Shares of Rs 10 each	5,00,00,000 Equity Shares of Rs 10 each	50,000 Equity Shares of Rs 10 each	2,99,99,400 Equity Shares of Rs 10 each	Rs 204.84 lacs
4. Holding Company's Interest	:	65.62%	100.00 %	100.00 %	99.998%	100.00%
5 The net aggregate of Profits (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 2605.76 lacs (Rs 2434.08 lacs)	Rs 24.78 lacs (Rs 104.14 lacs)	(Rs. 486.79 lacs) (Rs. 8.33 lacs)	(Rs. 123.16 lacs) not applicable	(Rs. 35.77 lacs) not applicable

By Order of the Board of Directors

Noida
22nd May, 2010

DK JAIN
Chairman

CORPORATE GOVERNANCE REPORT

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company is pleased to submit this report on the matters mentioned in the said clause and the practices followed by the Company in this regard.

1. Company's philosophy on Code of Governance

Corporate Governance is the system by which companies are directed and controlled by the management in the best interest of the shareholders and others ensuing greater transparency and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its shareholders.

Gujarat Fluorochemicals Limited believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with corporate governance.

2. Board of Directors

The Board of Directors consists of eleven directors of which one is Managing Director and two are Whole-Time Directors. There are eight non-executive Directors. The Chairman of your Company is related to the Managing Director of the Company and as per provisions of the Listing Agreement, 50% of the Board shall consist of Independent Directors. The Board of your Company consists of five Independent Directors and had appointed Shri CP Jain as an independent director during the year in order to comply with this requirement. However, subsequent to his appointment, Shri CP Jain had resigned as a Director due to some unforeseen personal circumstances. Hence, the Company is in process of appointing one more Independent Director in order to comply with the requirement of Independent Directors as per the Listing Agreement.

During the year, 2009-2010, the Board met four times on following dates, namely, 22nd May, 2009, 31st July, 2009, 29th October, 2009, 23rd January, 2010.

The following table gives details of Directors, details of attendance of Directors of Board Meetings, at the Annual General Meeting, number of memberships held by Directors in the Board / Committees of various Companies:

Name	Category	Attendance Particulars		Number of other directorship / Committee Membership / Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri DK Jain	Non-Independent Director	4	No	11	2	1
Shri VP Mittal	Independent Director	2	No	6	6	5
Shri Shailendra Swarup	Independent Director	3	No	9	5	–
Shri VK Jain	Managing Director	4	Yes	18	7	–
Shri DK Sachdeva	Whole-time Director	–	Yes	–	–	–
Shri PK Jain	Director	1	No	15	7	7
Shri OP Lohia	Independent Director	3	No	5	2	1
Shri JS Bedi	Whole-time Director	–	No	–	–	–
Dr S Rama Iyer	Independent Director	2	No	8	–	–
Shri Deepak Asher	Non-Independent Director	4	Yes	5	4	–
Shri SP Jain	Independent Director	3	No	1	–	–



Directors seeking re-appointment / appointment

Shri OP Lohia and Dr S Rama Iyer retire by rotation and, being eligible offers themselves for re-appointment. Shri DK Sachdeva and Shri JS Bedi are to be re-appointed as Whole time Directors of the Company.

Shri OP Lohia

Shri OP Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He is commerce graduate from Kolkata University and after graduation, joined the family textile business which gave him management exposure in all disciplines of business management. Shri Lohia has been awarded Udyog Ratna award by Madhya Pradesh Government in 2005.

Dr S Rama Iyer

Dr S Rama Iyer is a Chemical Engineer and has done his M Tech and Ph. D. from Indian Institute of Technology, Mumbai. He is involved with Process Technology, Design Engineering, Project Management and construction Management of large projects both in India and abroad. He is recipient of Distinguished Alumnus Award from Indian Institute of Technology Mumbai in the year 1996, Achiever of the Year Award from Chemtech Foundation in the year 2003 and Business Leader of the Year Award from Chemtech Foundation in the year 2005.

Shri DK Sachdeva

Shri DK Sachdeva is a Chemical Engineer from the India Institute of Technology, Kharagpur, and has over 40 years of experience in the technical field of various chemical / process plants.

Shri JS Bedi

Shri JS Bedi is a Chemical Engineer and has over 34 years of experience in the technical field of various chemical / process plants.

3. Audit Committee

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

Name	Category	Attendance			
		22 nd May, 2009	31 st July 2009	29 th October 2009	23 rd January 2010
Shri DK Jain	Director	Yes	No	Yes	Yes
Shri VP Mittal (ceased to be a Member wef 22 nd May, 2009)	Chairman	Yes	-	-	-
Shri Shailendra Swarup	Director	Yes	-	Yes	Yes
Shri SP Jain (appointed as Member wef 22 nd May, 2009)	Chairman	-	Yes	Yes	Yes

The Company Secretary acts as the Secretary to the Audit Committee. The terms of reference and powers of the Audit Committee are in accordance with the Clause 49 of the Listing Agreement. The Chairman of the Audit Committee was unable to attend Annual General Meeting held on 29th June, 2009 due to unavoidable circumstances.

4. Directors Remuneration

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

Remuneration paid during 2009-2010

Name of Director	Relationship With other Directors	Business Relationship with the Company, if any	All elements of Remuneration package i.e. salary, benefits, bonuses, pension, etc.	Service Contracts, NoticePeriod, Severance Fee
Shri Vivek Jain	Relative of Shri DK Jain and Shri PK Jain	Managing Director	ParticularsRs.in Lacs Salary &Allowances :27.00 Perquisites :26.72 ContributionTo PF :3.31 Commission :1761.37 Total :1818.40	Service Contract 01.01.2008 to 31.12.2012
Shri DK Sachdeva	None	Whole-Time Director	ParticularsRs.in Lacs Salary &Allowances :28.60 Perquisites :1.67 ContributionTo PF :1.38 Total :31.65	Service Contract 29.11.2009 to 28.11.2010
Shri JS Bedi	None	Whole-Time Director	ParticularsRs.in Lacs Salary & Allowances:32.46 Perquisites :1.82 ContributionTo PF :1.53 Total :35.81	Service Contract 01.12.2009 to 30.11.2010
Shri DK Jain	Relative of Shri PK Jain and Shri VK Jain	Chairman	ParticularsRs.in Lacs Commission :440.34	

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

Name of the Director	Total Rupees
Shri D K Jain	40000
Shri Shailendra Swarup	30000
Shri V P Mittal	15000
Shri PK Jain	5000
Dr S Rama Iyer	15000
Shri Deepak Asher	20000
Shri SP Jain	30000

5. Shareholders and Investors Grievance Committee

The Committee comprises of Shri DK Jain, Chairman, Shri PK Jain, Director and Shri Vivek Jain, Managing Director. The Committee approves the share transfers and issue of duplicate share certificates. The Committee also takes note of the dematerialization requests received and attended by the transfer agents. Shri Bhavin Desai, Company Secretary is Compliance Officer of the Company. During the year the company has received 48 complaints which were replied / resolved to the satisfaction of the shareholders and no requests for transfer were pending for approval as on 31st March, 2010.



Gujarat Fluorochemicals Limited

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

Name	Category	Attendance
Shri DK Jain	Director	11
Shri Vivek Jain	Managing Director	11

6. General Body Meetings

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

Year	Location	Date	Time
2006-2007	Survey No.16/3, 26 & 27, Ranjitnagar – 389 380 Taluka GhoghambaDist. Panchmahal, Gujarat	29.09.2007	11:30 am
2007-2008	Same as above	20.09.2008	11:30 am
2008-2009	Same as above	29.06.2009	03.00 pm

Note

The following special resolution was passed at the Annual General Meeting held on 29th September, 2007:

- Commencement of new business of giving on lease of property by the Company.

The following special resolution was passed at the Annual General Meeting held on 20th September, 2008:

- Appointment of Shri Devansh Jain, relative of Shri DK Jain and Shri VK Jain, Directors of the Company, to hold office or place of profit of the Company.

No special resolution was passed at the last Annual General Meeting held on 29th June, 2009.

No postal ballots were used for voting at these meetings. At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

7. Disclosures

(a) Disclosures on materially significant related party transactions

There are no related party transactions made by the Company with its Promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with interests of the Company at large. The Register of contracts containing the transactions in which Directors are interested is placed before the Board for its approval.

Transactions with the related parties are disclosed in the Note No 26 of Schedule 15 to the accounts in the Annual Report.

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other authority on any matter related to capital markets during last three years.

There were no instances of non-compliance of any matter related to capital markets during last three years.

8. Means of communication

- The Company has published its quarterly results in The Financial Express and Vadodara Samachar / Sandesh.
- The Management discussion and analysis form part of the Annual Report, which is posted to the shareholders of the Company.

9. General Shareholder information

- 9.1 Annual General Meeting : 10th July, 2010
Survey No 16/3, 26&27
Ranjitnagar 389 380

- 9.2 Financial Year : April to March
- 9.3 Book Closure Date : 05th July, 2010 to 10th July, 2010
- 9.4 Dividend Payment Date : On or before 26th July, 2010
- 9.5 Listing of Equity Shares : National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051
The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata 700 001
The Company's application for voluntarily delisting of its equity shares with The Calcutta Stock Exchange Association Limited is pending with the stock exchange since 2004.

9.6 Stock code

- Mumbai Stock Exchange : 500173
- Demat ISIN No in NSDL & CDSL : INE538A01037

9.7 Market Price data

	Bombay Stock Exchange (BSE) (in Rs.)				National Stock Exchange (NSE) (in Rs.)			
	Monthly low price	Monthly high price	Quantity in Nos.	Value in Rs. in lacs	Monthly low price	Monthly high price	Quantity in Nos.	Value in Rs. in lacs
April, 2009	64.15	93.90	665446	565.24	64.15	94.10	843306	704.24
May, 2009	78.10	160.25	881019	1099.72	76.50	161.00	1251585	1534.46
June, 2008	122.00	166.00	427298	634.18	122.00	165.80	727654	1071.96
July, 2008	108.15	154.40	508813	684.70	103.00	154.50	920915	1237.71
August, 2009	138.00	154.80	677929	999.95	139.00	155.85	953005	1404.14
September, 2009	146.00	173.20	1475150	2405.71	143.10	173.55	2519869	4114.18
October, 2009	137.10	166.00	829077	1255.04	138.25	166.25	1272965	1936.96
November, 2009	127.55	157.20	614780	837.63	122.65	144.80	1020246	1390.14
December, 2009	122.55	142.40	1805313	2374.46	122.50	141.00	2907756	3825.76
January, 2010	130.10	189.40	4704179	7604.83	122.80	189.80	7516858	12127.30
February, 2010	137.60	165.30	977008	1514.32	137.10	164.90	1755216	2708.24
March, 2010	135.10	154.00	720939	1034.99	135.00	153.65	1034339	1487.24

9.8 Company's share price performance in comparison to BSE Sensex based on share price on 31.03.2010

Period	% change		Company in comparison to Sensex
	Co's share price	Sensex	
2009-2010	82.18	53.71	28.47

Company's share price performance in comparison to NIFTY based on share price on 31.03.2010

Period	% change		Company in comparison to Nifty
	Co's share price	Nifty	
2009-2010	99.93	71.52	28.41



9.9 Registrar and Transfer Agents

Link Intime India Private Limited, 308 Jaldhara Complex, Opp Manisha Society, Vasna Road, Vadodara 390 015

9.10 Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

9.11 Distribution of Shareholding as on 31 March, 2010

Shareholding of nominal value of Rs	No of shareholders	% to total	Number of shares	Amount in Rs	% to total
Upto 500	11166	67.54	1432593	1432593	1.30
501 to 1000	3596	21.75	3362348	3362348	3.06
1001 to 2000	743	4.49	1283781	1283781	1.17
2001 to 3000	261	1.58	712611	712611	0.65
3001 to 4000	136	0.82	511669	511669	0.47
4001 to 5000	156	0.94	762298	762298	0.69
5001 to 10000	217	1.31	1695446	1695446	1.54
10001 and above	258	1.57	100089254	100089254	91.12
Total	16533	100.00	109850000	109850000	100.00

Shareholding pattern of the Company as on 31 March, 2010 is as under :

Sr. No.	Category	No of shares held	% of total share holding
A	Shareholding of Promoters and Promoters' Group		
1	Indian Promoters	76906715	70.01
	Sub-Total of A	76906715	70.01
B	Non-Promoters; Holding		
1	Institutions		
a	Mutual Funds and UTI	2698443	2.46
b	Banks, Financial Institutions, Insurance Companies	22261	0.01
c	Central / State Government	1000	0.00
d	Foreign Institutional Investors	3429079	3.12
	Sub-Total of B (1)	6150783	5.59
2	Non-Institutions		
a	Bodies Corporate	7100402	6.46
b	Individual	15145838	13.79
c	Non-Resident	1009501	0.93
d	Foreign companies	2000	0.00
e	Overseas Bodies Corporate	3225763	2.94
f	Clearing Member	306970	0.28
g	Others	2028	0.00
	Sub-Total B (2)	26792502	24.40
	Sub-Total of B	32943285	29.99
	Grand Total (A+B)	109850000	100.00

Particulars of shareholding of Non-Executive Directors :

Sr No	Name of Non-Executive Director	No of shares held	% of total share holding
1	Shri DK Jain	10100	0.01
2	Shri PK Jain	20100	0.02
3	Shri Shailendra Swarup	10000	0.01
4	Shri VP Mittal	17000	0.01
5	Dr S Rama Iyer	30000	0.02
6	Shri SP Jain	1000	0.00

9.12 Dematerialization of shares

Approximately 33.60 % of the shares issued by the Company have been dematerialized upto 31st March, 2010.

Trading in equity shares of the Company is permitted only in dematerialized form with effect from 28th August, 2000, as per Notification issued by Securities and Exchange Board of India bearing No. PR 35/2000 dated 28th February, 2000.

Liquidity

Company's shares are traded on Bombay Stock Exchange and National Stock Exchange. Relevant data of National Stock Exchange for the Financial Year 2009-2010 is given 9.7 above.

9.13 Plant location
Ranjitnagar Project

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

Dahej Project

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

Wind Farm Project

Village Gudhe Panchgini, Maharashtra State

Village Sadiya, District Jaiselmer, Rajasthan State

Village Osiya, District Jodhpur, Rajasthan State

9.14 (i) Address for Investor Correspondence

Link Intime India Private Limited, 308, Jaldhara Complex, 1st Floor, Opp Manisha Society, Vadodara 390 015

(ii) Any query on Annual Report

Company Secretary, Gujarat Fluorochemicals Limited,

ABS Tower, 2nd Floor, Old Padra Road, Vadodara 390 007

9.15 Code of Conduct

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



Gujarat Fluorochemicals Limited

9.16 CEO / CFO Certification

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

DECLARATION

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the year ended 31st March, 2010.

22nd May, 2010
Noida

Vivek Jain
Managing Director

CERTIFICATE

To the Members of Gujarat Fluorochemicals Limited

We have examined the compliance of conditions of corporate governance by Gujarat Fluorochemicals Limited, for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement, in all material respect, except as per the details given below.

- (a) The Chairman of the audit committee had not attended the Annual General Meeting of the Company for the reasons mentioned in paragraph 3 of the Corporate Governance report prepared by the Company.
- (b) The Company is in process of appointing one more Independent Director in order to comply with the requirements Independent Directors.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For and on behalf of Patankar & Associates
Chartered Accountants

Pune
22nd May, 2010

SS Agrawal
Partner
Membership No. 49051
Registration No. 107628W

AUDITOR'S REPORT

TO THE MEMBERS OF
GUJARAT FLUOROchemicals LIMITED

1. We have audited the attached Balance Sheet of Gujarat Fluorochemicals Limited (the "Company"), as at 31st March, 2010 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.
2. 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.
3. As required by the Companies (Auditor's 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 paragraph 4 and 5 of the said Order.
4. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates
Chartered Accountants

Place: Pune.
Dated: 22nd May, 2010

S.S.Agrawal
Partner
Membership No. 49051
Firm Registration No. 107628W



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT FLUOROchemicals LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanations given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The Company has drawn out a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.

Fixed assets disposed of during the year were not substantial and therefore do not affect the going concern assumption.

2. The inventories were physically verified by the management at reasonable intervals during the year.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 13200 lacs and the year-end balance is Rs. 12200 lacs. In our opinion, the rate of interest and other terms and conditions on which this loan is granted are not, *prima facie*, prejudicial to the interest of the Company. The company is regular in repayment of principal and payment of interest. There is no overdue amount in respect of this loan.

The Company has not taken any loan, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion, there are generally adequate internal control systems commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.

5. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

In our opinion, the transactions made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lacs in respect of any party during the year have been made at a price which are, *prima facie*, reasonable having regard to the prevailing market prices at the relevant time, except for transactions for purchase of services where no comparison of prices could be made available as these services are of special nature.

6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said Rules are made applicable, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.

9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service-tax, Customs Duty, Excise Duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

Particulars of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty or Cess which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
West Bengal Sales Tax	Sales Tax for the period 1995-96	2.83	Sales Tax Appellate Tribunal, Kolkatta
	Sales Tax for the period 1997-98	1.30	Asst. Commissioner (Appeals), WBST, Kolkatta
Gujarat Sales Tax	Sales Tax for the year 1995-96	13.35	Sales Tax Appellate Tribunal, Ahmedabad
	Sales Tax for the year 2001-02	1.79	Deputy Commissioner (Appeals), Ahmedabad
Income Tax	TDS & Interest on TDS for 2007-08, 2008-09 & 2009-10	71.53	Commissioner of Income Tax (Appeals) TDS (VI), Vadodara.
Service Tax	Service tax interest and penalty for the period 10.09.2004 to 30.06.2007	9.08	Director General of Central Excise and Intelligence, Ahmedabad-Zonal Unit
Service Tax	Service tax interest & penalty for the period 01.04.2005 to 31.03.2006	2.83	Commissioner Central Excise and Customs (Appeals), Vadodara.

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has invested in shares, mutual funds, bonds, debentures and other securities in the course of its investment activity. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. These investments are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. In our opinion, the term loans availed during the year by the Company were applied for the purpose for which they were raised.
17. In our opinion, on an overall examination of the balance sheet and the cash flow statement, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the Company was noticed or reported during the course of our audit.

For Patankar & Associates
Chartered Accountants

Place: Pune.
Dated: 22nd May, 2010

S.S.Agrawal
Partner
Membership No. 49051
Firm Registration No. 107628W



Gujarat Fluorochemicals Limited

Balance Sheet as at 31 st March, 2010

	Schedule Number	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
I SOURCES OF FUNDS			
1 Shareholders' Funds			
(a) Capital	1	1098.50	1098.50
(b) Reserves and Surplus	2	151732.60	121984.32
		152831.10	123082.82
2 Loan Funds			
(a) Secured Loans	3	28058.29	55533.15
(b) Unsecured Loans	4	25729.15	13877.71
		53787.44	69410.86
3 Deferred Tax Liability (Net)		9773.60	9124.55
Total		216392.14	201618.23
II APPLICATION OF FUNDS			
1 Fixed Assets	5		
(a) Gross Block		125136.42	92676.40
(b) Less : Depreciation		18647.12	12963.85
(c) Net Block		106489.30	79712.55
(d) Capital work-in-progress		5992.30	17917.32
(e) Advances on Capital Account		7371.53	4293.64
		119853.13	101923.51
2 Investments	6	74867.04	50572.85
3 (i) Current Assets, Loans and Advances	7		
(a) Inventories		18786.49	19221.11
(b) Sundry Debtors		9276.29	12176.58
(c) Cash and Bank Balances		7558.25	20349.08
(d) Other Current Assets		296.07	788.27
(e) Loans and Advances		23314.86	15539.57
Sub-Total (i)		59231.96	68074.61
(ii) Less : Current Liabilities and Provisions	8		
(a) Liabilities		35049.89	13991.61
(b) Provisions		2510.10	4961.13
Sub-Total (ii)		37559.99	18952.74
Net Current Assets (i) - (ii)		21671.97	49121.87
Total		216392.14	201618.23
Notes forming part of Accounts	15		

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

D. K. JAIN

Chairman

SHAIENDRA SWARUP

Director

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

B. V. DESAI

Company Secretary

S. P. JAIN

Director

Place : Pune

Dated : 22nd May 2010

Place : Noida

Dated : 22nd May 2010

Profit and Loss Account for the year ended 31 st March, 2010

	Schedule Number	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
INCOME			
1 Sales - Gross		100649.46	107121.31
Less: Excise Duty		2014.96	2669.14
Sales - Net		98634.50	104452.17
2 Other Income	9	7063.78	3353.02
		105698.28	107805.19
EXPENDITURE			
1 (Increase) / Decrease in Stocks	10	(910.16)	(4483.50)
2 Materials Consumed and Purchase of Goods	11	18480.48	19623.38
3 Manufacturing and other expenses	12	30599.51	30123.67
4 Salaries and benefits	13	5256.47	5114.18
5 Provision for diminution in value of investments (Net)		1559.84	268.09
6 Interest	14	4803.33	4999.97
7 Depreciation & Amortization	5	5703.07	4718.44
Total Expenditure		65492.54	60364.23
8 Profit before Taxation		40205.74	47440.96
9 Provision for Taxation			
Current tax		6960.00	12100.00
MAT Credit Entitlement		(810.00)	0.00
Deferred tax		649.05	1287.34
Fringe benefit tax		0.00	40.00
		6799.05	13427.34
10 Profit after taxation for the year		33406.69	34013.62
11 Add: Taxation pertaining to earlier years		8.66	0.00
Balance Profit		33415.35	34013.62
12 Profit brought forward from previous year		169.19	80.55
13 Profit available for appropriation		33584.54	34094.17
Less : Appropriations			
Capital Redemption Reserve		0.00	59.30
Dividend on shares bought back		0.00	(4.88)
General Reserve		28800.00	29372.39
Interim Dividend		2197.00	0.00
Proposed Dividend		1647.75	3844.75
Tax on Dividend		647.05	653.42
		33291.80	33924.98
14 Balance carried to Balance Sheet		292.74	169.19
Basic and diluted Earnings Per Share of Re 1 each		30.42	29.91
Notes forming part of Accounts	15		

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

D. K. JAIN

Chairman

SHAILENDRA SWARUP

Director

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

B. V. DESAI

Company Secretary

S. P. JAIN

Director

Place : Pune

Dated : 22nd May 2010

Place : Noida

Dated : 22nd May 2010



Gujarat Fluorochemicals Limited

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

	Amount (Rs. in lacs)	
	2009-2010	2008-2009
A Cash flow from operating activities		
Net profit before tax	40205.74	47440.96
Adjustments for :		
Depreciation and Amortisation	5703.07	4718.44
Loss on assets sold/written off (Net)	0.58	6.94
Provision for diminution in value of investments	1559.84	268.09
Income in respect of investing activities (Net)	(2615.53)	(2280.01)
Interest	4803.33	4999.97
	9451.29	7713.43
Operative profit before working capital changes	49657.03	55154.39
Adjustments for :		
Trade and other receivables	17367.85	(10047.47)
Inventories	434.62	(9204.96)
Trade payables	11134.35	478.31
	28936.82	(18774.12)
Cash generated from operations	78593.85	36380.27
Income-tax paid (Net)	(6070.11)	(11474.43)
Net cash from operating activities	72523.74	24905.84
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital wip and advances)	(23643.43)	(21276.58)
Sale of fixed assets	10.16	125.90
Purchase of investments	(136964.28)	(86127.86)
Redemption/Sale of Investments	112274.74	91423.80
Inter-corporate and other loans (Net)	(13431.34)	117.61
Interest and Dividend received (net of expenses)	3094.58	1977.76
Adjustment for receivables on investment account	5.50	182.25
Net cash used in investment activities	(58654.07)	(13577.13)
C Cash flow from financing activities		
Proceeds from Long Term Loan (Net)	(31731.28)	19733.33
Proceeds from Short Term Loan (Net)	16107.86	(667.91)
Interest paid	(4843.76)	(4834.76)
Dividend paid (Including Tax on Dividend)	(7018.05)	(2494.03)
Amount paid towards Buy Back of Shares	0.00	(6136.31)
Net cash used in financing activities	(27485.23)	5600.32
D Capital receipts	824.73	629.64
(Please refer to Note No. 4 of Notes to Accounts)		
Net increase/(decrease) in cash and cash equivalent	(12790.83)	17558.68
Cash and cash equivalents as at the beginning of the year	20349.08	2790.40
Cash and cash equivalents as at the end of the year	7558.25	20349.08

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

D. K. JAIN

Chairman

SHAIENDRA SWARUP

Director

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

B. V. DESAI

Company Secretary

S. P. JAIN

Director

Place : Pune

Dated : 22nd May 2010

Place : Noida

Dated : 22nd May 2010

Schedule Forming part of the Balance Sheet

SCHEDULE 1 : CAPITAL

Authorized

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

2000.00

2000.00

Issued and Subscribed and Paid Up

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

1098.50

1098.50

(- Out of above 5,77,15,310 shares are held by the Holding Co. - Inox Leasing & Finance Limited
- 5930000 Shares bought back during the year 2008-09)

Total

1098.50

1098.50

SCHEDULE 2 : RESERVES AND SURPLUS

Capital Reserves

As per last Balance Sheet

11055.83

10426.19

Additions during the year (Refer Note No. 4)

824.73

629.64

11880.56

11055.83

Share Premium Account

As per last Balance Sheet

0.00

4.62

Less: Adjusted on Buyback of shares

0.00

(4.62)

0.00

0.00

Capital Redemption Reserve

As per last Balance Sheet

59.30

0.00

Add : Transfer from Profit & Loss Account

0.00

59.30

59.30

59.30

General Reserve

As per last Balance Sheet

110700.00

87400.00

Less: Adjusted on Buyback of shares

0.00

(6072.39)

Add: Transfer from Profit and Loss Account

28800.00

29372.39

139500.00

110700.00

Profit and Loss Account

Balance as per Annexed Account

292.74

169.19

Total

151732.60

121984.32

SCHEDULE 3 : SECURED LOANS

(for securities please refer note no. 5)

From Banks

Rupee Loan

- Term Loans

19551.86

39100.63

(amount payable within one year Rs 9556.24 Lacs,

Previous year Rs.9473.40 Lacs)

Foreign Currency Loans

- Term Loans

8506.43

16432.52

(amount payable within one year Rs.1217.37 Lacs,

Previous year Rs.6246.82 Lacs)

Total

28058.29

55533.15

SCHEDULE 4 : UNSECURED LOANS

From Banks

Rupee Loan

- Term Loans

9642.44

0.00

(amount payable within one year Rs 4042.44 Lacs,

Previous year Rs.Nil Lacs)

Foreign Currency Loans

- Term Loans

16086.71

13877.71

(amount payable within one year Rs.2783.88 Lacs,

Previous year Rs.2944.35 Lacs)

Total

25729.15

13877.71

Schedule Forming part of the Balance Sheet

SCHEDULE 5 – FIXED ASSETS

Amount (Rs. in lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 1-Apr-09	Additions	Deductions	As at 31-Mar-10	As at 1-Apr-09	For the year	Deductions	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
(a) Tangible Assets										
Land										
- Freehold Land	68.13			68.13					68.13	68.13
- Leasehold Land	1558.36	97.00	9.00	1646.36	83.46	18.52		101.98	1544.38	1474.90
Buildings and Roads	10503.83	1664.39		12168.22	714.26	346.80		1061.06	11107.16	9789.57
Plant and Machinery	50301.49	11722.43	0.32	62023.60	8634.80	3116.68	0.32	11751.16	50272.44	41666.69
Wind Mills	23272.70	18196.84		41469.54	2136.45	1720.28		3856.73	37612.81	21136.25
Electrical Installations	3936.35	384.79		4321.14	582.85	219.67		802.52	3518.62	3353.50
Manufacturing and other Equipments	1146.12	309.59	14.58	1441.13	394.35	102.73	13.16	483.93	957.20	751.77
Furniture and Fixtures	545.79	48.33		594.12	130.52	34.48		165.00	429.12	415.27
Vehicles	349.44	67.20	6.65	409.99	115.05	32.69	6.32	141.42	268.57	234.39
Total (a)	91682.21	32490.57	30.55	124142.23	12791.74	5591.85	19.80	18363.80	105778.43	78890.47
(b) Intangible Assets										
Technical Know How	804.22			804.22	113.89	80.42		194.31	609.91	690.33
Software	189.97			189.97	58.21	30.80		89.01	100.96	131.76
Total (b)	994.19			994.19	172.10	111.22		283.32	710.87	822.09
Grand Total (a + b)	92676.40	32490.57	30.55	125136.42	12963.84	5703.07	19.80	18647.12	106489.30	79712.55
Previous year	83097.12	9783.99	204.71	92676.40	8317.26	4718.44	71.86	12963.85		

SCHEDULE 6 : INVESTMENTS

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

A] UNQUOTED

i) **In Venture Capital Fund**

Indiareit Fund Scheme III
Kshitij Venture Capital Fund

ii) **In Fully Paid-up Equity Shares**

i) In subsidiary companies

Inx Infrastructure Private Limited
(a company under the same management)
Inx Motion Pictures Limited
Inx Wind Limited
Gujarat Fluorochemicals Americas LLC

ii) In Other companies

In Other Companies
Humsay i Global Services Limited
Future Ventures India Limited
The Ratnakar Bank Limited
Xuzncheng Hengyuan Chemical Technology Co. Ltd
(a Joint Venture)
Kaleidoscope Entertainment Private Limited

iii) In Cumulative, Non-convertible, Redeemable Preference Shares (fully paid-up)

Humsay i Global Services Limited

iv) **In Equity linked Debentures**

i) Citicorp Finance (India) Limited

Redeemable NCD Issue Series 173
Redeemable NCD Issue Series 184
Redeemable NCD Issue Series 200

ii) **Citifinancial Consumer Financial India**

v) In Units of Mutual Funds

Top 100 Equity Mutual Funds
 Birla Sunlife Income Plus-Growth
 ICICI Prudential Institutional Income Plan-Growth
 IDFC Super Saver Income Fund-Investment Plan B-Growth
 IDFC Dynamic Bond Fund Plan B-Growth
 Kotak Bond-Regular-Growth
 Reliance Income Fund Retail Plan Growth Plan-Growth
 Reliance Medium Term Fund - Retail Plan - Growth
 Birla Sunlife Midcap Fund- Plan A-Dividend-Reinvestment
 DSP Blackrock Small & Midcap Fund-Regular Plan-Dividend
 DSPBR Strategic Bond Fund-Institutional Plan-Daily Dividend
 HDFC Top 200 Fund-Dividend
 ICICI Prudential Infrastructure Fund - Dividend
 ICICI Prudential Discovery Fund-Dividend
 JM Money Manager Fund Super Plus Plan-Daily Dividend
 Kotak Flexi Debt Scheme Institutional-Daily Dividend
 Birla Sunlife Short Term Fund-Inst.Pl.-Fnd
 HDFC Income Fund - Growth
 Templeton India Ultra short Bond Fund
 Super Institutional Plan-Daily Dividend
 Reliance Diversified Power Sector Fund- Retail Dividend Plan
 Reliance Equity Opportunities Fund Retail Plan-Dividend Plan
 Reliance Banking Fund-Institutional Plan-Dividend Plan
 Reliance Income Fund -Retail Plan-Growth Option
 Reliance Regular Savings Fund - Equity Plan- Dividend Plan
 SBI- Megnum Global Fund- Dividend
 SBI- Magnum Sector Funds Umbrella Contra-Dividend
 SBNPP Ultra ST Fund Super Institutional Daily Dividend
 SBNPP Select Midcap- Dividend
 Tata Floater Fund-Daily Dividend
 Templeton India Equity Income Fund-Dividend Reinvestment

[illegible]



Schedule Forming part of the Balance Sheet

SCHEDULE 6 : INVESTMENTS (Contd...)

UTI Treasury Advantage Fund-Institutional Plan-Daily Dividend

Total Unquoted Investments

Less: Provision for diminution in value of Investment

Net Unquoted Investments

B] QUOTED

i) In Units of Mutual Funds

DWS Fixed Term Fund-Sr 68-Reg Gr

DWS Fixed Term Fund-Sr 69-Reg Gr

Fortis Fixed Term Fund Series 16

HDFC Fmp 24M Feb10-Growth Sr Xii

ICICI FMP Sr.51-15 Month Pl E-Gr

Kotak Fmp 13M Series 6 - Growth

Kotak Fmp 24M Series 1-Growth

ii) In Fully Paid-up Equity Shares

i) In subsidiary company

Inox Leisure Limited
(a company under the same management)

ii) In Other companies

Advanta India Limited

Balrampur Chini Mills Limited

Borosil Glass Limited

Brandhouse Retails Limited

Bhilwara Technical Textile Limited

(Received pursuant to a scheme of arrangement)

Dalmia Cement Bharat Limited

Dewan Housing Finance Corporation Limited

Deepak Fertilisers & Petrochemicals Limited

TCS E-Serve Ltd.

ElH Limited

GAIL India Limited

Garware Wall Ropes Limited

Gujarat NRE Coke Limited

Housing Development & Infrastructure Limited

HEG Limited

Jindal Saw Limited

K S Oil Limited

Kesoram Textile Mills Limited (Received pursuant to a scheme of arrangement)

Mount Everest Mineral water Limited

Navin Flourine Limited

Orbit Corporation Limited

OCL India Limited

Praj Industries Limited

Prime Focus Limited

Reliance Communication Limited

Reliance Petroleum Limited

RSWM Limited

Shree Global Tradein Limited

Taneja Aerospace & Aviation Limited

Tantia Construction Limited

Trent Limited

United Phosphorus Limited

Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
10	220,934	0	2209.81	0.00
			31,073.71	10,621.24
			52689.46	27473.33
			1286.81	1287.70
			51402.65	26185.63
B] QUOTED				
i) In Units of Mutual Funds				
10	5,000,000	0	500.00	0.00
10	5,000,000	0	500.00	0.00
10	5,000,000	0	500.00	0.00
10	5,000,000	0	500.00	0.00
10	10,000,000	0	1000.00	0.00
10	5,000,000	0	500.00	0.00
10	5,000,000	0	500.00	0.00
			4000.00	0.00
ii) In Fully Paid-up Equity Shares				
i) In subsidiary company				
10	40,615,092	39,600,000	4620.44	3960.00
			4620.44	3960.00
ii) In Other companies				
10	48,590	48,590	598.39	598.39
1	0	270,000	0.00	319.12
10	63,512	63,512	366.48	366.48
10	0	13,040	0.00	0.00
1	301,138	0	0.00	0.00
2	191,881	491,881	492.54	1652.64
10	0	496,832	0.00	958.29
10	600,531	600,531	996.90	996.90
10	200	200	1.93	1.93
2	439,950	439,950	963.28	963.28
10	0	137,781	0.00	501.49
10	441,308	441,308	729.88	729.88
10	166,000	266,000	165.14	264.44
10	156,556	156,556	1176.01	1176.01
10	116,000	116,000	500.91	500.91
10	0	143,559	0.00	1612.51
1	621,081	621,081	552.01	552.01
10	131,893	131,893	0.00	0.00
10	2,335,592	2,335,592	2613.06	2613.06
10	0	4,495	0.00	16.72
10	0	245,000	0.00	219.50
2	152,950	0	203.19	0.00
2	993,630	993,630	2461.04	2461.04
10	77,256	77,256	989.21	989.21
5	56,981	56,981	362.76	362.76
10	0	70,000	0.00	118.76
10	347,695	347,695	431.30	431.30
5	651,093	0	1601.57	0.00
5	365,559	365,559	738.06	738.06
10	320,585	472,287	461.03	663.80
10	0	2,073	0.00	14.53
2	0	321,326	0.00	604.20
			16404.69	20427.22
			21025.13	24387.22
			25025.13	24387.22
			1560.74	0.00
			23464.39	24387.22
			74867.04	50572.85
			38752.31	16398.34

Total Equity shares

Total Quoted Investments

Less: Provision for diminution in value of Investment

Net Quoted Investments

Total Investments

Market value of quoted investments

Schedule Forming part of the Balance Sheet

SCHEDULE 6 : INVESTMENTS (Contd.)

Details of purchase & redemption of mutual fund during FY 2009-10

	Face Value	Purchase & Sold during the year Nos. Amount (Rs.)	
1 Birla Sun Life Savings Fund-Institutional Plan- Daily Dividend	10	25042889.96	2505.99
2 Birla Sun Life Savings Fund-Institutional Plan- Weekly Dividend	10	42555747.26	4257.98
3 Birla Sun Life Savings Fund-Institutional Growth	10	8993452.77	1500.00
4 Birla Sun Life Short Term Fund- Institutional Plan (Growth)	10	14334588.41	1500.00
5 Canara Robeco Treasury Advantage Fund - Super Institutional Plan - Daily Div Reinvest	10	8077448.54	1002.18
6 DSP BlackRock Floating Rate Fund - Institutional Plan-Daily Dividend Reinvest	10	150171.68	1502.54
7 DSP BlackRock India T.I.G.E.R. Fund - Regular Plan - Dividend	10	3317833.26	558.60
8 DSP BlackRock Money Manager Fund - Institutional Plan - Growth	10	443017.44	5500.00
9 Fidelity Ultra Short Term Debt Fund - Institutional Plan - Growth Option	10	30064937.08	3500.00
10 Fortis Money Plus Fund-Institutional Plan- Daily Dividend Option (Compulsory Reinvestment)	10	35056190.54	3506.71
11 Fortis Money Plus Fund-Institutional Plan-Growth Option	10	9032267.78	1200.00
12 Fortis Money Plus Fund-Institutional Plan-Weekly Dividend Option	10	20060144.09	2006.14
13 HDFC Cash Management Fund Treasury Advantage - Wholesale Plan Daily Dividend Option	10	37536267.39	3765.45
14 HDFC Cash Management Fund Treasury Advantage - Wholesale Plan Growth Option	10	23257840.65	4480.00
15 HDFC Cash Management Fund Treasury Advantage - Wholesale Plan Weekly Dividend Option	10	25124377.42	2518.12
16 HSBC Ultra Short Term Bond Fund - Inst. Plus - Growth	10	6943536.79	850.00
17 ICICI Prudential Flexible Income Plan Premium-Daily Dividend Plan	10	4495591.95	4753.41
18 ICICI Prudential Flexible Income Plan Premium-Growth	10	34449232.74	5650.00
19 ICICI Prudential Flexible Income Plan Premium-Weekly Dividend Plan	10	46614487.86	4916.43
20 ICICI Prudential Infrastructure Fund-Dividend	10	5650196.30	631.13
21 IDFC-Money Manager Fund-Treasury Plan C-Daily Dividend	10	22086537.30	2208.99
22 ING Treasury Advantage Fund - Institutional Daily Dividend Option	10	3002531.81	300.35
23 ING Treasury Advantage Fund - Institutional Growth Option	10	1669295.81	200.00
24 ING Treasury Advantage Fund - Institutional Weekly Dividend Option	10	1992627.28	200.00
25 Kotak Flexi Debt - Institutional Plan Growth	10	30476222.64	3300.00
26 Kotak Flexi Debt - Institutional Plan Weekly Dividend	10	46134992.98	4701.70
27 Kotak Floater Long-Term-Daily Dividend	10	19875361.09	2003.40
28 Principal Floating Rate Fund - FMP-Insti. Daily Dividend	10	15005777.88	1502.42
29 Principal Ultra Short Term Fund -Reg plan -Div Option-daily	10	7988261.03	800.42
30 Reliance Medium Term Fund- Daily Dividend Plan	10	30776778.22	5261.44
31 Reliance Medium Term Fund-Retail Plan - Growth Plan Growth Option	10	23261657.18	4250.00
32 Reliance Money Manager Fund-Institutional Plan-Weekly Dividend Option	10	401423.90	4021.56
33 Religare Ultra Short Term Fund - Institutional - Growth	10	2053303.77	250.00
34 SBI Magnum Insta Cash Fund - Cash Option	10	9766982.04	1751.54
35 Tata Floater Fund Daily Dividend	10	22962869.82	2304.46
36 Tata Floater Fund Growth	10	40334188.21	5300.00
37 Tata Floater Fund Weekly Dividend	10	9933036.68	1001.59
38 Tata Infrastructure Fund - Dividend	10	2813934.18	526.86
39 Templeton Floating Rate Income Fund - Long Term - Super Institutional Plan - Daily Dividend	10	20065912.75	2008.60
40 Templeton India Ultra-short Bond Fund - Institutional - Growth	10	13314042.77	1500.00
41 Templeton India Ultra-short Bond Fund - Super Institutional - Growth	10	15919622.23	1800.00
42 Templeton India Ultra-short Bond Fund - Super Institutional - Weekly Dividend	10	12474223.82	1259.17
43 UTI - Treasury Advantage Fund - Institutional-Growth	10	21154.57	250.00

TOTAL OF MUTUAL FUNDS

102807.20

Details of purchase & sales of equity shares during FY 2009-10

1 BALRAMPUR CHINI MILLS LIMITED	10	2044.00	2.73
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TOTAL OF EQUITY SHARES

2.73



Schedule Forming part of the Balance Sheet

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

A CURRENT ASSETS

1 Inventories

(for basis of valuation, please refer to the accounting policies)

Stores and Spares

Packing Materials

Finished Goods

- Manufactured Goods

- Traded Goods

By-products

Material-in-process

Raw Materials

Carbon credits

2 Sundry Debtors (Unsecured)

Considered good

Exceeding 6 months

Others

((includes amount due from subsidiary companies
Rs. 20.44 Lacs (previous year Nil))

Considered Doubtful

Exceeding 6 months

Others

Less: Provision for Doubtful Debts

3 Cash and Bank Balances

Cash on Hand

Bank Balances with Scheduled Banks

(a) in Current Accounts

(b) in Cash Credit Accounts

(c) Fixed Deposits

4 Other Current Assets

Interest accrued

B LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise stated)

1 Advances recoverable in cash or in kind

or for value to be received

((includes amount due from subsidiary companies
Rs. 14.54 Lacs (previous year 8.14 Lacs))

2 Deposits

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
3153.39	2905.64	
278.98	191.44	
6892.32	6718.50	
4.46	51.31	
6896.78	6769.81	
1.79	1.41	
1720.43	1048.05	
6516.21	8205.73	
218.91	99.03	
18786.49		19221.11
519.95	75.87	
8756.34	12100.71	
9276.29	12176.58	
11.15	0.00	
0.00	0.00	
11.15	0.00	
9287.44	12176.58	
(11.15)	0.00	
9276.29		12176.58
5.00	4.22	
2236.31	2327.60	
1301.30	308.90	
4015.64	17708.36	
7558.25		20349.08
296.07		788.27
831.87	4116.46	
424.42	610.60	

Schedule Forming part of the Balance Sheet

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES (Contd...)

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
3 Inter-corporate Deposits		
Considered Good		
- to subsidiary companies (long term investment)	17125.00	1604.10
- to others (current investments)	1434.03	3523.59
	18559.03	5127.69
Considered Doubtful	99.00	144.51
	18658.03	5272.20
Less: Provision for Doubtful Inter-corporate deposits	99.00	144.51
	18559.03	5127.69
4 Share Application Money	0.00	1151.34
5 Balances in Excise , Service Tax and VAT Accounts	2294.34	3252.85
6 Income tax paid (Net of provisions)	395.20	1280.63
7 MAT Credit Entitlement	810.00	0.00
	23314.86	15539.57
Total	59231.96	68074.61

SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS

A CURRENT LIABILITIES

1 Sundry Creditors		
- dues to Micro and Small Enterprises	8.32	26.38
- others	12715.23	12766.52
((includes amount due to subsidiary companies Rs. 864.41 Lacs (previous year Nil))	12723.55	12792.90
2 Trade Deposits	534.78	532.99
3 Investor Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed dividends (Refer note no. 7)	157.43	106.93
4 Advances from Customers	20617.68	91.86
5 Other Liabilities	850.93	260.98
6 Interest accrued but not due	165.52	205.95
	35049.89	13991.61

B PROVISIONS

1 For Fringe Benefit Tax (Net of Payment)	7.50	11.70
2 Proposed Dividend	1647.75	3844.75
3 Tax on Proposed Dividend	273.67	653.42
4 For Gratuity and Leave Encashment	581.18	451.26
	2510.10	4961.13
Total	37559.99	18952.74

Schedule Forming part of the Profit and Loss Account

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
SCHEDULE 9 : OTHER INCOME		
Interest		
- On long term investments (tax deducted at source of Rs 29.65 lacs, previous year Rs. 26. 47 lacs)	253.37	431.39
- On current investments (tax deducted at source of Rs. 28.56 lacs, previous year Rs. 51.37 lacs)	285.87	249.12
- From banks (tax deducted at source of Rs. 102.52 lacs, previous year Rs. 199.76 lacs)	965.34	905.59
- On Income-tax refunds	261.01	0.00
- Others (tax deducted at source of Rs. 5.04 lacs previous year Rs.2.41)	40.60	40.90
	1806.19	1627.00
Dividend - On long term investments		
- from subsidiary company	0.00	396.00
- from Others	1060.61	339.33
	1060.61	735.33
Profit on sale of Long Term investments (Net)	27.67	0.00
Liabilities written back no longer required	535.11	35.83
Provision for doubtful advance written back	45.51	0.00
Foreign Exchange Fluctuation Gain (Net)	2498.60	0.00
Lease Rent	738.17	727.08
Miscellaneous income	351.92	227.78
Total	7063.78	3353.02
SCHEDULE 10 : (INCREASE) / DECREASE IN STOCKS		
Opening Stock		
Finished Goods	6769.80	3184.90
Material-in-process	1048.05	281.76
By-products	1.41	2.60
Carbon Credits	99.03	54.30
	7918.29	3523.56
Less : Closing Stock		
Finished Goods	6896.78	6769.81
Material-in-process	1720.43	1048.05
By-products	1.79	1.41
Carbon Credits	218.91	99.03
	8837.91	7918.30
Excise Duty on Stock of Finished Goods (Net)	9.46	(88.76)
(Increase) / Decrease In Stock	(910.16)	(4483.50)
SCHEDULE 11 : MATERIAL CONSUMED AND PURCHASE OF FINISHED GOODS		
Raw Materials consumed	14405.03	15266.25
Packing Materials consumed	3927.12	4305.61
Purchase of Finished Goods	148.33	51.52
Total	18480.48	19623.38

Schedule Forming part of the Profit and Loss Account

SCHEDULE 12: MANUFACTURING AND OTHER EXPENSES

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
Stores and Spare parts Consumed	1953.19	1769.74
Power and Fuel	17471.80	10856.30
Freight and Octroi	1439.38	1671.45
Insurance	394.64	273.80
Excise Duty, Custom Duty and Sales Tax	68.22	84.62
Production Labour Charges	251.79	214.57
Processing Charges	46.42	218.94
Factory Expenses	290.96	174.92
Repairs to		
- Buildings	203.26	157.67
- Machinery	1709.99	1172.62
- Others	106.27	119.43
	2019.52	1449.72
Directors' Sitting Fees	1.55	1.85
Commission to Chairman	440.34	0.00
Rent	148.63	101.24
Rates and Taxes	77.35	33.97
Travelling and Conveyance	688.43	647.42
Communication expenses	155.69	169.38
Legal and Professional Fees and Expenses	2227.53	1463.87
Lease Rentals and Hire Charges	333.13	407.17
Discount	276.14	48.05
Loss on assets sold/scrapped (Net)	0.58	6.94
Bank Charges	110.98	222.26
Foreign exchange fluctuation loss (Net)	0.00	7173.44
Provision for doubtful debts	11.15	0.00
Bad debts and Remissions	0.47	64.24
Less : Provision for Doubtful debts adjusted	0.00	62.44
	106.92	69.93
Expenditure on Sustainable Development Plan	227.87	293.89
Commission	31.63	192.23
Royalty	0.00	733.51
Loss on Sale of Long Term Investments (Net)	1825.20	1842.66
Miscellaneous Expenses		
Total	30599.51	30123.67

SCHEDULE 13: SALARIES AND BENEFITS

Salaries, Wages, Allowances and Benefits	4904.28	4858.36
Contribution to Provident and other Funds	162.22	138.63
Gratuity	79.28	60.25
Staff Welfare Expenses	110.69	56.94
Total	5256.47	5114.18

SCHEDULE 14 : INTEREST

Interest on fixed loans	4645.67	4841.88
(Net of interest capitalised Rs.103.00 Lacs, previous year Rs.422.52 Lacs)		
Other Interest	157.66	158.09
Total	4803.33	4999.97

SCHEDULE 15: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

1. 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

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

c) DEPRECIATION & AMORTIZATION

- i) On tangible fixed assets: Cost of Leasehold Land is amortised over the period of the lease. Depreciation on other Fixed Assets, excluding Freehold Land, is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition. Based on technical opinion Windmill is considered as a continuous process plant and depreciation is provided at the rate applicable thereto.
- ii) On intangible fixed assets: Cost of Technical Know-how is amortized equally over a period of ten years and cost of Software is amortized @ 16.21% p.a. on straight line method.

d) IMPAIRMENT OF ASSETS

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

e) INVESTMENTS

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

f) INVENTORIES

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

g) SALES

The Company recognises sales when the significant risks and rewards of ownership of the goods have passed to the customers. 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.

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 which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period prescribed for utilization of such credit.

k) 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.

2. Up to last year, for valuation of inventories, cost was determined using FIFO method. From the current year, cost is determined using weighted average cost method since, in the opinion of the management, this change will result in more appropriate presentation of the financial statements of the Company. Due to this change, the value of inventories as at 31st March 2010 and the profit before tax for the year are higher by Rs. 905 lacs.
3. Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.
4. During the year, the company has received compensation of Rs. 824.73 Lacs (previous year Rs. 629.64 Lacs), equivalent to US \$ 1.75 million (previous year US \$ 1.37 million), for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated. The Company has been advised that the compensation is a capital receipt and hence this amount is credited to Capital Reserve.
5. Foreign Currency Term Loan from ICICI Bank Limited is secured by equitable mortgage of land and hypothecation of all movable property of the Company for wind mills situated at Gude Panchgani, District Sangli, Maharashtra. Further, the lender also has a charge/lien over the escrow account, where the collections of sales of electricity are to be deposited. Rupee Term Loans from United Bank of India, UCO Bank and Oriental Bank of Commerce are secured by joint equitable mortgage of lease hold land and building and hypothecation of all movable fixed assets of the Company situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat on first pari passu basis and by way of second pari passu charge over fixed assets situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat. Working Capital Loans from HDFC Bank Limited and ABN Amro Bank N.V. are secured by first pari passu charge over stock and book debts of the Company's Dahej Plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Working Capital Loan from Canara Bank is secured by equitable mortgage of land and hypothecation of stocks and book debts of the Company's refrigerant plant located at Ranjitnagar, Survey no 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahals
6. 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 and the provisions for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
7. In respect of unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.



8. Particulars of Capacity, Production, Turnover and Stocks :

Sr. No.	Products		Quantity	Value (Rs in lacs)	Quantity	Value (Rs in lacs)
		UOM	2009-2010	2009-2010	2008-2009	2008-2009
I	Refrigerant Gases (HCFCs and CFCs)					
	- installed capacity	MT	25000		25000	
	- opening stock	MT	4048	3812.39	766	948.91
	- production	MT	24387		24968	
	- purchases	MT	69	148.20	7	18.52
	- captive consumption	MT	5341		4267	
	- sales	MT	19565	18805.16	17425	18689.81
	- closing stock	MT	3599	3443.71	4048	3812.39
II	Hydrofluoro carbons and Other Refrigerant Gases					
	- opening stock	MT	31	51.31	156	266.29
	- sales	MT	11	32.96	125	253.07
	- closing stock	MT	3	4.46	31	51.31
III	Anhydrous Hydrochloric Acid					
	- installed capacity	MT	5000		5000	
	- opening stock	MT	10	0.94	16	4.31
	- production	MT	828		967	
	- sales	MT	834	1127.94	973	1015.43
	- closing stock	MT	4	0.73	10	0.94
IV	Wind Power					
	- installed capacity	MW	65.10		35.10	
	- production	Units	81546389		57062336	
	- sales	Units	81546389	5158.04	57062336	2262.80
V	Coal Power					
	- installed capacity	MW	25.10			
	- production	Units	101767236			
	- captive consumption	Units	20365777			
	- sales	Units	81401459	4801.71		
VI	Caustic Soda					
	- installed capacity	MT	54000		54000	
	- opening stock	MT	164	28.68	172	29.53
	- production	MT	53329		46016	
	- captive consumption	MT	1544		2054	
	- sales	MT	51842	7112.83	43969	9616.67
	- closing stock	MT	107	14.01	164	28.68
VII	Liquid Chlorine					
	- installed capacity	MT	48600		48600	
	- opening stock	MT	93	0.09	84	5.78
	- production	MT	45630		39686	
	- captive consumption	MT	43960		36098	
	- sales	MT	1609	46.63	3579	162.84
	- closing stock	MT	154	7.44	93	0.09
VIII	Chloromethanes					
	- installed capacity	MT	41250		41250	
	- opening stock	MT	1143	172.07	819	161.92
	- production	MT	43667		32743	
	- captive consumption	MT	20089		17238	
	- sales	MT	24370	7151.11	15182	3266.17
	- closing stock	MT	350	52.90	1143	172.07
IX	Poly Tetrafluoroethylene (PTFE)					
	- installed capacity	MT	5500		5500	
	- opening stock	MT	345	1088.32	91	300.36
	- production	MT	2169		2121	
	- captive consumption	MT	1439		1033	
	- sales	MT	898	2484.26	834	2444.67
	- closing stock	MT	177	477.90	345	1088.32
X	Post Treated Poly Tetrafluoroethylene (PT PTFE)					
	- installed capacity	MT	3750		3750	
	- opening stock	MT	403	1512.86	396	1314.46
	- production	MT	1215		544	
	- sales	MT	837	3014.06	537	1915.04
	- closing stock	MT	781	2809.33	403	1512.86
XI	Carbon Credit Revenue			47295.89		62931.20
XII	By-products and other sales			1603.91		1894.47

- i. Above information is furnished in respect of the products of the Company which are primarily meant for sale.
- ii. Vide notification No SO 477(E) dated 25th July, 1991, issued by the Ministry of Industry, the Company's products are exempted from licensing provisions under the Industries (Development and Regulation) Act, 1951.
- iii. Installed capacities are as certified by the management on which the Auditor's have relied, being a technical matter.
- iv. Production is net of filling and other losses.

9. Raw Materials consumed

Fluorspar
Chloromethane
AHF
Methanol
Others
Total

Quantity (in MT)		Value (Rs in lacs)	
2009-2010	2008-2009	2009-2010	2008-2009
28916	25992	5680.77	3502.27
16865	19935	3014.97	4354.31
1883	1683	1391.37	1567.47
15448	12128	1969.62	2276.03
		2348.31	3566.17
		14405.03	15266.25

10 Imported and indigenous raw material consumed

Imported
Indigenous
Total

Percentage		Value (Rs in lacs)	
2009-2010	2008-2009	2009-2010	2008-2009
74.69	63.56	10758.77	9703.85
25.31	36.44	3646.26	5562.40
100.00	100.00	14405.03	15266.25

11 Imported and indigenous stores and spares consumed

Imported
Indigenous
Total

Percentage		Value (Rs in lacs)	
2009-2010	2008-2009	2009-2010	2008-2009
22.53	13.13	440.00	232.35
77.47	86.87	1513.19	1537.39
100.00	100.00	1953.19	1769.74

12. Managerial Remuneration :

Salary and allowances
Commission to Chairman and Managing Director
Perquisites
Contribution to Provident Fund
Total

Amount (Rs. in lacs)	
2009-2010	2008-2009
88.06	72.87
2201.71	2020.49
30.23	29.12
6.22	5.37
2326.22	2127.85
33415.35	34013.62
1.55	1.85
2326.21	2127.85
0.00	733.51
11.15	0.00
1559.84	268.09
3.00	2.38
6790.39	13427.34
10692.14	16561.02
45.51	62.44
27.67	0.00
73.18	62.44
44034.21	50512.21
440.34	0.00
1761.37	2020.49
2201.71	2020.49

Computation of Net Profit for Commission to Chairman and Managing Director

Profit as per Profit & Loss Account
Add: Directors' Sitting Fees
Managing Director's and Whole time Directors Remuneration
Loss on sale of investments (net)
Provision for doubtful debts/advances
Provision for Diminution in value of Investments
Wealth Tax (net)
Taxation (net)
Sub-total
Less: Provision for doubtful debts/advances written back/adjusted
Profit on Sale of Investments (net)
Sub-total
Net Profit for Commission to Chairman & Managing Director
Commission payable to Chairman for the year @ 1%
Commission payable to Managing Director for the year @ 4%
Total Commission payable for the year @ 5%

Note: Commission payable to the Chairman is subject to approval of the share holders at the ensuing Annual General Meeting.

13. Particulars of Payments to Auditor's
Particulars

Audit Fees	
Tax Audit Fees	
Fees for taxation matters	
Limited Review, Corporate Governance, Consolidated Accounts	
Certification	
Out of pocket expenses	
Service Tax	

Total
Amount (Rs. in lacs)

2009-2010	2008-2009
6.00	5.00
3.00	2.50
5.90	6.00
3.35	2.50
0.25	1.00
0.44	0.02
1.95	1.20
20.89	18.22

14. Contingent liabilities not provided for in respect of :-
Particulars

Sales Tax	
Income Tax	
Service Tax	
Bills discounted	
Bank Guarantees	
Claims against the Company not acknowledged as debts	
Claims in respect of labour matters	

Amount (Rs. in lacs)

2009-2010	2008-2009
7.12	27.32
107.27	29.14
48.55	32.81
1321.81	59.61
872.03	5490.90
4.00	4.00

Amount is not ascertainable

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

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

16. Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances – Rs. 10067.58 Lacs (previous year Rs. 2622.12 Lacs)
17. CIF value of imports of :-
Particulars

Raw materials	
Stores and spares	
Capital goods (Including capital work in progress)	

Total
Amount (Rs. in lacs)

2009-2010	2008-2009
10221.53	11511.69
492.13	932.47
1205.59	1249.44
11919.25	13693.60

**18. Expenditure in foreign currency :
(Including Amount Capitalized)**
Particulars

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

Amount (Rs in lacs)

2009-2010	2008-2009
28.44	191.31
496.16	505.33
1153.48	1447.13
1721.33	1810.45
3399.41	3954.23

19. Earning in foreign exchange :

Particulars
FOB value of exports
Other recoveries on exports
Carbon Credit Revenue
Total

Amount (Rs. in lacs)

2009-2010	2008-2009
18046.14	18168.67
394.82	634.25
47295.89	62931.20
65736.85	81734.12

20. Major components of the net deferred tax liability :
(A) Deferred Tax Liabilities

(i) Depreciation
Total

(B) Deferred Tax Assets

(i) Retirement benefits
(ii) Others
Total

Net Deferred Tax Liability (A-B)
Amount (Rs. in lacs)

2009-2010	2008-2009
9999.70	9306.71
9999.70	9306.71
193.05	153.38
33.05	28.78
226.10	182.16
9773.60	9124.55

21. Calculation of Earnings Per Share (EPS)

Particulars
a) Amount used as the numerator - Profit after taxation (Rs in lacs)
b) Equity shares outstanding at the beginning of the year – (Nos.)
c) Equity shares bought back – (Nos.)
d) Equity shares outstanding at the end of the year – (Nos.)
e) Weighted Average equity shares outstanding for the year – (Nos.)
f) Nominal value of each share – (Re)
g) Basic and Diluted Earnings per share (Rs.)

2009-10	2008-2009
33415.35	34013.62
109850000	115780000
0	5930000
109850000	109850000
109850000	113711390
1	1
30.42	29.91

22. Segment Information
(A) Information about Primary (Business) Segment:

Description

[I] Segment Revenue

- Chemicals
- Power
- Un-allocable and Corporate

Total Segment Revenue

Less : Inter Segment Revenue- Power

Total External Revenue
[II] Segment Result

- Chemicals
- Power

Total Segment Result

Add/(Less): Un-allocable Income /(Expenses)(net)

Less :Interest expenses

Total Profit Before Tax

Less : Taxation (including Deferred tax and Fringe Benefit tax)

Net Profit After Tax
Amount (Rs. in lacs)

Year Ended 31.03.2010	Year Ended 31.03.2009
89432.10	102225.32
23924.24	16897.63
5974.96	3166.41
119331.31	122289.37
13633.03	14484.18
105698.28	107805.19
39304.43	50732.51
3933.57	6406.19
43237.99	57138.70
1771.07	(4697.77)
4803.33	4999.97
40205.74	47440.96
6790.39	13427.34
33415.35	34013.62

[III] Other Information
a] Segment Assets

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate

Total
b] Segment Liabilities

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate

Total
c] Capital Expenditure (Including Capital Advances)

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate

Total
d] Depreciation & Amortization

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate

Total
e] Non-cash expenses (other than depreciation)

- i. Chemicals
- ii. Power
- iii. Un-allocable and Corporate

Total
Amount (Rs. in lacs)

88035.18	99547.59
62795.58	49747.51
103121.37	81319.65
253952.13	230614.75
31489.17	21694.50
1343.64	182.15
68288.22	85655.28
101121.03	107531.93
5324.55	4791.24
17887.70	16088.57
451.00	468.63
23663.24	21348.44
3091.34	2915.33
2409.77	1626.88
201.96	176.23
5703.07	4718.44
0.00	0.00
0.00	0.00
1559.84	268.09
1559.84	268.09

[B] Information about Secondary (Geographical) Segment:

The Company derives revenue from both domestic and overseas markets, which are considered different geographical segments. Segment-wise revenues are as under:

Particulars

Domestic
Overseas

Total

Amount (Rs in lacs)

2009-2010	2008-2009
32897.64	22718.05
65736.85	81734.12
98634.50	104452.17

As the Company has integrated manufacturing facilities, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to these geographical segments.

[C] Notes:

- 1) The Company operates in following business segments:
 - a. Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
 - b. Power - Comprising of Power Generation.
- 2) Inter-segment revenue comprise of power generated by Captive Power Generation Units and consumed in Chemical Business and is priced at estimated market value.
- 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. In respect of power segment, the entire production is indigenously sold/consumed. 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.

23. Prior period items :

		Amount (Rs. in lacs)	
		2009-2010	2008-2009
A) Debits			
Legal and Professional Expenses		3.38	3.38
Freight		0.47	7.77
Repairs to Plant & Machinery		22.23	7.67
Repairs to Building		0.18	2.40
Travelling expenses		0.40	1.64
Equipment Hire charges		0.00	3.38
Production & Maintenance Labour charges		3.35	16.86
Provision for Leave Encashment		0.00	24.37
Others		32.06	4.37
Total (a)		62.08	71.84
B) Credits			
Foreign Exchange Fluctuation Difference		231.15	0.00
Total (b)		231.15	0.00
Net Prior Period Items		(169.07)	71.84

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

		Amount (Rs in lacs)	
Particulars		2009-2010	2008-2009
Principal amount due to suppliers under MSMED Act, 2006 at the year end.		8.20	23.43
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.		0.03	1.58
Payment made to suppliers (other than interest) beyond the appointed date during the year		14.64	45.98
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year		2.32	0.00
Interest due and payable to suppliers under MSMED Act for payments already made.		0.09	1.36
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.		0.12	2.94

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

25. Joint Venture:

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

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

- a) The financial year of the JVC is January to December. The Company's share of each of the assets, liabilities, income and expenses etc. (each, without elimination of the effect of the transactions between the Company and the JVC) related to its interest in this JVC, based on the audited accounts for the year ended 31st December 2009, are as under:

		Amount (Rs. in lacs)
S.No.	Particulars	2009
i)	Assets	2894.44
ii)	Liabilities	1505.40
iii)	Income	2069.66
iv)	Expenses	2287.36



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- b) The Company's share of capital commitments in the JVC as at 31st December, 2009 is Rs. Nil.
- c) The Company's share of contingent liability of the JVC as at 31st December, 2009 is Rs. Nil.
- d) The Company's transactions with JVC, being a related party, are disclosed in note no.26.

26. Related Party Disclosures :

- (i) Names of Related Parties

(A) Where control exists:

Holding Company:

Inox Leasing & Finance Limited (w.e.f. 18th September 2008-see note (a))

Subsidiary Companies:

Inox Leisure Limited

Inox Infrastructure Private Limited

Inox Motion Pictures Limited

Inox Wind Limited (Incorporated on 09th April 2009)

Gujarat Fluorochemicals Americas LLC (GFL Americas LLC)

(Incorporated on 08th September 2009)

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

Joint Venture

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

Key Management Personnel

Shri V K Jain (Managing Director)

Shri D K Sachdeva (Whole Time Director)

Shri J S Bedi (Whole Time Director)

Relatives of Key Management Personnel

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

Shri P K Jain (Brother 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 Leasing & Finance Limited- (up to 17th September, 2008- see note(a))

Inox Chemicals Private Limited

Refron Valves Limited

Rajni Farms Private Limited

Sidhapavan Trading and Finance Private Limited

Siddho Mal Investments Private Limited

- (ii) Particulars of transactions

Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
A) Transactions during the year														
Sales of Goods														
Inox Air Products Limited											16.97	7.25	16.97	7.25
GFLAmericas LLC			20.44	0.00							0.04	0.12	20.44	0.00
Others													0.04	0.12
Total			20.44	0.00							17.01	7.37	37.45	7.37
Purchase of Assets														
Inox Wind Limited			793.46	0.00									793.46	0.00
Total			793.46	0.00									793.46	0.00
Purchase of Goods														
Inox Air Products Limited											70.08	104.74	70.08	104.74
Inox India Limited											2902.62	3145.26	2902.62	3145.26
XHCT Co. Ltd					143.86	0.00							143.86	0.00
Others											0.00	0.46	0.00	0.46
Total					143.86	0.00					2972.69	3250.45	3116.55	3250.45

Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Inter-corporate Deposits given														
Inox Motions Picture Limited			300.00	0.00									300.00	0.00
Inox Wind Limited			4700.00	0.00									4700.00	0.00
Inox Leisure Limited			13200.00	525.00									13200.00	525.00
Total			18200.00	525.00									18200.00	525.00
Inter-corporate Deposits received back														
Inox Leisure Limited			2604.10	1281.70									2604.10	1281.70
Inox Motions Picture Limited			75.00	0.00									75.00	0.00
Total			2679.10	1281.70									2679.10	1281.70
Equity shares Subscribed														
Inox Motions Picture Limited			295.00	5.00									295.00	5.00
Inox Wind Limited			2999.94	0.00									2999.94	0.00
GFLAmericas LLC			204.84	0.00									204.84	0.00
XHCT Co. Ltd					1263.89	0.00							1263.89	0.00
Total			3499.78	5.00	1263.89	0.00							4763.67	5.00
Interest received														
Inox Motions Picture Limited			12.11	0.00									12.11	0.00
Inox Wind Limited			48.81	0.00									48.81	0.00
Inox Leisure Limited			192.45	116.80									192.45	116.80
Total			253.37	116.80									253.37	116.80
Expenses (Repairs)														
Inox India Limited											0.50	4.25	0.50	4.25
Refron Valves Limited											2.87	1.69	2.87	1.69
Total											3.37	5.94	3.37	5.94
Reimbursement of expenses (paid)														
Inox Air Products Limited											4.93	4.30	4.93	4.30
Inox India Limited											0.55	0.00	0.55	0.00
Inox Leasing & Finance Limited	0.76	0.00	0.00	8.14							0.00	0.80	0.76	0.80
Inox Leisure Limited				8.14									0.00	8.14
Inox Wind Limited			77.78	0.00									77.78	0.00
Total	0.76	0.00	77.78	8.14							5.48	5.10	84.02	13.24
Reimbursement of expenses (received)														
Inox India Limited											4.81	6.12	4.81	6.12
Inox Motions Picture Limited			0.00	8.14									0.00	8.14
Inox Wind Limited			63.06	0.00									63.06	0.00
Inox Leasing & Finance Limited	0.43	0.00											0.43	0.00
GFLAmericas LLC			6.40	0.00									6.40	0.00
Others			0.00	0.34							0.00	0.39	0.00	0.73
Total	0.43	0.00	69.46	8.48							4.81	6.51	74.70	14.99
Rent Received														
Inox Air Products Limited											137.03	126.00	137.03	126.00
Others											0.72	0.72	0.72	0.72
Total											137.75	126.72	137.75	126.72
Rent & Lease Rentals paid														
Inox Air Products Limited											47.95	46.94	47.95	46.94
Devansh Gases Private Limited											18.00	18.00	18.00	18.00
Inox Leasing & Finance Limited	36.00	18.00									0.00	18.00	36.00	36.00
Others							1.20	1.20					1.20	1.20
Total	36.00	18.00					1.20	1.20			65.95	82.94	103.15	102.14
O&M Charges paid														
Inox Air Products Limited											52.31	57.67	52.31	57.67
Total											52.31	57.67	52.31	57.67
Dividend Received														
Inox Leisure Limited			0.00	396.00									0.00	396.00
Total			0.00	396.00									0.00	396.00



Amount (Rs. in lacs)

Particulars	Holding Company		Subsidiary Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Remuneration paid														
Shri V K Jain							1818.41	2073.31					1818.41	2073.31
Others							67.46	54.54	5.38	5.38			72.84	59.92
Total							1885.87	2127.85	5.38	5.38			1891.25	2133.23
Commission paid to Chairman														
Shri D K Jain									440.34	0.00			440.34	0.00
Total									440.34	0.00			440.34	0.00
Sitting Fees														
Shri D K Jain									0.40	0.80			0.40	0.80
Shri P K Jain									0.05	0.05			0.05	0.05
Total									0.45	0.85			0.45	0.85
B) Amounts outstanding														
Investment in Shares														
Inox Leisure Limited			4620.44	3960.00									4620.44	3960.00
Inox Wind Limited			2999.94	0.00									2999.94	0.00
XHCT Co. Ltd					1263.89	0.00							1263.89	0.00
GFLAmericas LLC			204.84	0.00									204.84	0.00
Inox Infrastructure Private Limited			5000.00	5000.00									5000.00	5000.00
Inox Motions Picture Limited			300.00	5.00									300.00	5.00
Total			13125.22	8965.00	1263.89	0.00							14389.11	8965.00
Amount payable														
Shri V K Jain							1219.80	1335.72					1219.80	1335.72
Shri D K Jain									304.28	0.00			304.28	0.00
Inox Wind Limited			864.41	0.00									864.41	0.00
Others					13.93	0.00	4.84	4.40	0.45	0.00	203.45	181.19	222.67	185.59
Total			864.41	0.00	13.93	0.00	1224.64	1340.12	304.73	0.00	203.45	181.19	2611.15	1521.31
Amount receivable														
Inox Leisure Limited-ICD			12200.00	1604.10									12200.00	1604.10
Inox Wind Limited-ICD			4700.00	0.00									4700.00	0.00
Inox Motions Picture Limited-ICD			225.00	0.00									225.00	0.00
Others			83.79	8.14									83.79	8.14
Total			17208.79	1612.24									17208.79	1612.24

Notes:

- (a) Inox Leasing & Finance Limited (ILFL) was an "Enterprise over which Key Management Personnel, or his relative, has significant influence." ILFL has become a Holding Company w.e.f 18th September, 2008. Hence, transactions upto 17th September 2008 are classified as transactions with "Enterprises over which Key Management Personnel, or his relative, has significant influence" and transactions w.e.f. 18th September 2008 are classified as transaction with "Holding Company".
- (b) Additional disclosure as required by Listing Agreement in respect of loans given:

Name of the Loanee	Inox Leisure Ltd (*)	Inox Wind Ltd	Inox Motions Pictures Ltd
Amount of loan at the year end	12200.00	4700.00	225.00
Maximum balance during the year	13200.00	4700.00	300.00
Investment by the loanee in the shares of the Company	Nil	Nil	Nil

(*) Also "a company under the the same management" - Previous year amount outstanding Rs. 1604.10 Lacs. (Maximum balance Rs. 2560.80 Lacs)

27. Legal & Professional fees includes Rs 8.39 lacs (Previous years Rs 33.92 lacs) paid to firms in which one of the director is partner.

28. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs.162.22 lacs (Previous Year Rs138.63 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation as on 31st March 2010

Particulars	Amount (Rs. in lacs)			
	Gratuity 2009-2010	Gratuity 2008-2009	Leave Encashment 2009-2010	Leave Encashment 2008-2009
1. Change in Benefit Obligation				
Liability at the beginning of the year	274.06	239.03	150.44	143.84
Interest Cost	18.69	16.73	10.19	10.07
Current Service Cost	76.08	45.55	65.34	35.13
Benefit paid	(13.99)	(26.16)	(9.56)	(39.46)
Actuarial (Gain)/Loss	(15.50)	(1.09)	(86.55)	0.86
Liability at the end of the year	339.34	274.06	129.86	150.44
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	76.08	45.55	65.35	35.13
Interest Cost	18.69	16.73	10.19	10.07
Actuarial (Gain)/Loss	(15.50)	(1.09)	(86.55)	0.86
Expenses recognized in the Profit and Loss Account	79.27	61.19	(11.01)	46.06
3. Actuarial Assumptions				
Discount Rate	8%	7%	8%	7%
Salary Escalation Rate	8%	8%	8%	8%
Retirement Age	60 years			
Withdrawal Rates	5%			
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.

29. Disclosure as required by Accounting Standard – AS 19 on “Leases” –
A) In respect of assets given on Operating Lease :-

		Amount (Rs. in lacs)	
Sr. No.	Particulars	2009-10	2008-09
(i)	Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets.	914.52	914.52
(ii)	Accumulated Depreciation as at the end of the year	53.45	38.56
(iii)	Depreciation for the year	14.90	14.90
(iv)	Future minimum lease payments -		
(a)	Not later than one year	775.26	737.39
(b)	Later than one year and not later than five years	2959.90	2941.24
(c)	Later than five years	1323.20	2117.12



Gujarat Fluorochemicals Limited

(v) General description of significant Leasing arrangements –

Assets given on operating lease are Office Premises. The non-cancellable initial lease tenure is for five to nine years, which can be further extended at the mutual option of both the parties.

B) In respect of assets taken on operating lease:

The lease is for an initial non-cancellable period of ten years, which can be further extended at the mutual option of both parties. The lease rentals are included in Lease Rentals and Hire Charges in Schedule 12 to the Profit and Loss account. The future minimum lease payments under this lease arrangement are as under:-

S.No.	Payable in future	Amount (Rs. in lacs)	
		2009-2010	2008-2009
a)	Not later than one year	35.28	35.28
b)	Later than one year and not later than five years	141.12	141.12
c)	Later than five years	61.74	97.02

- a) The Company's 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" in Schedule 12 to the Profit and Loss Account.

30. Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956, is enclosed vide Annexure.

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

D. K. JAIN
Chairman

SHAIENDRA SWARUP
Director

S. S. AGRAWAL
Partner

DEEPAK ASHER
Director

B. V. DESAI
Company Secretary

S. P. JAIN
Director

Place : Pune
Dated : 22nd May 2010

Place : Noida
Dated : 22nd May 2010

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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No

L	2	4	1	1	0	G	J	1	9	7	P	L	C	0	0	9	3	6	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

0	4
---	---

Balance Sheet Date

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

 Date Month Year

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

Public Issue

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

 Right Issue

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

Bonus Issue

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

 Private Placement

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

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

Total Liabilities

	2	5	3	9	5	2	1	3
--	---	---	---	---	---	---	---	---

 Total Assets

	2	5	3	9	5	2	1	3
--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

 Reserves & Surplus

	1	5	1	7	3	2	6	0
--	---	---	---	---	---	---	---	---

Secured Loans

		2	8	0	5	8	2	9
--	--	---	---	---	---	---	---	---

 Unsecured Loans

		2	5	7	2	9	1	5
--	--	---	---	---	---	---	---	---

Deferred tax Liability

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

Application of Funds

Net Fixed Assets

	1	1	9	8	5	3	1	3
--	---	---	---	---	---	---	---	---

 Investments

		7	4	8	6	7	0	4
--	--	---	---	---	---	---	---	---

Net Current Assets

		2	1	6	7	1	9	7
--	--	---	---	---	---	---	---	---

 Misc. Expenditure

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

Accumulated Losses

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

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

	1	0	5	6	9	8	2	8
--	---	---	---	---	---	---	---	---

 Total Expenditure

		6	5	4	9	2	5	4
--	--	---	---	---	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

		4	0	2	0	5	7	4
--	--	---	---	---	---	---	---	---

 + / (-) Profit/(Loss) After Tax

		3	3	4	1	5	3	5
--	--	---	---	---	---	---	---	---

Earning per share (Rs.)

			3	0	.	4	2
--	--	--	---	---	---	---	---

 Dividend Rate @ %

						3	5	0
--	--	--	--	--	--	---	---	---

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

			2	9	0	3	1	0
--	--	--	---	---	---	---	---	---

Product Description

C	H	L	O	R	O	F	L	U	O	R	O	C	A	R	B	O	N	S
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Item Code No. (ITC Code)

			N	O	T		A	P	P	L	I	C	A	B	L	E
--	--	--	---	---	---	--	---	---	---	---	---	---	---	---	---	---

Product Description

C	A	R	B	O	N	C	R	E	D	I	T	R	E	V	E	N	U	E
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Item Code No. (ITC Code)

			3	9	0	4	0	0
--	--	--	---	---	---	---	---	---

Product Description

P	O	L	Y	T	E	T	R	A	F	L	U	O	R	O	E	T	H	Y	L	E	N	E
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

BOARD OF DIRECTORS

Mr. Pavan Jain	Non Executive Director
Mr. Vivek Jain	Non Executive Director
Mr. Deepak Asher	Non Executive Director
Mr. Siddharth Jain	Non Executive Director
Mr. Vimal Mittal	Independent Director
Mr. Haigreve Khaitan	Independent Director
Mr. Sanjeev Jain	Independent Director

CHIEF EXECUTIVE OFFICER & MANAGER

Mr. Alok Tandon

COMPANY SECRETARY & VICE PRESIDENT - LEGAL

Mr. Rajesh D. Parte

AUDITORS

M/s. Patankar & Associates
Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

5th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (E), Mumbai - 400 093

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DIRECTORS' REPORT

Your Directors take pleasure in presenting to you the Eleventh Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Income		
Sales and other Income	25611.31	22788.03
Profit before Interest, Depreciation and Tax (PBIDT)	3883.86	4087.96
Less: Depreciation	1542.45	1650.25
Profit before Interest and Tax (PBIT)	2341.41	2437.71
Less: Interest	529.97	447.87
Profit before Tax (PBT)	1811.44	1989.84
Less: Provision for Taxation	(794.32)	(444.24)
For the year	363.69	599.24
Earlier Years	(1158.01)	(1043.48)
Profit after Tax (PAT)	2605.76	2434.08
Add: Profit brought forward from previous year	3577.83	1143.75
Balance carried to Balance Sheet	6183.59	3577.83

During the year under review, the Company achieved Sales and other Income of Rs. 25611.31 lacs, showing a growth of 12.39% compared to the previous year. The PBIDT decreased by 5.00% to Rs. 3883.86 lacs. The profit before tax was lower by 8.96 % to Rs. 1811.44 Lacs. The profit after tax increased by 7.05% % to Rs. 2605.76 Lacs compared to Rs. 2434.08 Lacs in 2008-09.

As on 31st March 2009, Company had 26 Multiplex Cinema Theatres with 91 screens and seating capacity of 26,835 Seats. During the year ended 31st March 2010, 6 Multiplex Cinema Theatres with 28 screens and seating capacity of 6,821 was added taking the tally of Multiplex Cinema Theatres to 32 with 119 screens and 33,656 seats.

2. DIVIDEND:

With a view to conserve the resources for ongoing and future projects being implemented by the Company, your Directors do not recommend any Dividend for the financial year ended 31st March 2010.

3. REAPPOINTMENT OF MANAGER:

It is proposed to re-appoint Mr. Alok Tandon - Chief Executive Officer, as a Manager of the Company pursuant to the provisions of Section 269 of the Companies Act 1956, for a further period of one year from 1st October 2010 to 30th September, 2011, subject to approval of the Shareholders at the ensuing Annual General Meeting.

4. INVESTMENT IN SHARES OF FAME INDIA LIMITED:

With a view to consolidate its position in the multiplex industry, the Company has, during the year, acquired 1,75,65,288 Equity Shares of Fame India Limited ("Fame") consisting of 50.48% of the share capital of Fame. As required under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, the Company has filed Draft Letter of Offer with SEBI for acquiring further 82,31,759 Equity Shares of Fame by way of Open Offer to the Shareholders of Fame. Based on legal advice received by the Company, Fame shall become a subsidiary of the Company on completion of the Open Offer formalities.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- b. 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.
- c. 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.
- d. The Directors have prepared the Annual Accounts on a going concern basis.

6. DIRECTORS:

Mr. Siddharth Jain and Mr. Haigreva Khaitan, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Pursuant to the Provisions of Section 260 of the Companies Act, 1956 and Article 141 of the Articles of Association of the Company, Mr. Sanjeev Jain was appointed as an Additional Director of the Company with effect from 21st May, 2010. He shall hold office upto the date of ensuing Annual General Meeting. The Company has received a Notice in writing from a member proposing the candidature of Mr. Sanjeev Jain for the office of Director liable to retire by rotation.

In accordance with stipulation under Clause 49 of the Listing Agreement, brief resume of Mr. Siddharth Jain, Mr. Haigreva Khaitan and Mr. Sanjeev Jain together with nature of their expertise in specific functional areas and names of the Companies in which they hold office of a Director are given in the Notice convening the Annual General Meeting.

7. AUDITORS' REPORT:

There are no reservations, qualifications or adverse remarks in the Auditor's Report. The notes forming part of the accounts are self explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

8. AUDITORS:

The Audit Committee of the Board of Directors of the Company has recommended the re-appointment of M/s Patankar & Associates, who retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of the Companies Act, 1956.

9. PERSONNEL:

We continue to have cordial and harmonious relationship with our employees.

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

10. EMPLOYEE STOCK OPTION SCHEME:

During the year under review 33,332 options were granted to Employees of Company. 27,770 Equity Shares of Rs. 10 each were allotted to the employees of the Company pursuant to the options vested in them as per the Employee Stock Option Scheme. The disclosures as required under the Guidelines issued by Securities Exchange Board of India on Employee Stock Option Scheme / Employee Stock Purchase Scheme are given in Annexure – A"

DIRECTORS' REPORT

11. CORPORATE GOVERNANCE:

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Auditors' Report thereon are included as a part of the Annual Report.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTFLOW:

Your Company has taken the following energy conservation measures:

- Power factor is being maintained with the use of capacitor banks and Auto power factor correction meter. These banks are used to neutralize the inductive current by providing capacitive current. As a result, a power factor improves and the Company gets rebate as may be applicable on energy bills from Electricity Distribution Companies. The overall current consumption from the equipment also reduces which leads to increase life cycle of the equipments like Motors and heaters.
- Timers are being used to optimize the operational hours of lighting and other load within the premises. We have started energy conservation meeting for all the units so as to create awareness about the energy conservation. The units like Vijayawada, Lucknow, Hyderabad, Thane, Malleshwaram (Bangalore), Rajarhat, Central Mall (Indore) have provided Timers for common area lightings and Signage. Digital Timers are also used for the AHU which can precisely control the operation hours of AHU according to the schedule of Movies.
- Successfully installed Variable Frequency Drive (VFD) for Audi AHU motors at Nagpur2, Burdwan, Faridabad, Baroda, Jayanagar, Jaipur Vaibhav, Jaipur Space & Bangalore Multiplex which helps us to control the speed of Aircon motor as per the temperature and the occupancy. It helps to optimize energy consumption for Air conditioning system.
- The operation timing of HVAC system and temperature is controlled with the help of Building Management System software (BMS) at some of the units of the Company.
- All operational units have implemented Planned Preventive Maintenance (PPM) program where the schedule for all the engineering and projection equipments are chalked out in advance with the PPM chart. A benefit of the PPM program is to improve the efficiency of the machines and minimizing breakdowns. As a part of PPM program the air conditioning system was overhauled and chemical dosing was used to recover the loss of ageing and reduced capacity. As a result, the electrical current required for getting the desired result has reduced.
- All the new fittings are with CFL or energy a saver, which uses less electrical power as compared to incandescent lamps. Replaced 50 watt Halogen lamps with 3 watt/ 9watt Led lamps in Milan, Bangalore I, Chennai, Jaipur CP, Nagpur and Nariman Point property
- Introduced movement sensor in toilets and back office area. This sensor functions upon the physical movement which helps to reduce electrical energy.
- Auto Voltage Regulator (AVR) is installed at Pune which is maintaining constant Voltage in the said unit irrespective of any voltage fluctuation from electricity board. In effect the rate of failure of bulbs, tubes and other components has been reduced considerable.
- Emphasizing on CFL and LED lamps in existing units and upcoming project.
- Installed digital projectors at Bharuch, Vijayawada, Jaipur Crystal palm, Milan. This consumes 20% less amount of energy compared with conventional projection system.
- Nariman point property converted into 100% digitalized format which will save approx 20% energy cost.
- LED based outdoor signage has been installed at Multiplex Cinema Theatre situated at Santacruz (Mumbai), Chennai, Vizag Beach road, Rajarhat (West Bengal) & Malleshwaram (Bangalore).

DIRECTORS' REPORT

- Electric MD reduced from 900KVA to 750 KVA at Baroda, from 500KVA to 250KVA at Raipur from 250KVA to 200 KVA at Bharuch.
- Multiplex Cinema Theatre situated at Nariman Point, Pune, Hyderabad and upcoming properties are equipped with Digital Projection Technologies which has resulted into electricity saving.

Your Company continues to use the latest technology for giving high quality viewing experience to the patrons.

The foreign exchange earning and outflow is as follows:

(Rs. in Lacs)

		Current Year	Previous Year
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outflow		
	CIF value of Capital Goods imported	250.42	60.10
	Travelling	10.81	Nil
	Total	261.23	60.10

13. SUBSIDIARY:

The Company does not have any Subsidiary. As mentioned in paragraph 4 above, based on the legal advice received by the Company, Fame India Limited shall become a subsidiary of the Company on completion of the Open Offer formalities.

14. ACKNOWLEDGEMENT:

Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the employees at all levels, enabling the Company to achieve a satisfactory performance during the year under review.

Your Directors express their gratitude for the valuable co-operation and continued support extended by the Company's bankers, business associates and investors.

On behalf of the Board of Directors

Place: Mumbai
Date: 21st May 2010

Pavan Jain
Director

Vivek Jain
Director

DIRECTORS' REPORT

Annexure "A"

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999
(Format as given in SEBI manual, point no. 12 of above guideline, page II.1061)

A	Options granted	33,332						
B	The price formula / Exercise Price	15						
C	Options vested	28,890						
D	Options exercised	27.770						
E	The total number of shares arising as a result of exercise of option	27.770						
F	Options lapsed	4,510						
G	Variation of terms of options	NOT APPLICABLE						
H	Money realized by exercise of option	NIL						
I	Total number of options in force	91,112						
J	Employee-wise details of options granted to i. senior managerial personal ii. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year iii. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	<div>33332</div> <div>Details of employees with 5% or more options</div> <table><tr><td>Name</td><td>No</td></tr><tr><td>Mr. Harshavardhan Gangurde</td><td>20000</td></tr><tr><td>Captain Virendra Marya</td><td>13332</td></tr></table> <div>Nil</div>	Name	No	Mr. Harshavardhan Gangurde	20000	Captain Virendra Marya	13332
Name	No							
Mr. Harshavardhan Gangurde	20000							
Captain Virendra Marya	13332							
k	Diluted Earnings Per Share (EPS) (as on 31st March, 2010) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 'Earnings per Share'	4.24						
L	If employee compensation cost calculated using intrinsic value of the stock options, difference between ECC so computed and ECC shall have been recognized if it had used the fair value of the options. Impact of this difference on profits and on EPS of the company	<div>Difference in ECC: The ECC would have been higher by Rs. 0.54 Lacs.</div> <div>Impact of the difference on the Profit: Profit After Tax would have been lower by Rs. 0.54 Lacs.</div> <div>Impact on EPS: EPS would have been lower by less than Rs. 0.01 each.</div>						

M	For options whose exercise price either equals or exceeds or is less than the market price of the stock, disclose weighted-average exercise prices and weighted-average fair values of options separately		Weighted Average Exercise Price	Weighted Average Fair Value
		Exercise price equals market price	Nil	Nil
		Exercise price exceeds market price	Nil	Nil
		Exercise price is less than the market price	Rs. 15	For options granted on 29th January 2007 – Rs. 153.01 For options granted on 27th October 2009 – Rs. 43.91
n	Method and significant assumptions used during the year to estimate fair values of options, including following weighted-average info-			
	i. risk-free interest rate	5.64% to 7.36%		
	ii. expected life	1.5 to 4.5 years		
	iii. expected volatility	64.24% to 69.80%		
	iv. expected dividends, and	0.71%		
	v. the price of the underlying share in market at the time of option grant	Rs. 56.25		

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Indian Film Industry is one of the largest in the world. There were 242 Hindi films (nearly 140 mainstream Hindi movies) released in 2009 as against 229 released in the previous year. The Indian Media and Entertainment (M&E) industry being one of the sunshine sectors, is the most prolific and rapidly expanding industry which saw a phenomenal growth from 2008 to 2009, with a growth rate of 12.4%. With a projected Compound Average Growth Rate (CAGR) of 13% over the next five years, as per FICCI-KPMG Report 2010, the industry is expected to reach a whopping size of INR 1091 billion by 2014. The filmed entertainment sector particularly is on a roll as the Indian audiences are known for their passion for cinema. The report suggests that the dream run will continue to grow at a CAGR of 9% to reach the size of 137 billion by 2014.

But in the face of the challenging economic slowdown last year, the Indian Media and Entertainment (M&E) industry too hit a roadblock with the flagging morale of the audience and a considerably lackluster movie-lineup. Adding to the woes was the socio-political turmoil with the ominous shadow of terrorism looming large over the nation, the producer-distributor impasse and events like the IPL. However the industry has successfully managed to tide over the storm and is now showing signs of stabilising its growth.

With a robust pipeline of big-budget, star-studded films, multiplex chains charting out an aggressive expansion roadmap, increasing digitalization of screens enabling wider film print releases, surge in overseas box-office collections, increasing popularity of home video segment are some of the major drivers of growth, riding on which, the industry is expected to be back on its expansion path.

Opportunities, Threats, Risks and Concerns:

Multiplexes have been successful in bringing the audience back to cinema theatres, and are the preferred out-of-home choice of entertainment for the Indian consumer. Multiplexes have ensured that the exhibition industry is today a very valuable part of a film's value chain. A producer may make his profits by selling the satellite, music, distribution, DVD and ringtone rights, but even with these revenue streams, nothing boosts confidence as a box office hit does. Also the Box office contributes to as much as 74% of a film's business and almost 50% of that comes from multiplexes.

Emerging technologies like digital cinema and 3D have provided exhibitors with the opportunity to garner additional revenues through alternate content offerings like screening of live cricket matches. The 3D experience is still a novelty for Indian audiences and the success of Avatar has paved the way for 3D cinema in India. With the release of Avatar, there is a spurt in installing 3D screens in India not only in cities like Mumbai, Delhi, Pune, Bangalore, Kolkata, Chennai and Hyderabad but also in smaller centres like Coimbatore, Amritsar, Kerala, Jaipur and Ahmedabad. The 3D version of Avatar garnered 80% of its gross box office collection as compared to its 2D version.

Increased multiplex penetration in regional markets is also expected to bolster the regional film industry which has a tremendous growth potential.

Multiplexes are also playing a crucial role in the increasing interest of the corporate sector in the business of cinema. With their target audience matching the urban and upwardly mobile audience profile of multiplexes, corporates, in order to grab mindshare and generate maximum brand visibility are investing in meaningful and niche films. This has opened up a whole new vista of growth with producers experimenting on creative and offbeat projects rather than following the beaten track.

Over the last year and half, slow down in the real estate sector has led to the expansion plans put temporarily on the backburner. However, the long term multiplex story is still robust and the number of screens in India shall continue to grow.

The shelf life of movies in theatres has seen a steady decline. The growing popularity of alternate distribution platforms like DTH, satellite television and the launch of 3G enabled mobile handsets are a potential threat to theatrical exhibition.

The total annual theatrical admissions in Indian cinemas are around 3 billion, as compared to 1.5 billion tickets sold annually in the US. Despite these staggering numbers, Indian cinema trails its Hollywood counterpart in overall revenues. Lower admission prices, high entertainment taxes and the relative lack of multiplex penetration are the key factors that explain this gap.

Piracy continues to be a major concern for the film industry. Technological advancements such as digitalization of film content and delivery should help arrest piracy to a great extent.

MANAGEMENT DISCUSSION AND ANALYSIS

Controlled ticket rates in some of the states and high entertainment taxes make it difficult to keep pace with increasing rentals. Allowing markets to determine the ticket rates would provide more flexibility to the exhibitors.

Segment wise analysis

Multiplexes / Film Exhibition

Total revenue from theatrical exhibition segment during the financial year ended 31st March 2010 amounted to Rs. 25,360.08 Lacs. The profit from this Segment was Rs. 2057.45 Lacs for the financial year ended 31st March 2010. The increase in total revenue from this segment is attributed to commencement of operations of new properties across the country. As on date, the Company has 34 multiplexes, 129 screens in 23 cities across India. 3D screens have been installed in a number of properties including Mumbai, Bangalore, Pune, Kolkata and Hyderabad which has also contributed to the increase in total revenue.

Film Distribution

Total revenue from film distribution during the financial year ended 31st March 2010 amounted to Rs. 19.21 Lacs. However, the Company suffered a loss to the tune of Rs. 22.37 Lacs for the financial year ended 31st March 2010.

Film Production

Total revenue from Film production was Rs.400 Lacs during the financial year ended 31st March 2010. The profit from this segment was Rs.28.65 Lacs for the financial year ended 31st March 2010.

Power

The Company has set up wind mills in the State of Gujarat primarily for the purpose of generating electricity for its captive consumption. The total revenue and profit from this segment was Rs. 140.53 Lacs and Rs. 82.88 Lacs respectively, for the financial year ended 31st March 2010.

Internal control systems and their adequacy

The Company has an adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conducts and corporate policies are duly complied with.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by Management.

Discussion of financial performance with respect to operational performance

The Company's financial performance is discussed under the head "Financial Results" in Directors' Report to the Members.

Material Developments in Human Resources:

A. Recruitment & Selection

We develop and maintain our talent pool by recruiting from diverse service sectors like hotels, entertainment, retail, aviation, media and management schools. Our professional and successful management team is drawn from the above backgrounds.

The Current employee strength is around 2500.

B. Training & Development

Our employees continue to be our most valuable assets. We thrive upon the quality of our highly "Systems and Service" oriented work culture to achieve and maintain consistently high service standards. Our constructive and progressive management style enables us to attract and retain the best talent in the industry. Thus, we continuously maintain a strategic competitive advantage for sustaining long term business objectives.

C. Industrial Relations

With our fair management practices across the board we ensure a congenial work environment and a good quality of work life.

1. A brief statement on the Company's philosophy on Code of Governance:

Corporate Governance is the system by which Companies are directed and controlled by the management in the best interest of the Shareholders and others; ensuring greater transparency and better and timely financial reporting. Corporate Governance therefore generates long term economic value for its Shareholders.

Your Company believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, your Company has initiated significant measures for compliance with Corporate Governance.

2. Board of Directors:

The Board of your Company comprises of six Directors and all of them are Non-Executive Directors having considerable experience in their respective fields. There is no Chairman of the Company. The composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meets the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Your Company held Six Board Meetings during the year on, 21st May, 2009, 31st July, 2009, 27th October, 2009, 22nd January, 2010, 3rd February 2010 and 5th February 2010.

The details of the Board of Directors, their positions, attendance record, other Directorships (excluding private limited and foreign companies and alternate Directorships) and the membership of other Board Committees as on 31st March, 2010 are as under:-

Name of Director	Position	No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other companies*	Member (Chairman) of other Board Committees**
Mr. Pavan Jain	Non-Executive Director	5	No	6	3(2)
Mr. Vivek Jain	Non-Executive Director	6	No	5	4
Mr. Deepak Asher	Non-Executive Director	6	Yes	5	1
Mr. Siddharth Jain	Non-Executive Director	6	No	5	1
Mr. Vimal Mittal	Non-Executive Independent Director	6			
	No	5	4(3)		
Mr. Haigreve Khaitan	Non-Executive Independent Director	5	No	15	9
Mr. Sanjeev Jain #	Non-Executive Independent Director	-	-	2	NIL

* Excluding private limited companies and company in which Director is alternate Director

** Other Committee means Audit Committee and Shareholder's Grievance Committee.

Mr. Sanjeev Jain has been appointed as an Additional Director of the Company at the Meeting of the Board of Directors' held on 21st May 2010.

3. The Company has three Board-level Committees, namely

- Audit Committee
- Share Transfer & Investor's Grievance Committee
- Compensation Committee

CORPORATE GOVERNANCE REPORT

a. Audit Committee:

The Audit Committee comprises of Four Non-Executive Directors with Mr. Sanjeev Jain as the Chairman of the Committee w.e.f. 21st May 2010. Mr. Vimal Mittal has ceased to be the Chairman of the Committee w.e.f. 21st May 2010.

Composition of the Committee together with the meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Vimal Mittal *	Member	4	4
Mr. Deepak Asher	Member	4	4
Mr. Haigreve Khaitan	Member	4	4
Mr. Sanjeev Jain**	Chairman	4	-

* Ceases to be a Chairman of the Committee w.e.f. 21st May 2010.

** Appointed as a Member and designated as a Chairman w.e.f. 21st May 2010.

During the year under review, Four Meetings of the Committee were held on 21st May, 2009, 31st July, 2009, 27th October, 2009, 22nd January, 2010.

The Company Secretary acts as the Secretary to the Committee. The terms of reference for the Audit Committee are in accordance with Clause 49 of the Listing Agreement.

Mr. Vimal Mittal, Chairman of the Audit Committee, was unable to attend the Annual General Meeting held on 29th June 2009 due to unavoidable circumstances.

b. Share Transfer & Investors' Grievance Committee:

Your Company has formed a Share Transfer & Investors' Grievance Committee under the Chairmanship of Mr. Pavan Jain, a non-executive Director of your Company. The Committee specifically looks into the redressal of Shareholders' and investors' complaints such as transfer of shares, non receipt of shares, non receipt of IPO refund orders, non receipt of dividend, etc. and to ensure their expeditious disposal. The Committee approves and monitors transfers, transmissions, dematerialization, re-materialization, issue of duplicate shares, splitting, consolidation of shares, etc.

Composition of the Committee together with the meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings attended
Mr. Pavan Jain	Chairman	3	3
Mr. Vivek Jain	Member	3	0
Mr. Deepak Asher	Member	3	3

Mr. Rajesh D. Parte, Company Secretary and Vice President - Legal acts as a Compliance Officer.

During the year ended 31st March 2010, your Company received 18 complaints from investors. All the complaints were resolved / replied. The complaints were mainly in respect of non receipt of Electronic Credits / Non receipt of Dividend /non receipt of Annual Report.

As on 31st March 2010, a total of 2250 equity shares remained in the in-transit account with National Securities Depository Limited / Central Depository Services Limited.

c. Compensation Committee:

Your Company has formed a Compensation Committee which consists of majority of independent Directors.

The Terms of Reference of Compensation Committee inter alia includes:

Implementation, administration and superintendence of the ESOP Scheme and formulate the detailed Terms & Conditions of the ESOP Scheme.

To frame suitable policies and system to ensure that there is no violation of SEBI (Insider Trading) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 by any employee.

Composition of the Compensation Committee together with the meeting held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Vimal Mittal*	Non-executive, Independent, Member	3	3
Mr. Deepak Asher	Non-executive, Member	3	3
Mr. Haigreave Khaitan	Non-executive, Independent, Member	3	3
Mr. Sanjeev Jain**	Non-executive, Independent, Chairman	3	-

* Ceases to be a Chairman of the Committee w.e.f. 21st May 2010.

** Appointed as a Member and designated as a Chairman w.e.f. 21st May 2010.

4. Remuneration to Directors:

All the Directors of your Company are non-executive directors and are not entitled to any remuneration except sitting fees @ Rs.5,000 per meeting for attending the Board Meetings, Audit Committee Meetings, Share Transfer & Investors Grievance Committee Meetings and Compensation Committee Meetings. The details of sitting fees paid to the Non-Executive Directors for the year 2009-10 are given below:

Name of Director	Board Meeting Sitting Fees	Audit Committee Meeting Sitting Fees	Share Transfer Committee Meeting Sitting Fees	Compensation Committee Meeting Sitting Fees	Total
Mr. Pavan Jain	25000		15000		40000
Mr. Vivek Jain	30000				30000
Mr. Deepak Asher	30000	20000	15000	15000	80000
Mr. Vimal Mittal	30000	20000		15000	65000
Mr. Siddharth Jain	30000				30000
Mr. Haigreave Khaitan	25000	20000		15000	60000

5 General Body Meetings:

The particulars of the last three Annual General Meetings (AGM) of your Company are given hereunder:

Year	Date and Time	Venue	Special Resolution Passed
2006-07	8th AGM on 28th September, 2007 at 3.00 p.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	Alteration of the Object Clause of Memorandum of Association of the Company.

CORPORATE GOVERNANCE REPORT

2007-08	9th AGM on 19th September, 2008 at 3.00 p.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	Nil
2008-09	10th AGM on 29th June, 2009 at 11.00 a.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	

During the year ended 31st March, 2010, no ordinary or special resolution was passed by your Company's Shareholders through postal ballot.

6. Other Disclosures:

a) Details of non-compliance:

During the last three years, there were no instances of non-compliance, penalties, strictures imposed on your Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

b) Materially significant related party transactions:

There are no pecuniary related party transactions that may have potential conflict with the interest of your Company at large. All related party transactions are disclosed in the financial statements.

c) Disclosure about Directors being appointed / re-appointed:

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

d) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in a separate section of this Annual Report and forms a part of this Report.

e) CEO/CFO Certification:

Your Company has obtained a certificate from Manager & Chief Executive Officer and Vice President - Finance in respect of matters stated in Clause 49 (V) of the Listing Agreement.

7. Means of communication:

The quarterly / annual financial results of your Company during / for the year ended 31st March 2010 were sent to the Stock Exchanges immediately after they were taken on record by the Board and published in well-circulated Gujarati and English dailies as well. The said results were also posted on your Company's website viz.: www.inoxmovies.com.

8. General Shareholder information:

AGM:

Date: 9th July, 2010

Time: 11.00 a.m.

Venue: Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara

Financial year: 31st March, 2010

Book Closure Dates: 2nd July 2010 to 9th July 2010 (both days inclusive)

Listing on Stock Exchanges:

I. National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/I, G Block,
 Bandra Kurla Complex, Bandra (East), Mumbai – 400051

2. Bombay Stock Exchange Limited
 Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

Stock Code

National Stock Exchange of India Limited

INOXLEISUR

Bombay Stock Exchange Limited

INOXLEISUR / 532706

Market Price Data: High, Low during each month in last financial year

Month	NSE Low	NSE Low	BSE Low	BSE Low
April' 09	41.75	26.05	41.80	26.30
May' 09	64.60	32.00	64.70	32.00
June' 09	72.00	42.40	71.90	42.30
July' 09	50.90	37.25	52.90	37.40
August 09	61.00	48.00	60.95	48.00
September' 09	67.85	50.70	67.80	50.50
October' 09	65.10	50.15	65.35	50.10
November' 09	62.00	50.10	62.30	49.60
December' 09	68.90	55.10	68.80	56.00
January' 10	88.45	66.70	88.40	65.05
February' 10	92.40	65.30	91.95	65.55
March' 10	75.80	61.30	75.70	55.00

As on 1st April, 2009 the opening BSE Sensex was 9,745.77 and as on 31st March, 2010 the closing BSE Sensex was 17,527.77 (79.85%). On 1st April, 2009, the Opening price of the Company's Share on BSE was Rs. 27.85 and as on 31st March, 2010 closing price on BSE was Rs. 62.8 (+ 125.49%)

Registrar and Transfer Agents:

For lodgment of transfer deeds and other documents or any grievances / complaints, investors may contact your Company's Registrar and Transfer Agent at the following address:

Karvy Computershare Private Limited

Plot No. 17 -24, Vittal Rao Nagar, Madhopur, Hyderabad – 500 081

Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31st March, 2010 is as follows:					
Shareholding of nominal value	No. of Shareholders	% to total	No. of Shares	Amount in Rupees	% to total
1 - 5000	41090	93.34	4079811	40798110	6.59
5001 - 10000	1534	3.48	1274939	12749390	2.06
10001 - 20000	705	1.60	1095576	10955760	1.77
20001 - 30000	219	0.50	554725	5547250	0.90
30001 - 40000	110	0.25	396602	3966020	0.64
40001 - 50000	88	0.20	417080	4170800	0.67
50001 - 100000	136	0.31	1022737	10227370	1.65
100001 & Above	140	0.32	53054078	530540780	85.72
TOTAL	44022	100.00	61895548	618955480	100.00

CORPORATE GOVERNANCE REPORT

Particulars of shares held by Non-Executive Directors

Name of the Director	No. of shares as on 31st March 2010
Mr. Pavan Kumar Jain	* 16,51,560
Mr. Vivek Kumar Jain	** 12,50,100
Mr. Deepak Asher	*** 25,100

* Out of these shares 4,01,460 equity shares are held as Trustee of “Inox Leisure Limited – Employees Welfare Trust”, 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited and 6,00,000 shares are held jointly with Mr. Siddharth Jain.

** Out of these 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited and 6,00,000 shares are held jointly with Mr. Devansh Jain.

*** Out of these 100 equity shares are held as nominee of Gujarat Fluorochemicals Limited.

Shareholding Pattern as on 31-March-10

Category	No. of Shares Held	Percentage of Shareholding
Promoter's holding		
- Indian Promoters	41329512	66.77%
Sub-Total	41329512	66.77%
Non-Promoters Holding		
Institutional Investors		
- Banks, Financial Institutions	20658	0.03%
- FIs	864170	1.40%
Sub-Total	884828	1.43%
Others		
Bodies Corporate	7306378	11.80%
Indian Public	11287194	18.24%
NRIs / OCBs	401054	0.65%
Any other		
- Trusts	406223	0.66%
- Clearing Members	280359	0.45%
Sub-Total	19681208	31.80%
Grand Total	61895548	100.00%

Dematerialization of shares and liquidity:

Your Company's equity shares are traded compulsorily in dematerialized form. Approximately 34.21% of the equity shares of your Company are in dematerialized form. ISIN number for dematerialization of the equity shares of your Company is INE312H01016.

Outstanding GDRs/ADRs/Warrants:

Your Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

Property Locations:

The Multiplex Cinema Theatres of your Company are situated at the following places:

Sr. No.	City	Location
1	Pune	Plot No. D, Bund Garden Road, Near Hotel Central Park, Pune.
2	Vadodara	Race Course, Gopal Baug, Ellora Park, Vadodara.
3	Kolkata	Forum, 10 / 3, Elgin Road, Kolkata.
4	Kolkata	City Centre, DC Block I, Sector I, Kolkata.
5	Goa	Old GMC Heritage Precinct, D. B. Road, Campal, Panaji, Goa.
6	Mumbai	CR2, 2nd Floor, Opp. Bajaj Bhavan, Nariman Point, Mumbai.
7	Bangalore	4th Floor, Garuda Mall, Magrath Road, Bangalore.
8	Jaipur	Amrapali Circle, Vaishali Nagar, Jaipur.
9	Indore	Sapna Sangeeta Mall, Sapna Sangeeta Road, Sneha Nagar, Indore.
10	Darjeeling	Rink Mall, 19, Laden La Road, Darjeeling. (West Bengal)
11	Kota	Plot No. Sp I I, Indra Vihar, Kota
12	Nagpur	Poonam Mall, Vardhaman nagar, Nagpur
13	Chennai	3rd floor, Chennai City center, 10/11, R.K. Salai, Near Kalyani Hospital, Mylapore, Chennai
14	Jaipur	City Plaza, ,Nirman Marg, Jhotwara Road, Bani Park, Jaipur Rajashtan
15	Bharuch	Shree Rang Palace, Zadeshwar Road, Bharuch, Gujarat
16	Durgapur	Dream Plex, BSIDL Building, Durgapur
17	Jaipur	4th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur
18	Lucknow	4th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow
19	Raipur	3rd Floor, City Mall 36, G. E. Road, NH-6, Raipur
20	Mumbai	2nd Floor, Milan Mall, Near Milan Subway, Santacruz (W), Mumbai
21	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata
22	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada
23	Faridabad	3rd Floor, Crown Interiorz Mall,Sec-35, Delhi Mathura Road, Faridabad
24	Nagpur Tuli Mall	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur
25	Bangalore	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore
26	Burdwan	4th Floor, Burdhwana Arcade, 60, B.B Ghosh Road, Burdwan
27	Hyderabad	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad – 500 034
28	Siliguri	5th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri 734401
29	Rajarhath	3rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata – 700 157
30	Indore 2	4th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore 452 001
31	Thane	3rd Floor, Korum Mall, Mangal Pandey Road, Near Cadbury Compound, Eastern Express Highway, Thane (West) – 400 606
32	Vizag I	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam
33	Vizag 2*	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam
34	Bangalore*	3rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram,

(*) Commenced operations after 31st March 2010

Address for correspondence:

Registered Office:

ABS Towers, Old Padra Road, Vadodara – 390 007

CORPORATE GOVERNANCE REPORT

Corporate Office:

5th floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (E). Mumbai - 400 093
Phone No.: 4062 6900 Fax No.: 40626999 Email Address: investors@inox.co.in

Listing Fees:

Your Company has paid the annual listing fees for the financial year 2010-11 to the NSE and BSE on which the securities are listed.

9. Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and senior management of your Company. The Code of Conduct is available on the website of your Company. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct.

Declaration by the CEO:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and senior management have affirmed compliance with the Code of Conduct for the year ended 31.3.2010

Place: Mumbai
Date: 21st May 2010

Alok Tandon
Chief Executive Officer

Auditors' Certificate on Corporate Governance

To the Members of Inox Leisure Limited

We have examined the compliance of the conditions of Corporate Governance by Inox Leisure Limited for the year ended on 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

Compliance with the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, as per the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects except that the Chairman of the audit committee had not attended the Annual General Meeting of the Company for the reasons mentioned in paragraph 3(a) of the Corporate Governance Report.

We state that in respect of investor grievances received during the year ended 31st March 2010, no investor grievances are pending against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Patankar & Associates
Chartered Accountants,

Place: Pune
Dated: 21st May 2010

Sanjay Agrawal
Partner
Mem. No. 49051
Firm Reg. No. 107628W

AUDITORS' REPORT

TO THE MEMBERS OF INOX LEISURE LIMITED

1. We have audited the attached Balance Sheet of Inox Leisure Limited, as at 31st March, 2010 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.
2. 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.
3. 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 paragraph 4 and 5 of the said Order.
4. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit Loss Account and Cash Flow Statement 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 written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates
Chartered Accountants

(S S Agrawal)
Partner

Mem. No. 49051
Firm Reg No. 107628W

Place : Pune

Dated: 21st May, 2010

AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF INOX LEISURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

In term of the Companies (Auditors Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

Fixed assets disposed of during the year were not substantial and therefore do not affect the going concern assumption.

2. Inventories were physically verified by the management at reasonable intervals during the year.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has taken loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 13700 lacs and the year end balance of the loans taken is Rs. 12700 lacs. In our opinion, the rate of interest and other terms and conditions on which these loans were taken are not prima-facie prejudicial to the interest of the Company. The Company is regular in repayment of principle and payment of interest and there are no overdue amounts in respect of these loans.

The Company has not granted any loan, secured or unsecured, to the parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sales and services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.

5. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion, for purchase of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year, no comparison of prices could be made available as these legal services are of special nature. There were no transaction of purchase of goods and materials, and sale of goods, materials and services with parties covered in the register maintained under section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Cess, Entertainment

AUDITORS' REPORT

Tax and other material statutory dues applicable to it. No payments were due in respect of Investors Education and Protection Fund and Excise Duty.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service tax, Customs Duty, Excise Duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

Particulars of dues of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty or Cess, which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
Service-tax	Levy of service tax on certain income	48.56	Commissioner of Service-tax, Mumbai

10. The Company does not have accumulated losses and the Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has invested in shares and other securities in the course of its investment activity. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the Company in its own name, except as mentioned in the Schedule 7: Investments in the Balance Sheet.
15. The Company has not given any guarantee for the loans taken by others from banks or financial institution.
16. In our opinion, the term loans availed during the year by the Company were applied for the purpose for which they were raised other than amounts pending utilization of the funds intended to be used in the projects under implementation, temporarily kept in fixed deposit with banks.
17. On an overall examination of the balance sheet and the cash flow statement, in our opinion, the funds raised on short-term basis have not been used for long term investments.
18. During the year the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the Company was noticed or reported during the course of our audit.

For Patankar & Associates,
Chartered Accountants,

(S S Agrawal)
Partner

Mem. No. 49051

Firm Reg No. 107628W

Place : Pune

Dated : 21st May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
I SOURCES OF FUNDS			
I Shareholders' Funds			
(a) Capital	1	6,149.41	6,146.63
(b) Employee Stock Options Outstanding		78.02	103.41
(c) Reserves & Surplus	2	24,863.77	22,215.01
		31,091.20	28,465.05
2 Loan Funds			
(a) Secured Loans	3	5,929.33	2,886.82
(b) Unsecured Loans	4	12,700.00	1,604.10
		18,629.33	4,490.92
3 Deferred Tax Liability (Net)		1,559.18	1,431.12
TOTAL		51,279.71	34,387.09
II APPLICATION OF FUNDS			
I Fixed Assets			
(a) Gross block		38,015.93	33,934.95
(b) Less: Depreciation & Amortization		6,666.62	5,832.48
(c) Net block	5	31,349.31	28,102.47
(d) Capital work-in-progress		1,489.30	1,978.54
(e) Advances on Capital Account		68.79	82.36
(f) Pre-operative expenditure pending allocation	6	629.55	1,049.84
		33,536.95	31,213.21
2 Investments	7	8,269.52	54.94
3 (i) Current Assets, Loans and Advances			
(a) Inventories	8	195.34	162.74
(b) Sundry Debtors	9	896.10	645.80
(c) Cash and Bank balances	10	5,755.19	232.12
(d) Interest Accrued		8.00	32.00
(e) Loans and advances	11	6,993.91	4,993.06
Sub-Total (i)		13,848.54	6,065.72
(ii) Less : Current Liabilities and Provisions			
(a) Current liabilities	12	4,100.91	2,656.61
(b) Provisions	13	274.39	290.17
Sub-Total (ii)		4,375.30	2,946.78
Net Current Assets (i - ii)		9,473.24	3,118.94
TOTAL		51,279.71	34,387.09
Notes forming part of accounts	18		

As per our report of even date attached
For Patankar and Associates
Chartered Accountants

S. S. Agrawal
Partner

Rajesh D. Parte
Company Secretary &
Vice President - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune
Dated : 21st May, 2010

Place : Mumbai
Dated : 21st May, 2010

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

	Schedule	For the year ended 31st March, 2010 Rs. in lacs	For the year ended 31st March, 2009 Rs. in lacs
INCOME			
Sales & Services	14	25,364.68	22,590.05
Other Income	15	246.63	197.98
Total		25,611.31	22,788.03
EXPENDITURE			
Entertainment tax		3,167.40	2,838.01
Film Distributors Share		6,654.73	5,308.42
Cost of Food and Beverages		1,368.93	1,209.60
Operating and other Expenses	16	10,536.39	9,344.04
Interest	17	529.97	447.87
Depreciation & Amortization	5	1,542.45	1,650.25
		23,799.87	20,798.19
Profit Before Tax		1,811.44	1,989.84
Provision for Taxation for the year			
Current tax		335.00	225.00
MAT Credit Entitlement		(292.00)	-
Deferred tax		320.69	334.24
Fringe Benefit tax		-	40.00
		363.69	599.24
Profit After Tax		1,447.75	1,390.60
Add/(Less) : Taxation in respect of earlier years			
Prior Period Taxation		(12.62)	20.86
MAT Credit Entitlement for earlier years - see note no.5(b)		978.00	-
Reversal of tax provision and deferred tax for earlier years - see note no.5(a) in Notes to Accounts		192.63	1,022.62
Profit for the year		2,605.76	2,434.08
Add: Balance brought forward		3,577.83	1,143.75
Balance carried to the Balance Sheet		6,183.59	3,577.83
Earnings Per Equity Share of Rs. 10 each			
Basic		4.24	3.96
Diluted		4.24	3.96
Notes forming part of Accounts	18		

As per our report of even date attached
For Patankar and Associates
 Chartered Accountants

S. S. Agrawal
 Partner

Rajesh D. Parte
 Company Secretary &
 Vice President - Legal

Pavan Jain
 Director

Deepak Asher
 Director

Place : Pune
 Dated : 21st May, 2010

Place : Mumbai
 Dated : 21st May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
A Cash flow from operating activities		
Net profit before tax and extraordinary items	1,811.44	1,989.84
<u>Adjustments for :</u>		
Depreciation / Amortization	1,542.45	1,650.24
Loss on assets sold/written off	7.73	75.82
Profit on Sale of Movie Rights	(28.65)	-
Amortization of Value of Stock Options	16.22	(25.75)
Interest received	(194.80)	(47.51)
Dividend received and Profit on sale of Investments	-	(103.85)
Interest paid	529.97	447.87
Operating profit before working capital changes	3,684.36	3,986.66
<u>Adjustments for :</u>		
Trade and other receivables	(963.19)	(1,350.43)
Inventories	(32.60)	(40.30)
Trade payables	1,997.07	384.16
Cash generated from operation	4,685.64	2,980.09
Direct taxes paid (net)	(388.07)	(515.47)
Net cash from/(used in) operating activities	4,297.57	2,464.62
B Cash flow from investing activities		
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(4,711.08)	(4,619.87)
Sale of fixed assets	1.10	0.95
Acquisition of Intangible Assets	(81.35)	(415.18)
Sale of Movie Right	400.00	-
Purchase of investments	(8,214.59)	(2.28)
Deposit in Escrow Account for Open Offer - see note no.3 in Notes to accounts	(4,221.54)	-
Sale/redemption of investments	-	3,302.12
Interest received	218.80	42.01
Dividend received	-	2.28
Net cash from/(used in) investment activities	(16,608.66)	(1,689.97)
C Cash flow from financing activities		
Shares issued under ESOP	4.16	4.26
Proceeds from / Repayment of Inter-corporate Deposit (net)	11,095.90	(756.70)
Proceeds from / Repayment of Term Loans (net)	3,042.52	946.13
Interest paid	(529.97)	(447.87)
Dividend paid (including tax on dividend)	-	(721.83)
Net cash (used in)/from financing activities	13,612.61	(976.01)
Net increase in cash and cash equivalent	1,301.52	(201.36)
Opening cash and cash equivalents	232.12	433.48
Closing cash and cash equivalents	1,533.65	232.12
Note : Components of cash and cash equivalents are as per Schedule 10 to the Balance Sheet (excluding amount in Escrow Account - refer note no. 3 in Notes to Accounts)		

As per our report of even date attached

For Patankar and Associates

Chartered Accountants

S. S. Agrawal
Partner

Rajesh D. Parte
Company Secretary &
Vice President - Legal

Pavan Jain
Director

Deepak Asher
Director

Place : Pune

Dated : 21st May, 2010

Place : Mumbai

Dated : 21st May, 2010

SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
Schedule 1 : Share Capital		
Authorised Capital		
75,000,000 Equity Shares of Rs. 10/- each	7,500.00	7,500.00
Issued and Subscribed Capital		
61,895,548 Equity Shares of Rs. 10/- each, fully paid-up	6,189.55	6,189.55
Out of above:		
a) 40,615,092 (previous year 39,600,000) shares are held by the Holding Company and 714,420 (previous year 511,633) shares are held by the Ultimate Holding Company.		
b) 1,895,548 Equity Share issued to shareholders of erstwhile Calcutta Cine Private Limited pursuant to the scheme of Amalgamation.		
Less: Amount recoverable from ESOP Trust - see note no. 2 in Notes to Accounts	40.14	42.92
Adjusted Issued and Subscribed Capital	<u>6,149.41</u>	<u>6,146.63</u>
Schedule 2 : Reserves & Surplus		
Share Premium Account		
Balance as per last Balance Sheet	13,005.70	13,058.01
On account of Employee Stock Options	(6.76)	(52.31)
	<u>12,998.94</u>	<u>13,005.70</u>
Less: Amount recoverable from ESOP Trust and Deferred Employee Compensation Account - see note no. 2 in Notes to Accounts	106.66	156.42
	<u>12,892.28</u>	<u>12,849.28</u>
Amalgamation Reserve		
Balance as per last Balance Sheet	387.90	387.90
General Reserve		
Balance as per last Balance Sheet	5,400.00	5,400.00
Profit and Loss Account		
Balance as per Annexed Account	6,183.59	3,577.83
Total	<u>24,863.77</u>	<u>22,215.01</u>
Schedule 3 : Secured Loans		
(for securities, see note no. 7 in Notes to Accounts)		
Term Loans from Banks	5,929.33	2,886.82
(Repayable within one year Rs 1786.22 Lacs - Previous Year Rs. 1120.76 Lacs)		
Total	<u>5,929.33</u>	<u>2,886.82</u>
Schedule 4 : Unsecured Loans		
Inter-corporate Deposit		
- from Holding Company	12,200.00	1,604.10
- from Ultimate Holding Company	500.00	-
Total	<u>12,700.00</u>	<u>1,604.10</u>

SCHEDULES TO BALANCE SHEET

Schedule 5 : Fixed Assets

Rs.in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1.4.2009	Additions during the year	Deductions during the year	As at 31.03.2010	As at 1.4.2009	Additions during the year	Deductions during the year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
A) Tangible Assets										
Land (Freehold)	2,182.42	-	-	2,182.42	-	-	-	-	2,182.42	2,182.42
Land (Leasehold)	367.58	-	-	367.58	22.48	5.86	-	28.34	339.24	345.10
Building (*)	11,289.51	-	-	11,289.51	831.56	184.02	-	1,015.58	10,273.93	10,457.95
Lease hold improvements	5,112.74	2,176.80	-	7,289.54	505.25	329.48	-	834.73	6,454.81	4,607.49
Plant & Machinery	9,106.63	2,023.06	-	11,129.69	1,747.49	602.76	-	2,350.25	8,779.44	7,359.14
Wind Mills	725.41	-	-	725.41	50.00	38.30	-	88.30	637.11	675.41
Office Equipments including Computers	819.90	121.90	1.37	940.43	336.97	106.71	0.86	442.82	497.61	482.93
Furniture & Fixtures	2,091.47	719.00	16.89	2,793.58	545.75	227.22	10.71	762.26	2,031.32	1,545.72
Vehicles	48.02	-	6.62	41.40	16.86	6.26	4.49	18.63	22.77	31.16
Sub-Total (A)	31,743.68	5,040.76	24.88	36,759.56	4,056.36	1,500.61	16.06	5,540.91	31,218.65	27,687.32
B) Intangible Assets										
Software	219.43	47.35	-	266.78	102.68	33.44	-	136.12	130.66	116.75
Film Distribution Rights & Prints Cost	1,681.84	-	692.25	989.59	1,673.44	8.40	692.25	989.59	-	8.40
Movie Production	290.00	81.35	371.35	-	-	-	-	-	-	290.00
Sub-Total (B)	2,191.27	128.70	1,063.60	1,256.37	1,776.12	41.84	692.25	1,125.71	130.66	415.15
TOTAL	33,934.95	5,169.46	1,088.48	38,015.93	5,832.48	1,542.45	708.31	6,666.62	31,349.31	28,102.47
PREVIOUS YEAR	29,527.37	5,277.17	869.59	33,934.95	4,954.46	1,650.25	772.23	5,832.48	28,102.47	

(*) Includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
Schedule 6 : Pre-operative expenditure pending allocation		
1 Opening Balance	1,049.84	922.92
2 Add: Expenses incurred during the year		
Salaries, Bonus etc.	139.23	196.88
Contribution to PF, ESIC etc.	2.43	10.97
Legal, Professional and Consultancy Charges	207.96	481.38
Travelling & Conveyance	79.91	102.50
Rent	-	15.86
Insurance	6.51	10.46
Electricity Charges	10.72	31.11
Communication Expenses	2.68	13.99
Rates & Taxes	0.14	5.87
Processing Fees	52.39	34.53
Security Charges	29.69	21.15
Brokerage	0.09	30.10
Miscellaneous Expenses	70.54	206.87
Interest on fixed loans	126.24	47.92
3 Sub-Total (1 + 2)	728.53	1,209.59
4 Less: Pre-Operative Income earned during the year		
Miscellaneous Income	3.95	4.06
5 Sub-Total (3 - 4)	1,774.42	2,128.45
6 Less: Capitalised	1,144.87	1,078.61
7 Closing balance (5-6)	629.55	1,049.84

SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
Schedule 7: Investments (Non-Trade, Long-term, at Cost)		
A] Unquoted (In Government Securities)		
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)	21.14	54.94
B] Quoted		
In Equity Shares 17,565,288 (previous year - Nil) Equity shares of Fame India Limited of Rs.10/- each, fully paid-up. Out of these, 1,50,57,751 equity shares are in escrow account and not held in the name of the Company (See note no.3 in Notes to Accounts) Market value of quoted investment - Rs.14939.27 lacs (previous year - Rs.Nil)	8,248.38	-
Total	8,269.52	54.94
Schedule 8 : Inventories (for basis of valuation, see accounting policy in Notes to Accounts)		
Food & Beverages	108.66	87.21
Stores, Spares & Fuel	86.68	75.53
Total	195.34	162.74
Schedule 9 : Sundry Debtors (unsecured, considered good by the Management, unless otherwise stated)		
Considered Good		
Exceeding 6 months	174.72	113.85
Others	721.38	531.95
	896.10	645.80
Considered Doubtful		
Exceeding 6 months	36.15	21.78
	932.25	667.58
Less: Provision for doubtful debts	36.15	21.78
Total	896.10	645.80
Schedule 10 : Cash & Bank balances		
Cash on Hand	93.12	66.38
With scheduled Bank		
in Current accounts	324.85	110.54
in Dividend accounts	3.89	3.99
in Deposit accounts (Kept as lien against bank guarantees - Rs.4.93 lacs - Previous Year Rs.9.42 lacs)	1,111.79	51.21
in Escrow account - see note no.3 in Notes to Accounts	4,221.54	-
Total	5,755.19	232.12

SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs. in lacs	As at 31st March, 2009 Rs. in lacs
Schedule 11 : Loans & Advances		
(unsecured, considered good by the Management, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- Considered Good	1,373.59	760.45
- Considered Doubtful	45.29	45.29
	<u>1,418.88</u>	<u>805.74</u>
Less: Provision for doubtful advances	45.29	45.29
	<u>1,373.59</u>	<u>760.45</u>
Deposits	3,282.22	2,679.60
Entertainment Tax Refund Claimed	795.66	686.25
Service Tax Credit Available Account	222.19	335.56
MAT Credit Entitlement	1,270.00	-
Income Tax paid (net of provisions)	50.25	531.20
Total	<u>6,993.91</u>	<u>4,993.06</u>
Schedule 12 : Current Liabilities		
Sundry Creditors		
-Dues to Micro and Small Enterprises	12.98	27.43
-Others	3,489.84	2,157.25
	<u>3,502.82</u>	<u>2,184.68</u>
Security Deposits	177.83	154.14
Investor Education and Protection Fund shall be credited by the following amounts:		
- Unclaimed Dividend (see note no.28 in Notes to Accounts)	3.88	3.99
Advance from customers	168.59	148.17
Other Liabilities	247.79	165.63
Total	<u>4,100.91</u>	<u>2,656.61</u>
Schedule 13 : Provisions		
Provision for Fringe Benefit tax (net of taxes paid)	2.48	24.98
Provision for Gratuity & Leave encashment	152.91	153.99
Provision for Expenses	119.00	111.20
Total	<u>274.39</u>	<u>290.17</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For year ended 31st March, 2010 Rs.in lacs	For year ended 31st March, 2009 Rs.in lacs
Schedule 14 : Sales & Services		
Box office Revenues	18,835.74	16,624.69
Food & Beverages Revenues	4,162.86	3,523.67
Conducting Fees	783.55	714.27
Advertising Income	1,251.82	1,351.27
Film Distribution Income	13.14	70.16
Management Fees	41.94	46.66
Profit on Sale of Movie Produced	28.65	-
Parking Charges	78.89	88.81
Sale of Power	14.43	49.59
Other Operating Income	153.66	120.93
Total	25,364.68	22,590.05
Schedule 15 : Other Income		
Interest		
On Bank Fixed Deposits	50.92	3.71
On Long Term Investments	3.29	6.04
On Income Tax Refunds	52.79	0.11
Other Interest	87.80	37.65
Profit on Sale of Current Investments (net)	-	101.57
Dividend on Current Investments	-	2.28
Sundry Liabilities Written Back	51.07	46.38
Miscellaneous Income	0.76	0.24
Total	246.63	197.98

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For year ended 31st March, 2010 Rs.in lacs	For year ended 31st March, 2009 Rs.in lacs
Schedule 16 : Operating and Other Expenses		
Salaries, Wages, Allowances and Benefits	1,446.72	1,585.70
Contribution to Provident and other Funds	106.76	113.54
Gratuity	14.89	41.67
Staff Welfare Expenses	53.65	62.04
Outsourced Personnel Cost	530.07	434.28
Power & Fuel	1,303.23	1,380.01
Water Charges	33.36	26.53
Property Rent and Conducting Fees	3,009.31	2,643.50
Common Facility Charges	881.45	618.56
Rates & Taxes	224.60	206.18
Service Tax - see note no.4(a) in Notes to Accounts	724.23	166.27
Print Expenses	114.39	57.29
Travelling & Conveyance	109.96	102.91
Communication Expenses	125.80	139.78
Printing & stationary	130.32	122.48
Advertising & sales promotion	251.32	432.13
House keeping Charges	255.37	237.02
Security Charges	225.97	198.72
Repairs & Maint. - Building	85.39	41.24
Repairs & Maint. - Plant and Machinery	304.00	247.75
Repairs & Maint. - Others	93.39	114.29
Legal & Professional Fees & Expenses	167.71	203.97
Director Sitting Fees	3.05	3.35
Insurance	49.62	55.58
Vehicle Fuel & Maint.	63.92	62.16
Loss on fixed assets sold/scrapped (net)	7.73	75.82
Bad Debts Written Off	14.90	-
Provision for doubtful debts	14.38	21.78
Provision for doubtful advances	-	30.10
Miscellaneous Expenses	190.90	240.61
	10,536.39	9,665.26
Service Tax Credit in respect of earlier years - See Note No.4(b) in Notes to Accounts	-	(321.22)
Total	10,536.39	9,344.04
Schedule 17 : Interest		
Interest on Fixed Loans	527.91	447.19
Other interest	2.06	0.68
Total	529.97	447.87

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE : 18

I. 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 Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition:

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 sale of power is recognized on the basis of actual units generated and transmitted to the purchaser.

c) Fixed Assets:

Fixed assets are carried at cost of acquisition or cost of construction, as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Project pre-operative expenses and expenditure incurred during construction period of Multiplexes are capitalized to various eligible assets in respective Multiplexes. Such expenses in respect of the Multiplexes under construction are carried forward for being capitalised at the time of completion.

d) Amortization and Depreciation of Fixed Assets:

Cost of leasehold land is amortized over the period of lease. On other fixed assets, excluding freehold land, depreciation is provided on straight-line basis as under:

I. On Leasehold Improvements, 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.

II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

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

e) Amortization and Depreciation of Film Distribution Rights and Prints Cost (intangible assets):

Cost of film distribution rights acquired and prints cost is amortized over a period of one year from the date of release of the movie as under:

50%, 30%, 10% and 10% of the costs in the first, second, third and fourth quarter respectively and in a quarter, pro-rata for the completed weeks.

f) 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 asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

g) Investments :

Long-term investments are carried at cost. Current Investments are carried at lower of the cost and fair value. Income from investments is accounted for on accrual basis.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

h) Inventories :

Inventories are valued at lower of the cost and net realisable value. Cost is determined using FIFO method.

i) 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 related services are rendered. Company's contribution towards provident fund paid / payable during the year are charged to the Profit and Loss Account. Post employment 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.

j) Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k) Taxes on Income :

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

l) 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.

2. During the year ended 31st March 2006, the Company had issued 500,000 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 500,000 equity shares allotted to the Trust, 98,540 shares have been transferred to employees up to 31st March 2010. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

Following stock options have been granted to the employees:

On 29 th January 2007 (First Grant)	244,120 shares
On 27 th October 2010 (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.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

The summary of stock options is as under:

Outstanding on 1 st April 2009	90,060
Granted during the year	33,332
Lapsed during the year	4,510
Exercised during the year	27,770
Outstanding as on 31 st March 2010	91,112
Exercisable as on 31 st March 2010	28,890
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	1.33 years
Options granted on 27 th October 2010	3.08 years

The fair value of stock options granted during the year is Rs. 43.91. The fair value of stock options using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as under:

Risk free interest rate	5.64% to 7.36%
Expected life	1.5 to 4.5 years
Expected volatility	64.24% to 69.80%
Expected dividend yield	0.71%
Exercise price	Rs. 15
Stock price	Rs. 56.25

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 17 includes Rs. 16.22 lacs (previous year credit of Rs. 25.75 lacs) being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been higher by Rs. 0.54 lacs, profit after tax lower by Rs. 0.54 lacs and the basic and diluted earnings per share would have been lower by less than Rs. 0.01 each.

- During the year, the Company has acquired 1,50,57,751 equity shares in Fame (India) Limited, being the Promoters' shareholding, comprising of 43.28% stake in Fame (India) Limited, through a block deal carried out on the Bombay Stock Exchange. The Company has further acquired another 25,07,537 equity shares in Fame (India) Limited, comprising of 7.21% stake in Fame (India) Limited, from the market, through two separate block deals carried out on the Bombay Stock Exchange.

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

Consequent to the first acquisition above, the Company, through its merchant banker, Enam Securities Limited, has made a Public Announcement, under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 ("Takeover Code"), for an Open Offer of 8,231,759 equity shares constituting 20% of the fully-diluted capital of Fame (India) Limited, at a price of Rs. 51 per equity share. Further, as required under the Takeover Code, the

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Company has placed Rs 42 crores, being 100% of the funds required under the Open Offer, in escrow with HDFC Bank, and the 1,50,57,751 equity shares acquired from the Promoters of Fame (India) Limited under the terms of the Share Purchase Agreement mentioned above have been placed in escrow with Standard Chartered Bank, till conclusion of the Open Offer formalities. The Company has, through Enam Securities Limited, filed a Draft Letter of Offer with the Securities and Exchange Board of India, and is awaiting its approval on the same.

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

4. In respect of Service-tax Matters

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

During the current year, as per the amendment made by the Finance Act, 2010, renting of immovable property is now defined as a taxable service with retrospective effect from 1st June 2007. Accordingly, the Company has provided for the above service tax of Rs. 318.84 lacs in respect of rentals paid during the year ended 31st March 2009 and the same is included in the amount of Service Tax charged to the Profit and Loss Account in Schedule 16: Operating and Other Expenses.

- (b) Till the year ended 31st March 2008, as per the then prevailing regulations, the Company was claiming service tax set-off in respect of service tax paid, to the extent of 20% of service tax collected, and the balance amount of service tax paid was charged to the Profit and Loss Account. During the year ended 31st March 2009, the Central Board of Excise and Customs, vide Circular No CBEC No. 137/72/2008-CX dated 21st November, 2008, had clarified that such unutilized accumulated amount of service-tax as on 31st March 2008 can be utilized for payment of service tax after 1st April 2008. Accordingly, during the year ended 31st March, 2009 the Company had taken credit for such unutilized accumulated amount of service tax of Rs. 321.22 lacs and the same was shown separately in the Schedule 16: Operating and Other Expenses, as deduction.

5. In respect of taxation matters

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

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

- (b) The Minimum Alternate Tax (MAT) paid by the Company 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 Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has now recognized the MAT credit entitlement of Rs. 978.00 lakhs in respect of earlier years and Rs. 292.00 lakhs in respect of current year.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

6. In the opinion of Board of Directors, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and the provisions of depreciation and of all known liabilities are adequate and not in excess of the amount reasonably necessary.
7. Term loan from Axis Bank is secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Burdhan, Indore Central, Rajarhat (Kolkata), Jayanagar (Bangalore), Siliguri and Maleswaram (Bangalore) multiplexes.

Term loan from Citi Bank is secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune and Thane multiplexes and six future multiplexes.

Term loan from Canara Bank is secured by mortgage of immovable property situated at Nariman Point and hypothecation of movable properties and current assets at Nariman Point.

Term loan from ING Vysya Bank is secured by second charge on immovable property situated at Nariman Point and exclusive charge on all the Current and Fixed assets situated at Vizag multiplex and six future multiplexes.
8. Contingent Liabilities:
 - a. Claims against the Company not acknowledged as debt – Rs. 58.95 lacs (Previous Year Rs. 15.30 lacs).
 - b. Bank Guarantees furnished by the Company for performance of contractual obligations Rs. 391.54 lacs (Previous Year Rs. 391.54 lacs)
 - c. Municipal Tax demand – Rs. 402.45 lacs (Previous Year Rs. 1346.11 lacs)
 - d. Entertainment Tax demand – Rs. 53.06 lacs (Previous Year Rs. 53.06 lacs)
 - e. Service Tax demand – Rs. 55.74 lacs (Previous Year Rs. 55.74 lacs).
9. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - Rs. 1109.42 lacs (Previous Year Rs. 960.00 lacs)
10. In respect of Entertainment Tax liability of the Company and its treatment in these accounts: -
 - a. The exemption from payment of Entertainment Tax in respect of Multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective Government policies issued in this regard.
 - b. The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs 277.14 lacs (Previous Year Rs. 408.91 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to profit & loss account. Cumulative amount as on 31st March 2010 - Rs. 2372.40 lacs (as on 31st March 2009 - Rs. 2119.94 lacs).
 - c. In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Honourable High Court of Gujarat vide its order dated 26th June, 2009. Pending receipt of final eligibility certificate the figures indicated in the above note include the figures pertaining to the said Multiplex.
11. In view of the diverse nature of food and beverages sold by the Company, in the opinion of the management, it is not practical to give quantitative details thereof. Consequently, quantitative information regarding purchases, turnover, opening / closing stocks in respect of the same are not given. All items of food and beverages are indigenously procured.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

12. Expenditure incurred/payments in Foreign Currency.

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travelling expenses	10.81	Nil
CIF Value of Capital Goods imported	250.42	60.10

13. Particulars of remuneration to Manager:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary & Allowances	45.62	46.88
Contribution to Provident Fund	2.54	2.33
Total	48.16	49.21

14. Amount of Rs. 266.96 lacs (Previous year Rs. 42.69 lacs) is paid to a firm in which one of the directors is a partner, towards Legal & Professional fees.

15. Particulars of payment to Auditors :

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Statutory Audit	4.50	4.00
Tax Audit	1.75	1.50
Limited Review & Corporate Governance	1.25	1.00
For taxation matters	3.70	0.50
Certification matters	1.40	0.40
Fees for other matters	3.50	0.00
Out of pocket expenses	0.62	0.33
Service tax on above	1.41	0.80
Total	18.13	8.53

16. Tax deducted at source from Interest received is Rs. 4.81 lacs (Previous Year Rs. 1.34 lacs)

17. Following expenses in the Profit & Loss Account are net of recoveries of the amounts mentioned hereunder:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Power & Fuel	151.92	153.98
Salaries	41.78	35.07
Water Charges	0.51	0.53
Advertisement & Sales Promotion	1.47	10.60
Housekeeping Expenses	3.17	5.99
Security Expenses	4.45	4.14

18. Particulars of Prior period expenses:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Entertainment Tax	94.40	Nil
Salaries, wages, allowances & benefits	0.66	1.75

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Legal & Professional fees and expenses	Nil	9.59
Repairs & Maintenance - Others	Nil	3.93
Interest on fixed loans	Nil	4.74
Miscellaneous expenses	0.85	12.04
Total	95.91	32.05

19. 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. 75.07 lakhs receivable upto 31st March, 2010.
20. The major components of the deferred tax assets and liabilities are as under:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
<u>Deferred Tax Liabilities</u>		
Depreciation (net)	1677.01	1549.72
On account of amortization of Film Distribution Rights and Prints cost	-	2.85
Total Liabilities	1677.01	1552.57
<u>Deferred Tax Assets</u>		
Expenditure allowable on payment basis	102.33	97.54
Others	15.50	23.91
Total Assets	117.83	121.45
Net Deferred Tax Liability	1559.18	1431.12

21. The Company's significant leasing arrangements are in respect of :-

- Operating leases for premises (offices and residential accommodations for employees) - Generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals of Rs. 3.01 lacs (Previous Year Rs. 10.42 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 17 to the Profit and Loss Account and lease rental of Rs. Nil lacs (Previous Year Rs. 15.85 lacs) are included in Schedule 6 : Pre-operative Expenditure Pending Allocation.
- The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs. 3012.03 lacs (Previous Year Rs. 2633.07 lacs) are included in 'Property Rent and Conducting Fees' in Schedule 17 to the Profit and Loss Account

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

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Not later than one year	3613.57	2932.47
Later than one year and not later than five years	15271.70	12300.09
Later than five years	57192.93	46870.07
Total	76078.20	62102.63

22. The operating licenses in respect of some of the multiplexes are not in the name of the Company.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

23. Segment Information

A. Information about Primary Segment

Sr. No	Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
I	Segment Revenue		
a.	Multiplexes	25360.08	22516.72
b.	Film Distribution	19.21	152.45
c.	Film Production	28.65 (*)	Nil
d.	Power	140.53	120.09
e.	Un-allocable and Corporate	194.80	151.36
	Total Segment revenue	25743.27	22940.62
	Less: Inter Segment revenue		
a.	Distribution	5.86	82.10
b.	Power	126.10	70.50
	Total Inter Segment revenue	131.96	152.60
	Total External revenue	25611.31	22788.02
II	Segment Result		
a.	Multiplexes	2057.45	2508.85
b.	Film Distribution	(22.37)	(286.09)
c.	Film Production	28.65	Nil
d.	Power	82.88	63.57
	Total Segment result	2146.61	2286.33
	Add: Un-allocable Income (Net of Un-allocable expenses)	194.80	151.36
	Less: Interest expenses	529.97	447.86
	Total Profit Before Tax	1811.44	1989.83
	Taxation (including Deferred Tax, Fringe Benefit Tax and taxation in respect of earlier years) – Net	(794.32)	(444.24)
	Profit After Tax	2605.76	2434.07
III	Other Information		
A.	Segment Assets		
a.	Multiplexes	39979.13	35292.78
b.	Film Distribution	77.51	378.14
c.	Film Production	-	290.00
d.	Power	663.39	699.61
e.	Un-allocable and Corporate	14934.98	673.34
	Total	55655.01	37333.87
B.	Segment Liabilities		
a.	Multiplexes	4339.84	2848.51
b.	Film Distribution	28.96	69.31
c.	Film Production	Nil	Nil
d.	Power	0.14	Nil
e.	Un-allocable and Corporate	20194.87	5951.00
	Total	24563.81	8868.82

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

C. Capital Expenditure		
a. Multiplexes	4246.37	4699.82
b. Film Distribution	Nil	0.05
c. Film Production	81.35	290.00
d. Power	Nil	Nil
Total	4327.72	4989.87
D. Depreciation & Amortization		
a. Multiplexes	1493.87	1225.12
b. Film Distribution	9.37	385.92
c. Film Production	Nil	Nil
d. Power	39.20	39.20
Total	1542.44	1650.24
E. Non-cash expenses (other than depreciation and amortization)		
a. Multiplexes	16.21	Nil
b. Film Distribution	Nil	Nil
c. Film Production	Nil	Nil
d. Power	Nil	Nil
e. Un-allocable and Corporate	Nil	Nil
Total	16.21	Nil

(*) Gross revenue Rs. 400 lacs from sale of intangible asset – net revenue Rs. 28.65 lacs.

B. Information about Secondary (Geographical) Segment

All the multiplexes of the Company are located in India and all the movies are produced/distributed in India. The power is also generated and sold / captively consumed in India. Hence the Company is operating in a single geographical segment.

C. Notes:

- a. The Company operates in following business segments:
 - i. Multiplex Business – Operating & Managing Multiplex Entertainment Centres.
 - ii. Film Distribution Business – Distribution of Movies.
 - iii. Film Production Business – Production of Movies
 - iv. Power Business – Generation of Wind Power
- b. Inter-segment revenue of Distribution Business comprises of film distributors' share in respect of movies distributed by the Company and exhibited in its multiplexes. Inter-segment revenue of Power Business comprises of power generated and consumed in Multiplex Business. Inter-segment revenues are priced at market price.
- c. The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

24. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 94.05 lacs (Previous year Rs. 97.68 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account and Rs. 2.35 lacs (Previous Year Rs. 10.74 lacs) is included in pre-operative expenses.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

Particulars	Gratuity		Leave Encashment	
	As at 31.3.2010	As at 31.3.2009	As at 31.3.2010	As at 31.3.2009
1. Change in Benefit Obligation				
Liability at the beginning of the year	84.93	49.05	52.29	31.22
Interest Cost	5.80	3.69	3.30	2.01
Current Service Cost	31.85	32.26	35.00	40.12
Benefit paid	(4.21)	(5.79)	(10.31)	(12.11)
Actuarial (Gain)/Loss	(22.76)	5.72	(30.37)	(8.95)
Liability at the end of the year	95.61	84.93	49.91	52.29
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	31.85	32.26	35.00	40.12
Interest Cost	5.80	3.69	3.30	2.01
Actuarial (Gain)/Loss	(22.76)	5.72	(30.37)	(8.95)
Expenses recognized in the Profit and Loss Account	14.89	41.67	7.93	33.18
3. Actuarial Assumptions				
Discount Rate	8%	7%	8%	7%
Salary Escalation Rate	7%	6%	7%	6%
Retirement Age	58 years			
Withdrawal Rates	10%	10%	10%	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.

25. Related Party Disclosure:

- (i) Where Control Exists

Holding Company – Gujarat Fluorochemicals Limited

Ultimate Holding Company – Inox Leasing & Finance Limited

- (ii) Other related parties with whom there are transactions:

Fellow Subsidiary – Inox Motion Pictures Limited

Key Management Personnel – Mr. Alok Tandon (Manager)

- (iii) Particulars of Transactions:

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
A) Transactions during the year		
Interest Paid		
Gujarat Fluorochemicals Limited	192.45	116.80
Inox Leasing & Finance Limited	49.78	Nil

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Inox Motion Pictures Limited	1.44	Nil
	243.67	116.80
Remuneration Paid		
Mr. Alok Tandon	48.17	49.21
Distributors' Share Paid		
Inox Motion Pictures Limited	14.61	Nil
Sale of Movie Rights		
Inox Motion Pictures Limited	401.00	Nil
Rent Received		
Inox Motion Pictures Limited	0.60	Nil
Reimbursement of expenses received		
Gujarat Fluorochemicals Limited	Nil	8.14
Inox Motion Pictures Limited	8.26	Nil
	8.26	8.14
Reimbursement of expenses paid		
Gujarat Fluorochemicals Limited	Nil	0.34
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	13200.00	525.00
Inox Leasing & Finance Limited	500.00	Nil
Inox Motion Pictures Limited	80.00	Nil
	13780.00	525.00
Inter-corporate Deposits Repaid		
Gujarat Fluorochemicals Limited	2604.10	1281.70
Inox Motion Pictures Limited	80.00	Nil
	2684.10	1281.70
B) Amounts Outstanding		
Inter-corporate Deposits Received		
Gujarat Fluorochemicals Limited	12200.00	1604.10
Inox Leasing & Finance Limited	500.00	Nil
	12700.00	1604.10
Other Receivables		
Inox Motion Pictures Limited	8.77	Nil

26. The Company has recognised a provision towards estimated liability in respect of municipal taxes payable for one of its multiplexes as under:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Opening Balance	111.20	88.40
Provided during the year	52.80	52.80
Paid during the year	45.00	30.00
Closing balance	119.00	111.20

27. Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	As at 31.3.2010 (Rs. in Lacs)	As at 31.3.2009 (Rs. in Lacs)
Principal amount due to suppliers under MSMED Act at the year end	11.30	26.91
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.31	0.04
Payment made to suppliers (other than interest) beyond the appointed day during the year	66.58	38.96
Interest paid to suppliers under MSMED Act during the year	0.00	0.00
Interest due & payable to suppliers under MSMED Act for payments already made	1.36	0.49
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	2.20	0.53

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

28. In respect of amounts mentioned under Unclaimed Dividends, there is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2010.

29. Calculation of Earnings per share :

Particulars	Current Year	Previous Year
Profit after tax as per Profit and Loss Account (Rs. in lacs)	2605.76	2434.07
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	61481458	61457768
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	61508694	61470282
Basic Earnings per share – nominal value Rs. 10/- per share (Rs.)	4.24	3.96
Diluted Earnings per share - nominal value Rs. 10/- per share (Rs.)	4.24	3.96

30. Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956, is enclosed vide Annexure.

As per our report of even date
For Patankar & Associates
Chartered Accountants

For Inox Leisure Limited

S S Agrawal
Partner

Rajesh D. Parte
Company Secretary &
Vice President - Legal
Place: Mumbai
Dated: 21st May, 2010

Pavan Jain
Director

Deepak Asher
Director

Place: Pune
Dated: 21st May, 2010

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

 Registration No

0	4	4	0	4	5
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 Balance Sheet Date

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

 State Code

0	4
---	---

II Capital raised during the year (Amount in Rs. Thousands)

* Public Issue

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

* Bonus Issue

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

* Right Issue

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

* Private Placement

				2	7	7			
--	--	--	--	---	---	---	--	--	--

 shares issued pursuant to
ESOP and amalgamation

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

			5	5	6	5	5	0	1
--	--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			6	1	4	9	4	1	
--	--	--	---	---	---	---	---	---	--

ESOP Outstanding

						7	8	0	1
--	--	--	--	--	--	---	---	---	---

Reserves & Surplus

			2	4	8	6	3	7	7
--	--	--	---	---	---	---	---	---	---

Unsecured Loans

			1	2	7	0	0	0	0
--	--	--	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

			3	3	5	3	6	9	5
--	--	--	---	---	---	---	---	---	---

 Includes Capital work- in -progress, Advances on Capital
Account, and pre- operation expenditure pending allocation

Investments

				8	2	6	9	5	2
--	--	--	--	---	---	---	---	---	---

Misc. Expenditure

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

Total Asset

			5	5	6	5	5	0	1
--	--	--	---	---	---	---	---	---	---

Share Capital Suspense

--	--	--	--	--	--	--	--	--	--

Secured Loans

				5	9	2	9	3	3
--	--	--	--	---	---	---	---	---	---

Deferred Tax Liability

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

Intangible Assets

--	--	--	--	--	--	--	--	--	--

Net Current Assets

				9	4	7	3	2	4
--	--	--	--	---	---	---	---	---	---

Accumulated Losses

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

IV Performance of Company (Amount in Rs. Thousands)

Turnover

			2	5	6	1	1	3	1
--	--	--	---	---	---	---	---	---	---

+/—

Profit/Loss Before Tax

	+		1	8	1	1	4	4	
--	---	--	---	---	---	---	---	---	--

Earnings per Share in Rs.

						4	.	2	4
--	--	--	--	--	--	---	---	---	---

Total Expenditure

			2	3	7	9	9	8	7
--	--	--	---	---	---	---	---	---	---

+/—

Profit/Loss After Tax

	+		2	6	0	5	7	6	
--	---	--	---	---	---	---	---	---	--

Dividend Rate %

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V Generic Names of Two Principal Products/Services of Company (as per monetary terms)

 Item Code No.

N.		A.		
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 Product Description

O	P	E	R	A	T	I	N	G		M	U	L	T	I	P	L	E	X	E	S	
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	--

 Item Code No.

N		A.		
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 Product Description

F	I	L	M		D	I	S	T	R	I	B	U	T	I	O	N					
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Inox Infrastructure Private Limited

INOX INFRASTRUCTURE PRIVATE LIMITED

3RD ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

Shri Pavan Jain	<i>Director</i>
Shri Vivek Jain	<i>Director</i>
Shri Deepak Asher	<i>Director</i>

AUDITORS

M/s. Patankar & Associates
Chartered Accountants

REGISTERED OFFICE

612-618, Narayan Manzil
6th Floor,
23, Barakhamba Road,
New Delhi - 110 001



Directors' Report

To the Members of

INOX INFRASTRUCTURE PRIVATE LIMITED

Your Directors are pleased to submit their third report on the working of your Company for the year ended on 31st March, 2010.

1. FINANCIAL RESULTS:

Particulars	Amount (Rs. in lacs)	
	2009-2010	2008-2009
Income		
Dividend from Current Investments	0.00	70.14
Interest on Bank Deposits	0.00	56.50
Interest on Current Investments	18.74	0.00
Profit on sale of long term investments	15.29	0.00
Liabilities written back	0.00	0.10
	34.03	126.74
Expenses		
Legal and Professional Expenses	1.15	0.23
Interest on overdraft	0.00	4.11
Rate and Taxes	0.75	0.00
Miscellaneous Expenses	0.00	0.01
Depreciation and Amortization	0.85	0.00
	2.75	4.35
Profit or Loss before tax	31.28	122.39
Provision for Tax	6.50	18.25
Profit for the year	24.78	104.14
Profit/(Loss) brought forward from previous year	79.10	(25.04)
Balance carried to Balance Sheet	103.88	79.10

2. HOLDING COMPANY

Gujarat Fluorochemicals Limited is your Company's Holding Company.

3. AUDITORS' REPORT

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

4. AUDITORS

M/s. Patankar & Associates were appointed as first Auditors of the Company by the Board of Directors. They hold office upto the conclusion of this Annual General Meeting. Due notice has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of The Companies Act, 1956.



5. Directors responsibility statement:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- b. The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year.
- c. 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.
- d. The Directors have prepared the Annual Accounts on a going concern.

6. PARTICULARS OF EMPLOYEES

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

7. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received.

By Order of the Board of Directors

Noida
22nd May, 2010

Vivek Jain	Deepak Asher
Director	Director



Auditor's Report

TO THE MEMBERS OF INOX INFRASTRUCTURE PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **Inox Infrastructure Private Limited** as at 31st March, 2010 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates,
Chartered Accountants

Place : Pune.
Dated : 22nd May, 2010

S. S. Agrawal
Partner
Membership No. 49051
Firm Reg No. 107628W

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF INOX INFRASTRUCTURE PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (classified as investment property). These fixed assets have been physically verified by the management at reasonable intervals and no discrepancies have been noticed on such verification. There is no disposal of fixed assets during the year.
2. There is no inventory and hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. The Company has not granted or taken any loan, secured or unsecured, to/from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of this area. There are no transactions of purchase of inventory and sale of goods and services during the year.
5. In our opinion, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for activities of the company.
9. The Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax and other material statutory dues applicable to it. No payments were due in respect of Provident Fund, Investor Education & Protection fund, Employee's State Insurance, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service tax, Customs duty, Excise duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess which have not been deposited on account of disputes.
10. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
11. The Company does not have any borrowings from financial institutions or bank or by way of debentures issued and hence the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has made investment in shares and units of mutual funds in the course of its investment activities. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the Company in its own name.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not availed of any term loans during the year and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



Inox Infrastructure Private Limited

17. The Company has not raised funds on short term basis during the year and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the company was noticed or reported during the course of our audit.

For Patankar & Associates,
Chartered Accountants

Place : Pune.
Dated : 22nd May, 2010

S. S. Agrawal
Partner
Membership No. 49051
Firm Reg No. 107628W

**Balance Sheet as at 31 st March, 2010**

Particulars	Schedule	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SOURCES OF FUNDS :			
Shareholder's Funds			
Capital	A	50,00,00,000	50,00,00,000
Reserves and Surplus	B	1,03,87,753	79,10,121
Total		51,03,87,753	50,79,10,121
APPLICATION OF FUNDS :			
Investments	C	35,96,04,917	50,87,00,000
Current Assets, Loans and Advances	D		
Cash & Bank Balances		6,53,365	1,43,624
Other Current Assets		16,86,576	0
Loans & Advances		15,00,00,000	0
		15,23,39,941	1,43,624
Current Liabilities & Provisions	E		
Current Liabilities		10,99,190	22,060
Provisions		4,57,915	9,11,443
		15,57,105	9,33,503
Net Current Assets		15,07,82,836	(7,89,879)
Total		51,03,87,753	50,79,10,121
Notes to Accounts	F		

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Inox Infrastructure Private Limited

VIVEK JAIN
Director

DEEPAK ASHER
Director

Place : Noida
Dated : 22nd May, 2010

Profit and Loss Account for the year ended 31 st March, 2010

Particulars	Schedule	2009-2010 Rs.	2008-2009 Rs.
INCOME			
Dividend from Current Investments		0	70,14,151
Interest Income			
- on bank deposits		0	56,50,578
- on inter corporate deposit - current investments		18,73,973	0
Profit on sale of long term investments		15,29,298	0
Other Income		0	10,000
		34,03,271	1,26,74,729
EXPENDITURE			
Legal & Professional Fees		1,15,045	23,060
Rates and Taxes		75,000	0
Interest on bank overdraft		0	4,11,492
Miscellaneous expenses		366	885
Depreciation and Amortization		85,228	0
Total		2,75,639	4,35,437
Profit before taxation		31,27,632	1,22,39,292
Less: Provision for Current Tax		6,50,000	18,25,000
Profit after taxation		24,77,632	1,04,14,292
Profit / (Loss) brought forward from previous year		79,10,121	(25,04,171)
Balance Carried to Balance Sheet		1,03,87,753	79,10,121
Basic and Diluted Earnings per share of Rs. 10 each		0.05	0.21
Notes to Accounts	F		

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Inox Infrastructure Private Limited

VIVEK JAIN
Director

DEEPAK ASHER
Director

Place : Noida
Dated : 22nd May, 2010



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

Particulars	2009-2010 Rs.	2008-2009 Rs.
A Cash flow from operating activities		
Net profit before tax	31,27,632	1,22,39,292
Adjustments for :		
Depreciation and amortization	85,228	0
Dividend received	0	(70,14,151)
Interest received	(18,73,973)	(56,50,578)
Loss on sale of long term investments (net)	(15,29,298)	0
Interest paid	0	411,492
<i>Operative profit/(loss) before working capital changes</i>	(1,90,411)	(13,945)
Adjustments for :		
Trade payables	10,77,130	(57,699)
<i>Cash generated from operations</i>	8,86,719	(71,644)
Income Tax Paid (Net)	(1,103,528)	(9,13,557)
Net cash generated/(used) in operating activities	(2,16,809)	(9,85,201)
B Cash flow from investing activities		
Sale of Current investments	0	40,75,07,973
Purchase of Current investments	0	(21,04,00,933)
Sale of Long-term Investments	19,02,29,298	0
Purchase of Long-term Investments	(1,25,00,000)	(20,87,00,000)
Purchase of Investment Property	(27,190,145)	0
Intercompany Deposit given	(15,00,00,000)	0
Dividend received	0	70,14,151
Interest received	1,87,397	56,50,578
Net cash generated/(used) in investment activities	7,26,550	10,71,769
C Cash flow from financing activities		
Interest paid	0	(4,11,492)
Net cash generated/(used) in financing activities	0	(4,11,492)
Net increase/(decrease) in cash and cash equivalent	5,09,741	(3,24,924)
Cash and cash equivalents as at the beginning of the year	1,43,624	4,68,548
Cash and cash equivalents as at the end of the year	6,53,365	1,43,624

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Inox Infrastructure Private Limited

VIVEK JAIN
Director

DEEPAK ASHER
Director

Place : Noida
Dated : 22nd May, 2010



Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

Particulars	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SCHEDULE "A" : SHARE CAPITAL		
AUTHORISED :		
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000	50,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
5,00,00,000 Equity Shares of Rs. 10 each fully paid-up	50,00,00,000	50,00,00,000
All shares are held by the Holding Company, Gujarat Fluorochemicals Limited		
TOTAL	50,00,00,000	50,00,00,000
SCHEDULE "B" : RESERVES & SURPLUS		
Profit and Loss Account		
Balance as per annexed account	1,03,87,753	79,10,121
	1,03,87,753	79,10,121

SCHEDULE "C" : INVESTMENTS

(a) Investment in Securities (Long term, Non-trade, at cost, unquoted)

Particulars	Face Value Rs.	As at 31-3-2010 No	As at 31-3-2009 No	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
In Equity Shares of Rs. 10 each					
Megnasolance City Private Limited - paid up Rs. 1.60 per share (previous year Rs. 1.50 per share) (Including advance call money paid Rs. Nil - Previous Year - Rs. 2,00,00,000)	10	50,00,000	50,00,000	32,00,00,000	32,00,00,000
In Units of Mutual Funds of Rs. 10 each					
Reliance Income Fund-Retail Plan-Growth Option	10	0	12,42,800	0	3,75,00,000
Birla Sun Life Income Plus Growth (Prudent)	10	0	9,13,999	0	3,75,00,000
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	0	34,67,438	0	3,75,00,000
Kotak Bond (Regular) Growth (Prudent)	10	0	14,68,389	0	3,75,00,000
ICICI Prudential Institutional Income Plan Growth	10	0	12,48,469	0	3,75,00,000
DSP Black Rock Strategic Bond Fund Growth	1,000	0	1,066	0	12,00,000
ICICI Prudential Flexible Income Plan Premium - Dividend	100	1,18,220	0	1,25,00,000	0
				33,25,00,000	50,87,00,000

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

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-09	Additions	As at 31-Mar-10	As at 1-Apr-09	For the year	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Leasehold Land	0	1,69,37,451	1,69,37,451	0	7,850	7,850	1,69,29,601	0
Building	0	1,02,52,694	1,02,52,694	0	77,378	77,378	1,01,75,316	0
Total	0	2,71,90,145	2,71,90,145	0	85,228	85,228	2,71,04,917	0
Previous Year	0	0	0	0	0	0		

Total Investment (a + b) **35,96,04,917** 50,87,00,000



Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

Particulars	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SCHEDULE "D" : CURRENT ASSETS, LOANS & ADVANCES		
CASH & BANK BALANCES		
Cash in hand	7,651	8,816
Balance in current accounts with Scheduled Banks	6,45,714	1,34,808
TOTAL	6,53,365	1,43,624
OTHER CURRENT ASSETS		
Interest Accrued	16,86,576	0
TOTAL	16,86,576	0
LOANS & ADVANCES		
(Unsecured, considered good by the management)		
Inter Corporate Deposit - current investment	15,00,00,000	0
TOTAL	15,00,00,000	0
GRAND TOTAL	15,23,39,941	1,43,624
SCHEDULE "E" : CURRENT LIABILITIES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors		
- Dues to Micro and Small Enterprises	0	0
- Others	9,97,872	19,561
	9,97,872	19,561
Other Liabilities	1,01,318	2,499
Total Current Liabilities	10,99,190	22,060
B) Provisions		
Provision for Taxation (Net of Taxes Paid)	4,57,915	9,11,443
Total Provisions	4,57,915	9,11,443
GRAND TOTAL	15,57,105	9,33,503

Schedule F : Notes to Accounts for the year ended 31 st March, 2010

1. Significant accounting policies followed are as under :

- a) 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) 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 the cost and fair value. Income on investment is accounted for on accrual basis.
 - 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.
Cost of leasehold land is amortized over the period of lease. On Building, depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956
- c) Taxes on Income:
Income tax expense comprises of current tax and deferred tax. Deferred tax is recognised, subject to consideration of prudence, on timing differences, 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.

2. Figures of the previous year have been regrouped or rearranged, wherever necessary, to make them comparable with those of the current year.
3. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary.
4. Particulars of capacity, production, sales and material consumption – Not Applicable
5. Contingent liabilities not provided for – Rs. Nil (previous year Rs. Nil)
6. The amount of tax deducted at source on interest received is Rs. 1,87,397. (Previous year Rs. 9,13,557)
7. Uncalled amount payable by the Company in respect of 5,000,000 equity shares of Megnasolace City Private Limited is Rs. 1,68,00,00,000 (previous year Rs. 1,68,00,00,000), net of advance call money of Rs. Nil (previous year Rs. 2,00,00,000)
8. Value of import calculated on CIF basis – Rs. Nil (previous year Rs. Nil)
9. Expenditure in foreign currency – Rs. Nil (previous year Rs. Nil)
10. Earning in foreign exchange – Rs. Nil (previous year Rs. Nil)
11. Particulars of Payments to Auditors

Particulars

Statutory Audit Fees
Other Services
Out of Pocket Expenses
Service Tax
Total

2009-2010 Rs.	2008-2009 Rs.
35,000	20,000
25,000	0
6,197	0
6,818	2,060
73,015	22,060



Notes to Accounts for the year ended 31 st March, 2010

12. Related Party Disclosures –

(i) Where Control Exists

Holding Company – Gujarat Fluorochemicals Limited

Ultimate Holding Company – Inox Leasing & Finance Limited

There are no transactions with the above parties.

(ii) Other related parties with whom there are transactions:

Associate – Megnasolace City Private Limited

(iii) Particulars of transactions with the party referred to in (ii) above:

A) Transactions during the year

Advance Call Money paid

B) Amounts Outstanding

Investment in Equity Shares (including advance call money paid)

2009-2010 Rs.	2008-2009 Rs.
0	2,00,00,000
31.3.2010	31.3.2009
32,00,00,000	32,00,00,000

13. The Company operates in a single business segment viz. Real Estate and Property Development. Further, all the activities of the Company are in India and hence there is a single geographical segment.

14. The Company has long term capital loss as per the provisions of the Income-tax Act, 1961 which is eligible to be carried forward and set-off in subsequent years against long term capital gains. However, as a matter of prudent accounting policy, deferred tax asset in respect of such loss is not recognized.

15. Calculation of Earnings Per Share (EPS)

Particulars

Net Profit as per Profit & Loss Account (Rs.)

No. of Equity Shares outstanding at the beginning & at the end of the year (Nos.)

Nominal value per share (Rs)

Basic and Diluted EPS (Rs)

2009-2010 Rs.	2008-2009 Rs.
24,77,632	1,04,14,292
50000000	50000000
10	10
0.05	0.21

16. Balance Sheet Abstract and Company's General Business Profit as required by Part IV of Schedule VI to the Companies Act, 1956, is as per annexure.

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

S. S. AGRAWAL

Partner

Place : Pune

Dated : 22nd May, 2010

For Inox Infrastructure Private Limited

VIVEK JAIN

Director

Place : Noida

Dated : 22nd May, 2010

DEEPAK ASHER

Director

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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No

U	4	5	2	0	0	D	L	2	0	0	7	P	T	C	1	5	7	9	6
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

5	5
---	---

Balance Sheet Date

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

Date Month Year

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

Public Issue

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

Bonus Issue

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

Right Issue

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

Private Placement

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

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

Total Liabilities

			5	1	1	9	4	5
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			5	0	0	0	0	0
--	--	--	---	---	---	---	---	---

Secured Loans

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

Total Assets

			5	1	1	9	4	5
--	--	--	---	---	---	---	---	---

Reserves & Surplus

				1	0	3	8	8
--	--	--	--	---	---	---	---	---

Unsecured Loans

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

Application of Funds

Net Fixed Assets

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

Net Current Assets

			1	5	0	7	8	3
--	--	--	---	---	---	---	---	---

Accumulated Losses

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

Investments

			3	5	9	6	0	5
--	--	--	---	---	---	---	---	---

Misc. Expenditure

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

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Total Income)

						3	4	0	3
--	--	--	--	--	--	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

☒

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

Earning per share (Rs.)

						0	.	0	5
--	--	--	--	--	--	---	---	---	---

Total Expenditure

						2	7	6
--	--	--	--	--	--	---	---	---

+ / (-) Profit/(Loss) After Tax

☒

						2	4	7	8
--	--	--	--	--	--	---	---	---	---

Dividend Rate @ %

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

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

N	A
---	---

Product Description

N	A
---	---



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INOX MOTION PICTURES LIMITED

2ND ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

Shri Deepak Asher	<i>Director</i>
Shri Devansh Jain	<i>Director</i>
Shri Alok Tandon	<i>Director</i>

AUDITORS

M/s. Patankar & Associates
Chartered Accountants

REGISTERED OFFICE

Viraj Towers, 5th Floor,
Next to Andheri Flyover,
Western Express Highway,
Andheri (East),
Mumbai - 400 069.



Directors' Report

To the Members of

INOX MOTION PICTURES LIMITED

Your Directors have pleasure in presenting the Second Annual Report on the operations of the Company together with the audited accounts for the period ended 31st March, 2010.

FINANCIAL RESULTS:

Particulars

Income

Sales and other Income

Profit / (Loss) before Tax

Less: Provision for Taxation

Profit / (Loss) after Tax

Add: Profit / (Loss) brought forward from previous year

Balance carried to Balance Sheet

**For the
year ended
31st March, 2010**

40,14,046

(4,86,79,408)

NIL

(4,86,79,408)

(8,33,120)

(4,95,12,528)

**For the
year ended
31st March, 2009**

NIL

(8,33,120)

NIL

(8,33,120)

N.A.

(8,33,120)

OPERATION:

During the year under review, the Company achieved Sales and other Income of Rs. 40,14,046. Net loss of the company for the year ended 31st March 2010 was Rs. 4,86,79,408.

Your Company is optimistic about its growth prospects for the current financial year.

DIVIDEND:

Your Directors have not recommended payment of dividend for the year under review in view of losses incurred by the Company.

DIRECTORS RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- 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.
- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.

DIRECTORS:

Mr. Alok Tandon, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

AUDITOR:

M/s. Patankar & Associates, Chartered Accountants, Auditors of the Company retire at the Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT:

Observation made in the Auditor Report are self explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

PERSONNEL:

The Company doesn't have any employees. Hence, no particulars as specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended have been furnished in this regard.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given herein below.

1. Conservation of Energy:

The operations of the Company are not energy-intensive. A conscious effort is being made by the Company in reducing the wastage of scarce energy resources.

2. Research & Development:

- | | |
|---|------|
| a. Specific areas in which R & D is carried out by the Company: | None |
| b. Benefits derived as a result of the above R & D: | N.A. |
| c. Future plan of action: | N.A. |
| d. Expenditure of R & D: | N.A. |

3. Technology Absorption, Adaptation and Innovation:

The Company has not absorbed, adapted or innovated any new technology during the period ended on 31st March 2010.

4. Foreign Exchange Earnings & Outgo

The foreign exchange earnings & outgo during the period ended 31st March 2010 was NIL.

By Order of the Board of Directors

Place: Mumbai
Dated: 21st May, 2010

Deepak Asher	Devansh Jain
Director	Director



Auditor's Report

TO THE MEMBERS OF INOX MOTION PICTURES LIMITED

1. We have audited the attached Balance Sheet of **Inox Motion Pictures Limited** as at 31st March, 2010 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates,
Chartered Accountants

Place : Pune
Dated : 21st May, 2010

(S S Agrawal)
Partner
Membership No. 49051
Firm Reg No. 107628W



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF INOX MOTION PICTURES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. Fixed assets of the Company comprises of only intangible asset. The Company has maintained proper records showing full particulars of such fixed asset. There is no disposal of fixed asset during the year.
2. There is no inventory and hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. The Company has not granted or taken any loan, secured or unsecured, to/from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. In our opinion, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. The provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 in respect of internal audit system are not applicable to the Company.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for activities of the company.
9. The Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax and other material statutory dues applicable to it. No payments were due in respect of Provident Fund, Investor Education & Protection fund, Employee's State Insurance, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess.
No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service tax, Customs duty, Excise duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.
There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess which have not been deposited on account of disputes.
10. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
11. The Company has not taken any loans from banks, financial institutions and by way of debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not availed of any term loans during the year and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. The Company has not raised any funds on short term basis and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the company was noticed or reported during the course of our audit.

For Patankar & Associates,
Chartered Accountants

Place : Pune
Dated : 21st May, 2010

(S S Agrawal)
Partner
Membership No. 49051
Firm Reg No. 107628W



Balance Sheet as at 31 st March, 2010

Particulars	Schedule	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds			
Capital	A	3,00,00,000	5,00,000
Loan Funds			
Unsecured Loan	B	2,25,00,000	—
Total		5,25,00,000	5,00,000
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	C	4,01,00,000	—
Less: Amortization		3,60,90,000	—
Net Block		40,10,000	—
Current Assets, Loans and Advances			
Sundry Debtors	D	8,00,311	—
Cash & Bank Balances	E	2,63,501	4,92,003
Loans & Advances	F	1,87,979	—
		12,51,791	4,92,003
Less: Current Liabilities & Provisions			
Current Liabilities	G	22,74,319	8,25,123
Provisions		—	—
		22,74,319	8,25,123
Net Current Assets		(10,22,528)	(3,33,120)
Profit & Loss Account			
Balance as per annexed account		4,95,12,528	8,33,120
Total		5,25,00,000	5,00,000
Notes to Accounts	I	—	—

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 21st May, 2010

For Inox Motion Pictures Limited

DEEPAK ASHER
Director

Place : Mumbai
Dated : 21st May, 2010

DEVANSH JAIN
Director



Profit and Loss Account for the year ended 31 st March, 2010

Particulars	Schedule	Year ended 31.3.2010 Rs.	Period ended 31.3.2009 Rs.
INCOME			
Income from Movie Rights		36,94,833	—
Film Distribution Revenue		1,74,994	—
		38,69,827	—
Interest on Intercompany Deposit (Tax deducted at source – Rs. 14,422)		1,44,219	—
		40,14,046	—
EXPENDITURE			
Amortization of cost of Movie Rights	C	3,60,90,000	—
Operating & Other Expenses	H	1,53,92,766	8,33,120
Interest on Intercompany Deposit		12,10,688	—
Total		5,26,93,454	8,33,120
Loss for the year		(4,86,79,408)	(8,33,120)
Add: Balance of Loss brought forward		(8,33,120)	—
Loss Carried to balance sheet		(4,95,12,528)	(8,33,120)
Basic and Diluted Earnings per share of Rs. 10 each		(20.90)	(16.66)
Notes to Accounts	I		

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 21st May, 2010

For Inox Motion Pictures Limited

DEEPAK ASHER
Director

Place : Mumbai
Dated : 21st May, 2010

DEVANSH JAIN
Director



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

	For year ended 31-Mar-10 Rupees	For period ended 31-Mar-09 Rupees
A Cash flow from operating activities		
Net loss before tax and extraordinary items	(4,86,79,408)	(8,33,120)
Adjustments for :		
Amortization of movie rights	3,60,90,000	—
Interest received	(1,44,219)	—
Interest paid	12,10,688	—
	3,71,56,469	—
Operating profit before working capital changes	(1,15,22,939)	(8,33,120)
Adjustments for :		
Trade and other receivables	(9,03,868)	—
Trade payables	14,49,196	8,25,123
	5,45,328	8,25,123
Cash generated from operation	(1,09,77,611)	(7,997)
Direct taxes paid (net)	(84,422)	—
Net cash from/(used in) operating activities	(1,10,62,033)	(7,997)
B Cash flow from investing activities		
Acquisition of intangible asset – Movie Rights	(4,01,00,000)	—
Interest received	1,44,219	—
Net cash from/(used in) investment activities	(3,99,55,781)	—
C Cash flow from financing activities		
Shares issued	2,95,00,000	5,00,000
Inter–corporate Deposit received (net)	2,25,00,000	—
Inter–corporate Deposit given	(80,00,000)	—
Inter–corporate Deposit received back	80,00,000	—
Interest paid	(12,10,688)	—
Net cash (used in)/from financing activities	5,07,89,312	5,00,000
Net increase in cash and cash equivalent	(2,28,502)	4,92,003
Opeing cash and cash equivalents	4,92,003	—
Closing cash and cash equivalents	2,63,501	4,92,003

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 21st May, 2010

For Inox Motion Pictures Limited

DEEPAK ASHER
Director

Place : Mumbai
Dated : 21st May, 2010

DEVANSH JAIN
Director



Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

Particulars

SCHEDULE "A" : SHARE CAPITAL

AUTHORISED :

1,00,00,000 Equity Shares of Rs. 10 each

ISSUED, SUBSCRIBED AND PAID UP :

300,000 (Previous Year 50,000) Equity Shares of Rs.10 each
fully paid-up (all shares are held by the Holding Company –
Gujarat Fluorochemicals Limited)

TOTAL

SCHEDULE "B" : UNSECURED LOANS

Inter–Corporate Deposit – from Holding Company

TOTAL

	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
	10,00,00,000	10,00,00,000
	3,00,00,000	5,00,000
	3,00,00,000	5,00,000
	2,25,00,000	–
	2,25,00,000	–

SCHEDULE C : FIXED ASSETS

Particulars	Gross Block			Depreciation/Amortization			Net Block	
	As at 1.4.2009	Additions	As at 31.3.2010	As at 1.4.2009	For the Year	As at 31.3.2010	As at 31.3.2010	As at 1.4.2009
Intangible Asset:								
Movie Rights	–	4,01,00,000	4,01,00,000	–	3,60,90,000	3,60,90,000	40,10,000	–
Total	–	4,01,00,000	4,01,00,000	–	3,60,90,000	3,60,90,000	40,10,000	–
Previous Year	–	–	–	–	–	–		

Particulars

SCHEDULE "D" : SUNDRY DEBTORS

(Unsecured, considered good by the Management)

Exceeding 6 months

Others

TOTAL

SCHEDULE "E" : CASH & BANK BALANCES

Cash in hand

Balance in current account with Scheduled Bank

TOTAL

	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
	5,06,047	–
	2,94,264	–
	8,00,311	–
	–	4,460
	2,63,501	4,87,543
	2,63,501	4,92,003



Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

SCHEDULE "F" : LOANS AND ADVANCES

(Unsecured, considered good by the Management)

Advances recoverable in cash or in kind or
for value to be received

Deposit

Tax Deducted at Source

TOTAL

SCHEDULE "G" : CURRENT LIABILITIES

Sundry Creditors

– Due to Micro and Small Enterprises

– Due to Holding Company – Gujarat Flurochemicals Ltd.

– Due to others

Other Liabilities

TOTAL

As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
78,557	–
25,000	–
84,422	–
1,87,979	–
–	–
8,14,093	8,14,093
13,58,230	11,030
21,72,323	8,25,123
1,01,996	–
22,74,319	8,25,123

Schedule Annexed to and Forming part of the Profit and Loss Account for the year ended 31 st March, 2010

Particulars

SCHEDULE "H" : Operating and other Expenses

Film Distributors' Share

Reimbursement of Salary

Advertising & Sales Promotion

Print Despatch & Other Expenses

Print Cost

Legal & Professional Fees & Expenses

Communication Expenses

Insurance

Travelling & Conveyance

Rates & Taxes

Membership & Subscription

Rent

Preliminary Expenses written off

Miscellaneous expenses

As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
40,132	–
7,03,848	–
1,08,33,578	–
8,74,322	–
23,70,097	–
1,79,300	11,030
37,747	–
52,271	–
1,41,492	–
7,525	–
38,975	–
60,000	–
–	8,17,093
53,479	4,997
1,53,92,766	8,33,120

Schedule I : Notes to Accounts for the year ended 31 st March, 2010

Schedule I: Notes to accounts for the year ended 31st March 2010

1. 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) Revenue Recognition:
In respect of Income from Movie Rights: Revenue from theatrical exhibition is recognized as and when the movie is exhibited. 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.
Income from Film Distribution is recognized as and when the movie is exhibited.
 - c) Fixed Assets:
Movie rights acquired are carried at cost of acquisition, less accumulated amortization.
 - d) Amortization:
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.
 - e) Borrowing Cost:
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
 - f) Taxes on Income:
Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.
2. Figures of the previous year are for the period from 1st October, 2008 to 31st March 2009 and hence not directly comparable with the figures of the current year.
 3. In the opinion of the Board, the current assets, loans and advances are approximately of the values stated if realized in the ordinary course of business. The provisions for amortization and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
 4. Particulars of capacity, production, sales and material consumption – Not Applicable
 5. Contingent liabilities not provided for – Rs. Nil (Previous Year Rs Nil)
 6. Value of import calculated on CIF basis – Rs. Nil (Previous Year Rs Nil)
 7. Expenditure in foreign currency – Rs. Nil (Previous Year Rs Nil)
 8. Earning in foreign exchange – Rs. Nil (Previous Year Rs Nil)
 9. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at 31st March, 2010. Further no interest is paid / payable in the terms of section 16 of the said Act. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. Particulars of Payments to Auditor's -

Particulars	2009-2010 Amounts (Rs.)	2008-2009 Amounts (Rs.)
Statutory Audit Fees	25,000	10,000
Service Tax	2,575	1,030
Total	27,575	11,030



11. Related Party Disclosures –

- (i) Where Control Exists
Holding Company – Gujarat Fluorochemicals Limited
Ultimate Holding Company – Inox Leasing and Finance Limited
- (ii) Other related parties with whom there are transactions
Fellow Subsidiary – Inox Leisure Limited
- (iii) Particulars of transaction during the year –
 - a. With Gujarat Fluorochemicals Limited

Issue of Equity Shares	–	Rs. 2,95,00,000 (Previous Year Rs 5,00,000)
Inter-Corporate Deposit received	–	Rs 3,00,00,000 (Previous Year Rs Nil)
Inter-Corporate Deposit repaid	–	Rs 75,00,000 (Previous Year Rs Nil)
Interest paid	–	Rs 12,10,688 (Previous Year Rs. Nil)
Reimbursement of expenses paid	–	Rs Nil (Previous Year Rs 8,14,093)
 - b. With Inox Leisure Ltd

Purchase of Movie Rights	–	Rs. 4,01,00,000 (Previous Year Rs. Nil)
Interest received	–	Rs. 1,44,219 (Previous Year Rs. Nil)
Inter-corporate Deposit given	–	Rs. 80,00,000 (Previous Year Rs. Nil)
Inter-corporate Deposit received back	–	Rs. 80,00,000 (Previous Year Rs. Nil)
Rent paid	–	Rs. 60,000 (Previous Year Rs. Nil)
Reimbursement of expenses paid	–	Rs. 8,30,392 (Previous Year Rs. Nil)
Film Distribution Share received	–	Rs. 14,60,328 (Previous Year Rs. Nil)
 - c. Amounts outstanding

To Gujarat Fluorochemicals Limited:		
Inter-Corporate Deposit Received	–	Rs 2,25,00,000 (Previous Year Rs. Nil)
Other amount payable	–	Rs. 8,14,093 (Previous Year Rs. 8,14,093)
To Inox Leisure Limited	–	Rs 8,76,564 (Previous Year Rs. Nil)

12. Particulars of dues from Inox Leisure Limited, a company under the same management:

Particulars	2009-2010	2008-2009
Amount outstanding	Nil	Nil
Maximum Balance during the year	80,00,000	Nil

13. The Company is entitled to carry forward its business loss as per the provisions of the Income-tax Act, 1961 and consequently has a net deferred tax asset as on 31st March 2010. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized.

14. Segment Reporting :

Sr. No	Particulars	2009-2010	2008-2009
I	Segment Revenue		
	a. Movie Production	36,94,833	Nil
	b. Film Distribution	1,74,994	Nil
	c. Corporate	1,44,219	Nil
	Total Segment revenue	40,14,046	Nil
II	Segment Result		Nil
	a. Movie Production	(4,75,09,524)	Nil
	b. Film Distribution	85,785	Nil
	Total Segment result	(4,74,23,739)	Nil
	Less: Un-allocable expenses (net of un-allocable income)	(44,981)	(8,33,120)
	Less: Interest expenses	(12,10,688)	Nil
	Total Loss for the year	(4,86,79,408)	(8,33,120)



Sr. No	Particulars	2009-2010	2008-2009
III	Other Information		
A.	Segment Assets		
a.	Movie Production	48,66,857	Nil
b.	Film Distribution	22,011	Nil
c.	Un-allocable and Corporate	3,72,923	4,92,003
	Total	52,61,791	4,92,003
B.	Segment Liabilities		
a.	Movie Production	13,26,671	Nil
b.	Film Distribution	96,708	Nil
c.	Un-allocable and Corporate	2,33,50,940	8,25,123
	Total	2,47,74,319	8,25,123
C.	Capital Expenditure		
a.	Movie Production	4,01,00,000	Nil
	Total	4,01,00,000	Nil
D.	Depreciation & Amortization		
a.	Movie Production	3,60,90,000	Nil
	Total	3,60,90,000	Nil
E.	Non-cash expenses (other than depreciation and amortization)	Nil	Nil

B. Information about Secondary (Geographical) Segment

All the business activities of the company are conducted in India. Hence the Company is operating in single Geographical segment

C. Notes:

- The Company operates in following business segments
 - Movie Production Business – Production and exhibition of Movies and allied income
 - Film Distribution business – Distribution of Movies
- The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis

15. Calculation of Earnings Per Share (EPS)

Particulars	2009-2010	2008-2009
Net loss as per Profit & Loss Account (Rs.)	4,86,79,408	8,33,120
No. Equity shares outstanding at the beginning of the year/period	50,000	
No. Equity shares issued during the year/period	29,50,000	50,000
No. Equity shares outstanding at the end of the year/period	30,00,000	50,000
Weighted average number of equity shares outstanding during the year/period	23,29,178	50,000
Nominal value per share (Rs)	10	10
Basic and Diluted EPS (Rs)	(20.90)	(16.66)

- Balance Sheet Abstract and Company's General Business Profit as required by Part IV of Schedule VI to the Companies Act, 1956, is as per annexure.

As per our report of even date attached

For **PATANKAR & ASSOCIATES**

Chartered Accountants

S. S. AGRAWAL

Partner

Place : Pune

Dated : 21st May, 2010

For Inox Motion Pictures Limited

DEEPAK ASHER

Director

Place : Mumbai

Dated : 21st May, 2010

DEVANSH JAIN

Director



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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No

U	9	2	1	2	0	M	H	2	0	0	8	P	L	C	1	8	7	2	3	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

0	4
---	---

Balance Sheet Date

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

Date Month Year

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

Public Issue

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

Right Issue

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

Bonus Issue

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

Private Placement

			2	9	5	0	0
--	--	--	---	---	---	---	---

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

Total Liabilities

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

Total Assets

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

Sources of Funds

Paid-up Capital

			3	0	0	0	0
--	--	--	---	---	---	---	---

Reserves & Surplus

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

Secured Loans

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

Unsecured Loans

			2	2	5	0	0
--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

			4	0	1	0
--	--	--	---	---	---	---

Investments

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

Net Current Assets

			(-)	1	0	2	3
--	--	--	-----	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

			4	9	5	1	3
--	--	--	---	---	---	---	---

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

			4	0	1	4
--	--	--	---	---	---	---

Total Expenditure

			5	2	6	9	3
--	--	--	---	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

			(-)	4	8	6	7	9
--	--	--	-----	---	---	---	---	---

+ / (-) Profit/(Loss) After Tax

			(-)	4	8	6	7	9
--	--	--	-----	---	---	---	---	---

Earning per share (Rs.)

			(-)	2	0	.	9	0
--	--	--	-----	---	---	---	---	---

Dividend Rate @ %

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

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

Item Code No (ITC Code)

N	A
---	---

Product Description

P	R	O	D	U	C	T	I	O	N		O	F		M	O	V	I	E	S
---	---	---	---	---	---	---	---	---	---	--	---	---	--	---	---	---	---	---	---

Item Code No (ITC Code)

N	A
---	---

Product Description

F	I	L	M		D	I	S	T	R	I	B	U	T	I	O	N
---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	---



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INOX WIND LIMITED

1ST

ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

Shri Deepak Asher	<i>Director</i>
Shri Siddharth Jain	<i>Director</i>
Shri Devansh Jain	<i>Director</i>
Shri Rajeev Gupta	<i>Director</i>

AUDITORS

M/s. Patankar & Associates
Chartered Accountants

REGISTERED OFFICE

C/o. Inox Air Products Limited
Village Kunjhal Industrial Area
Barotiwala, District Solan,
Himachal Pradesh 174103

Directors' Report

To the Members of

INOX WIND LIMITED

Your Directors are pleased to submit their first report on the working of your Company for the period ended on 31st March, 2010. The report, the Accounts and the Auditors Report cover the period from 9th April, 2009 to 31st March, 2010.

1. COMPANY

Your Company was incorporated on 09th April, 2009 under Certificate of Incorporation issued by the Deputy Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh bearing No.U31901HP2009PLC31083 of 2009-10 and had obtained Certificate for Commencement of Business on 15th April, 2010.

Your Company has, thereafter, set up manufacturing facilities for wind turbines at Una, Himachal Pradesh and Bawla, Gujarat. We are pleased to inform you that your Company has commenced commercial production of nacelles and hubs for wind turbines at Una, in pursuance of its business plans, on 26th March, 2010.

2. FINANCIAL MATTERS

Following are working results of the Company for the year 2009-10:

	Rs in Lacs
Particulars	2009-10
Income	
Sales	784.95
Other Income	0.55
Total Income	785.50
Expenses	
Materials Consumed	708.74
Manufacturing and Other Expenses	164.48
Interest	19.51
Depreciation & Amortisation	17.90
Total Expenses	910.63
Profit or Loss before tax	(125.13)
Deferred Tax Credit	0.74
Balance carried to Balance Sheet	(124.39)

3. HOLDING COMPANY

Gujarat Fluorochemicals Limited (GFL) is your Company's Holding Company.

4. DIRECTORS

Shri PK Jain, Shri VK Jain and Shri Deepak Asher were named as First Directors of the Company in the Memorandum and Articles of Association of the Company. Shri VK Jain and Shri PK Jain had resigned during the year and in their place Shri Siddharth Jain and Shri Devansh Jain were appointed as Additional Directors of the Company. Also, Shri Rajeev Gupta was appointed as an Additional Director of the Company.

Shri Deepak Asher, Shri Siddharth Jain, Shri Devansh Jain and Shri Rajeev Gupta hold office upto the conclusion of the First Annual General Meeting. Notices have been received from the Members of the Company specifying their intention to propose the candidature of Shri Deepak Asher, Shri Siddharth Jain, Shri Devansh Jain and Shri Rajeev Gupta as Directors of the Company. The Board recommends their appointment as Directors of the Company.

5. AUDITORS' REPORT

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

6. AUDITORS

M/s. Patankar & Associates were appointed as first Auditors of the Company by the Board of Directors. They hold office upto the conclusion of this Annual General Meeting. Due notice has been received from them that their appointment, if made, will be in accordance with the limit specified in Section 224 (1B) of The Companies Act, 1956.

7. DIRECTORS RESPONSIBILITY STATEMENT:

As required by the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- b. 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.
- c. 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.
- d. The Directors have prepared the Annual Accounts on a going concern basis.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO;

Information pursuant to Section 217(l)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given herein below.

1. Conservation of Energy : Not applicable

2. Research & Development :

- a. Specific areas in which R & D is carried out by the Company : None
- b. Benefits derived as a result of the above R & D : Not Applicable
- c. Future plan of action : Not Applicable
- d. Expenditure of R & D : Not Applicable

3. Technology Absorption, Adaptation and Innovation:

The Company has absorbed and adapted new technology and commenced commercial operations at its Una Plant on 26th March, 2010.

4. Foreign Exchange Earnings & Outgo

Foreign Exchange used : Refer to Note No. 9 of Schedule 15 of Annual Accounts

Foreign Exchange earned : Refer to Note No. 10 of Schedule 15 of Annual Accounts

9. PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under, the names and other particulars of employees are set out in the Annexure to the Directors' Report. In terms of the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the Shareholders of the Company excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of the Company. Any Shareholder interested in obtaining a copy of the said annexure may write at the Registered Office of the Company.

10. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By Order of the Board of Directors

Noida
22nd May, 2010

Deepak Asher **Devansh Jain**
Director Director

Auditor's Report

TO THE MEMBERS OF INOX WIND LIMITED

1. We have audited the attached Balance Sheet of **Inox Wind Limited** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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 written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For Patankar & Associates,
Chartered Accountants

(S S Agrawal)
Partner

Membership No. 49051
Firm Reg No. 107628W

Pune
Dated : 22nd May, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT TO THE MEMBERS OF INOX WIND LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2010

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The fixed assets have been physically verified by the management at reasonable intervals and no discrepancies have been noticed on such verification.

There is no disposal of fixed assets during the period.
2. The inventories were physically verified by the management at reasonable intervals during the period.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has not taken or granted any loan, secured or unsecured, from/to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. In our opinion, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. The provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 in respect of internal audit system are not applicable to the Company.
8. The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the activities of the Company, to be maintained from the year following the year in which the turnover of the Company exceeds Rs. 10 crores.
9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of Provident Fund, Income-tax, Sales tax, Service tax, Customs duty, Cess and other material statutory dues applicable to it, except that there are some delays in payment of Provident Fund, Income-tax and Service tax. No payments were due in respect of Investor Education & Protection fund, Employee's State Insurance, Wealth tax and Excise duty.

No undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Service tax, Customs duty, Excise duty and Cess were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

There are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess which have not been deposited on account of disputes.
10. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
11. The Company does not have any borrowings from financial institutions or bank and no repayment is due in respect of the debentures issued by the Company.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has made investment in units of mutual funds in the course of its investment activities. In our opinion, proper records have been maintained of the transactions and timely entries have been made therein. The investments are held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not availed of any term loans during the period and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. The Company has not raised funds on short term basis during the period and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. During the period, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The debentures issued by the Company are unsecured and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the period.
21. No fraud on or by the company was noticed or reported during the course of our audit.

For Patankar & Associates,
Chartered Accountants

(S S Agrawal)

Partner

Membership No. 49051

Firm Reg No. 107628W

Pune

Dated : 22nd May, 2010

Balance Sheet as at 31 st March, 2010

	Schedule	As at 31-Mar-2010 Rupees
I SOURCES OF FUNDS		
1 Shareholders' Funds		
Capital	1	30,00,00,000
2 Loan Funds		
Unsecured Loans	2	57,46,86,508
TOTAL		87,46,86,508
II APPLICATION OF FUNDS		
1 Fixed Assets		
(a) Gross block		363,565,757
(b) Less: Depreciation & Amortization		2,128,399
(c) Net block	3	36,14,37,358
(d) Capital work-in-progress		33,40,35,687
(e) Advances on Capital Account		5,37,71,555
(f) Pre-operative expenditure pending allocation	4	3,85,07,587
		78,77,52,187
2 Deferred Tax Asset		74,000
3 (i) Current Assets, Loans and Advances		
(a) Inventories	5	11,58,87,405
(b) Sundry Debtors	6	8,64,40,906
(c) Cash and Bank balances	7	4,76,85,471
(d) Loans and advances	8	3,66,41,464
Sub-Total (i)		28,66,55,246
(ii) Less : Current Liabilities and Provisions		
(a) Current liabilities	9	21,06,69,680
(b) Provisions	10	15,64,264
Sub-Total (ii)		21,22,33,944
Net Current Assets (i - ii)		7,44,21,302
4 Profit and Loss Account		
Balance as per annexed account		1,24,39,019
TOTAL		87,46,86,508
Notes forming part of accounts	15	

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

For Inox Wind Limited

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

DEVANSH JAIN

Director

Place : Pune

Dated : 22nd May, 2010

Place : Noida

Dated : 22nd May, 2010

Profit and Loss Account for the period ended 31 st March, 2010

	Schedule	Period ended 31-Mar-2010 Rupees
INCOME		
Sales - Gross		7,84,94,884
Less: Excise Duty		-
Sales - Net		7,84,94,884
Other Income	11	55,234
Total		7,85,50,118
EXPENDITURE		
Materials Consumed	12	7,08,73,616
Manufacturing and Other Expenses	13	1,64,48,330
Interest	14	19,51,099
Depreciation & Amortization	3	17,90,092
		9,10,63,137
Loss before tax		(1,25,13,019)
Less: Deferred Tax Credit		74,000
Loss for the period after tax carried to Balance Sheet		(1,24,39,019)
Earnings Per Equity Share of Rs. 10 each		
Basic		(20.64)
Diluted		(20.64)
Notes forming part of Accounts	15	

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Inox Wind Limited

DEEPAK ASHER
Director

Place : Noida
Dated : 22nd May, 2010

DEVANSH JAIN
Director

Cash Flow Statement for the period ended 31 st March, 2010

	Period ended 31-Mar-2010 Rupees
A Cash flow from operating activities	
Net loss before tax and extraordinary items	(1,25,13,019)
Adjustments for :	
Depreciation / Amortization	17,90,092
Interest received	(55,234)
Interest paid	19,51,099
Operating profit/(loss) before working capital changes	(88,27,062)
Adjustments for :	
Trade and other receivables	(12,30,78,037)
Inventories	(11,58,87,405)
Trade payables	8,34,79,237
Cash used in operations	(16,43,13,267)
Direct taxes paid (tax deducted at source)	(4,333)
Net cash from/(used in) operating activities	(16,43,17,600)
B Cash flow from investing activities	
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(65,81,84,492)
Purchase of current investments	(10,50,90,802)
Redemption of current investments	10,51,32,329
Dividend received	90,802
Interest received	55,234
Net cash from/(used in) investment activities	(65,79,96,929)
C Cash flow from financing activities	
Issue of Shares	30,00,00,000
Issue of Debentures	10,00,00,000
Inter-corporate Deposit Received	47,00,00,000
Net cash from/(used in) financing activities	87,00,00,000
Net increase in cash and cash equivalent	4,76,85,471
Closing cash and cash equivalents	4,76,85,471

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Inox Wind Limited

DEEPAK ASHER
Director

Place : Noida
Dated : 22nd May, 2010

DEVANSH JAIN
Director

Schedule Forming part of the Balance Sheet as at 31 st March, 2010

Schedule 1 : Share Capital

Authorised Capital

5,00,00,000 Equity Shares of Rs. 10/- each

Issued and Subscribed Capital

3,00,00,000 Equity Shares of Rs. 10/- each, fully paid-up

(Out of above 2,99,99,400 shares are held by the Holding Company - Gujarat Fluorochemicals Limited)

Total

Schedule 2 : Unsecured Loans

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

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

Add: Interest accrued and due

Inter-corporate Deposit - from Holding Company

Add: Interest accrued and due

Total

**As at
31-Mar-2010**
Rupees

50,00,00,000

30,00,00,000

30,00,00,000

10,00,00,000

2,93,424

10,02,93,424

47,00,00,000

43,93,084

47,43,93,084

57,46,86,508

Schedule 3 : Fixed Assets

Amount in Rs.

PARTICULARS	GROSS BLOCK		DEPRECIATION/AMORTIZATION		NET BLOCK
	Additions during the period	As at 31st March 2010	For the period	As at 31st March 2010	As at 31st March 2010
A) Tangible Assets					
Freehold Land	4,58,88,111	4,58,88,111	-	-	4,58,88,111
Leasehold Land	3,59,68,817	3,59,68,817	2,31,639	2,31,639	3,57,37,178
Building	12,10,89,755	12,10,89,755	3,43,497	3,43,497	12,07,46,258
Plant & Machinery	5,36,49,637	5,36,49,637	2,71,768	2,71,768	5,33,77,869
Office Equipments including Computers	27,50,814	27,50,814	2,60,294	2,60,294	24,90,520
Furniture & Fixtures	3,65,634	3,65,634	1,05,818	1,05,818	2,59,816
Vehicles	9,46,384	9,46,384	41,382	41,382	9,05,002
	26,06,59,152	26,06,59,152	12,54,398	12,54,398	25,94,04,754
B) Intangible Assets					
Technical Know-how	10,29,06,605	10,29,06,605	8,74,001	8,74,001	10,20,32,604
TOTAL	36,35,65,757	36,35,65,757	21,28,399	21,28,399	36,14,37,358

Schedule Forming part of the Balance Sheet as at 31 st March, 2010

Schedule 4 : Pre-operative expenditure pending allocation

A)	Expenses incurred during the period	
	Salaries, Wages, Allowances and Benefits	1,80,32,352
	Contribution to PF and Other Funds	9,93,037
	Gratuity	2,92,017
	Staff welfare	55,335
	Legal, Professional and Consultancy Charges	41,94,652
	Travelling & Conveyance	76,48,407
	Rent	3,74,137
	Insurance	3,14,292
	Power & Fuel	40,30,378
	Communication Expenses	3,81,341
	Hire Charges	12,10,672
	Printing & Stationary	2,47,747
	Rates & Taxes	8,19,805
	Security Service Charges	9,61,455
	Testing Charges	94,43,515
	Miscellaneous Expenses	10,78,864
	Interest on inter-corporate deposit	35,15,889
	Depreciation	3,38,307
		<hr/>
		5,39,32,202
B)	Less: Pre-Operative Income earned during the year	
	Dividend on current investments	90,802
	Profit on sale of current investments	41,527
		<hr/>
		1,32,329
C)	Less: Capitalised during the period	1,52,92,286
		<hr/>
	Closing balance	3,85,07,587

**As at
31-Mar-2010**

Schedule 5 : Inventories

(at lower of cost and net realisable value)

Raw Materials	7,50,35,682
Materials in transit	4,07,39,228
Stores and Spares	1,12,495
	<hr/>
Total	11,58,87,405

Schedule 6 : Sundry Debtors

(unsecured, considered good by the Management)

Exceeding 6 months	-
Others - Due from Holding Company	8,64,40,906
	<hr/>
Total	8,64,40,906

Schedule Forming part of the Balance Sheet as at 31 st March, 2010

Schedule 7 : Cash & Bank balances

Cash on Hand

With Scheduled Banks

in Current accounts

Total

Schedule 8 : Loans & Advances

(unsecured, considered good by the Management)

Advances recoverable in cash or in kind or for value to be received

Deposits

Balances in VAT Accounts

Tax Deducted at Source

Total

Schedule 9 : Current Liabilities

Sundry Creditors

-Dues to Micro and Small Enterprises

-Others

Security Deposits

Other Liabilities

Total

Schedule 10 : Provisions

For Gratuity

For Leave encashment

Total

**As at
31-Mar-2010**
Rupees

36,734

4,76,48,737

4,76,85,471

3,44,07,749

18,03,650

4,25,732

4,333

3,66,41,464

-

18,73,87,705

18,73,87,705

1,60,00,000

72,81,975

21,06,69,680

3,40,955

12,23,309

15,64,264

Schedule Forming part of the Profit and Loss Account as at 31 st March, 2010

Schedule 11 : Other Income

Interest On Bank Fixed Deposits

Total

Schedule 12 : Materials Consumed

Raw Materials Consumed

Total

Schedule 13 : Manufacturing and Other Expenses

Salaries, Wages, Allowances and Benefits

Contribution to Provident and other Funds

Gratuity

Staff Welfare Expenses

Stores and Spares Consumed

Power & Fuel

Rent

Rates & Taxes

Travelling & Conveyance

Hire Charges

Royalty

Communication Expenses

Printing & stationary

Security Charges

Legal & Professional Fees & Expenses

Foreign Exchange Fluctuation Loss (net)

Insurance

Preliminary Expenses Written Off

Miscellaneous Expenses

Total

Schedule 14 : Interest

Interest on Fixed Loans

On Inter-corporate Deposit

On Debentures

Other interest

Total

**Period ended
31-Mar-2010**
Rupees

55,234

55,234

7,08,73,616

7,08,73,616

30,22,018

1,23,083

48,938

45,148

2,59,501

1,83,598

22,161

2,19,598

11,11,645

10,85,000

8,45,880

60,064

33,664

1,03,550

4,29,597

53,02,430

62,177

27,17,441

7,72,837

1,64,48,330

13,65,316

3,26,027

2,59,756

19,51,099

Schedule 15 : Notes forming part of Accounts of the period ended 31 st March, 2010

1. 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 Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b) Revenue Recognition:

The Company recognizes sales when the significant risks and rewards of ownership of goods have passed on the customers, which is generally at the point of dispatch of goods. Sales are exclusive of sales-tax.

c) Fixed Assets:

Fixed assets are carried at cost as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Cost comprises of cost of acquisition/construction, including pre-operative expenditure capitalized, and is net of VAT credit, as applicable.

d) Depreciation and Amortization:

i) On tangible fixed assets – Cost of leasehold land is amortized over the period of lease. Depreciation on other fixed assets, excluding freehold land, is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Fixed assets costing upto Rs. 5,000 each are fully depreciated in the year of acquisition.

ii) On intangible fixed assets – Cost of technical know-how is amortized equally over a period of ten years.

e) Investments :

Current Investments are carried at lower of the cost and fair value. Income from investments is accounted for on accrual basis.

f) Inventories :

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost method and is inclusive of appropriate overheads.

g) 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 related services are rendered. Company's contribution towards provident fund 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.

h) Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

i) Taxes on Income :

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the Company's gross total income is subject to the deduction during the tax holiday period.

j) 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.

2. The Company was incorporated on 9th April 2009 and this is the first financial year of the Company. Hence there are no figures for the previous year.
3. In the opinion of Board of Directors, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and the provisions of depreciation and of all known liabilities are adequate and not in excess of the amount reasonably necessary.

4. Particulars of Capacity, Production and Turnover:

Installed Capacity and Production:

Particulars

Nacelle & Hub (no. of sets)

2009-2010	
Installed Capacity	Production
400	1

Turnover:

Particulars

Nacelle & Hub (sets)

Others

Total

Notes:

- a. Vide Notification No. SO 477(E) dated 25th July 1991, issued by the Ministry of Industry, the Company's products are exempted from licensing provisions under the Industries (Development and Regulations) Act, 1951.
- b. Installed capacity is determined on triple shift basis and is as certified by the management on which the Auditors' have relied, being a technical matter.

2009-2010	
Qty (nos)	Amount (Rs.)
1	7,67,32,673
	17,62,211
	7,84,94,884

5. Particulars of Raw Materials Consumed

Particulars

Gear Box

Others

Total

2009-2010	
Qty (nos)	Amount (Rs.)
1	3,09,80,039
	3,98,93,577
	7,08,73,616

6. Imported and Indigenous Raw Materials Consumed

Particulars

Imported

Indigenous

Total

2009-2010	
%	Amount (Rs.)
80.02	5,67,15,381
19.98	1,41,58,235
100.00	7,08,73,616

7. Imported and Indigenous Stores & Spares Consumed

Particulars

Imported

Indigenous

Total

2009-2010	
%	Amount (Rs.)
Nil	Nil
100	2,59,501
100	2,59,501

8. CIF value of imports:

Particulars	2009-2010 (Rs.)
Raw Materials	10,04,76,340
Capital Goods (including capital work-in-progress)	9,17,77,480

9. Expenditure in Foreign Currency (including preoperative expenses and amounts capitalized)

Particulars	2009-2010 (Rs.)
Technical Know-how Fees	10,67,52,276
Royalty	8,45,880
Travelling expenses	39,26,294
Testing Charges	34,51,433

10. Earnings in foreign exchange – Rs. Nil**11. Particulars of payment to Auditors :**

Particulars	2009-2010 (Rs.)
Statutory Audit	1,00,000
Tax Audit	50,000
Other Services	2,00,000
Out of pocket expenses	7,650
Service tax on above	36,838
Total	3,94,488

12. Contingent Liabilities:

Bank Guarantees furnished by the Company for performance of contractual obligations Rs. 1,79,93,998.

13. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - Rs. 15,14,27,000**14. Tax deducted at source from Interest received is Rs. 4,333****15. Following investments in mutual funds units of Rs. 10 each (fully paid-up) are purchased and redeemed during the year:**

HDFC Cash Management Liquid Fund - 10490459 units – Cost Rs. 10,50,90,802

16. There is no amount due to "Micro or Small Enterprises" under Micro, Small and Medium Enterprises Act, 2006. Further no interest is paid / payable in the terms of section 16 of the said Act.

The information regarding dues to 'Micro or Small Enterprises', including that given in Schedule No. 9 – Current Liabilities regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company.

17. The Company's significant leasing arrangements are in respect of :-

Operating leases for premises (offices and residential accommodations for employees) - Generally, these lease arrangements are for non-cancelable period of 11 months and are renewable by mutual consent on mutually agreeable terms. Rent of Rs. 22,161 is included in 'Rent' in Schedule 13 to the Profit and Loss Account and Rent of Rs. 3,74,137 is included in Schedule 4 : Pre-operative Expenditure Pending Allocation.

18. Employee Benefits:

- Defined Contribution Plans: Contribution to Provident Fund of Rs. 1,23,083 is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account and Rs. 9,93,037 is included in pre-operative expenses.

b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

Particulars	As at 31.3.2010	
	Gratuity	Leave Encashment
1. Change in Benefit Obligation		
Interest Cost	Nil	Nil
Current Service Cost	3,40,955	4,29,828
Benefit paid	Nil	(17,052)
Actuarial (Gain)/Loss	Nil	(3,07,547)
Liability at the end of the year	3,40,955	1,05,229
2. Expenses recognized in the Profit and Loss Account/as Pre-operative expenses		
Current Service Cost	3,40,955	4,29,828
Interest Cost	Nil	Nil
Actuarial (Gain)/Loss	Nil	(3,07,547)
Expenses recognized in the Profit and Loss Account/as Pre-operative expenses	3,40,955	1,22,281
3. Actuarial Assumptions		
Discount Rate	8%	
Salary Escalation Rate	8%	
Retirement Age	60 years	
Withdrawal Rates	5%	
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.

19. The Company operates in a single business segment viz. manufacture of Wind Turbine Generators. Further, all the activities of the Company are in India and hence there is a single geographical segment.

20. Related Party Disclosure:

(i) Where Control Exists

Holding Company – Gujarat Fluorochemicals Limited

Ultimate Holding Company – Inox Leasing & Finance Limited (no transactions with this party)

(ii) Particulars of Transactions with Gujarat Fluorochemicals Limited

A) Transactions during the year	2009-2010 Rs.
Issue of shares	29,99,94,000
Inter-corporate Deposit Received	47,00,00,000
Interest paid	48,81,205
Reimbursement of expenses paid	63,06,702
Reimbursement of expenses received	77,78,431
Sales	7,93,08,323
B) Amounts Outstanding	31.3.2010 Rs.
Inter-corporate Deposit Received	47,00,00,000
Sundry Debtors	8,64,40,905
Interest payable	43,93,084

21. Particulars of Deferred Tax Asset:

Particulars

As at 31.3.2010
Rs.

Retirement Benefits

74,000

22. Calculation of Earnings Per Share (EPS):

Particulars

2009-2010

Loss after tax as per Profit and Loss Account – numerator for calculating basic EPS (Rs)

(1,24,39,019)

Less: Interest on debentures

3,26,027

Adjusted loss for diluted EPS - numerator for calculating diluted EPS (Rs)

(1,21,12,992)

Weighted average number of equity shares used in computing basic earnings per shares (nos.)

6,02,521

Weighted average number of equity shares used in computing diluted earnings per shares (nos.)

10,78,711

Basic Earnings per share – nominal value Rs. 10/- per share (Rs.)

(20.64)

Diluted Earnings per share - nominal value Rs. 10/- per share (Rs.)

(20.64)

Note: Since the convertible debentures are anti-dilutive, they have been ignored in the computation of diluted EPS.

23. Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956, is enclosed vide Annexure.

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

S. S. AGRAWAL

Partner

Place : Pune

Dated : 22nd May, 2010

For Inox Wind Limited

DEEPAK ASHER

Director

Place : Noida

Dated : 22nd May, 2010

DEVANSH JAIN

Director

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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No

U	3	1	9	0	1	H	P	2	0	0	9	P	L	C	0	3	1	0	8	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

 State Code

0	6
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

Date Month Year

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

Public Issue

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

Bonus Issue

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

Right Issue

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

Private Placement

			3	0	0	0	0	0	0
--	--	--	---	---	---	---	---	---	---

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

Total Liabilities

		1	0	8	6	9	2	0
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		3	0	0	0	0	0	0
--	--	---	---	---	---	---	---	---

Secured Loans

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

Total Assets

		1	0	8	6	9	2	0
--	--	---	---	---	---	---	---	---

Reserves & Surplus

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

Unsecured Loans

			5	7	4	6	8	7
--	--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

		7	8	7	7	5	2
--	--	---	---	---	---	---	---

Net Current Assets

			7	4	4	2	1
--	--	--	---	---	---	---	---

Misc. Expenditure

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

Investments

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

Deferred Tax Asset

							7	4
--	--	--	--	--	--	--	---	---

Accumulated Losses

				1	2	4	3	9
--	--	--	--	---	---	---	---	---

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

			7	8	5	5	0
--	--	--	---	---	---	---	---

+ / (-) Profit/(Loss) Before Tax

	✓			1	2	5	1	3
--	---	--	--	---	---	---	---	---

Earning per share (Rs.)

			(-)	2	0	.	6	4
--	--	--	-----	---	---	---	---	---

Total Expenditure

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

+ / (-) Profit/(Loss) After Tax

	✓			1	2	4	3	9
--	---	--	--	---	---	---	---	---

Dividend Rate @ %

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

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

Item Code No (ITC Code)

8	5	0	2	3	1	0	0
---	---	---	---	---	---	---	---

Product Description

WIND-POWERED ELECTRIC GENERATING SETS

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GUJARAT FLUOROCHEMICALS AMERICAS LLC, USA

1ST

ANNUAL REPORT

2009-2010

MANAGER

Mr. David Kaufmann

AUDITORS

M/s. Patankar & Associates
Chartered Accountants

OFFICE

8040 Excelsior Dr.,
Suite 200
Madison
WI 53717

Manager's Report

The Manager has pleasure in presenting the first Report on the working of the Company for the period ended on 31st March, 2010. The report, the Accounts and Auditors' Report covers the period from 02nd September, 2009 to 31st March, 2010.

1. COMPANY

Your Company was incorporated on 02nd September, 2009 as Limited Liability Company under the Business Organizations Code of the state of Texas.

2. FINANCIAL RESULTS

Particulars

Sales Turnover

Less: Expenses

Raw Materials Consumption

Manufacturing and Other Expenses

Depreciation and Amortization

Loss for the year

Amount (Rs in lacs)

21.56

23.16

32.16

2.01

(35.77)

3. AUDITORS' REPORT

The notes forming part of the accounts are self explanatory and do not call for any further clarifications under Section 217 (3) of the Companies Act, 1956.

4. DISCLOSURE OF PARTICULARS

The Company being registered outside India, the disclosure as required to be made in accordance with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, are not relevant.

5. PARTICULARS OF EMPLOYEES

There are no employees covered by the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. RESPONSIBILITY STATEMENT

Your manager would like to confirm that

- I. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- II. the manager has selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;
- III. the manager has 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 manager has prepared the Annual Accounts on a going concern basis.

Place : Rockdale, Texas
Date : 22nd May, 2010

David Kaufmann
Manager

Auditor's Report

TO THE MEMBERS OF

GUJARAT FLUOROchemicals AMERICAS LLC, U.S.A.

1. We have audited the attached Balance Sheet of **Gujarat Fluorochemicals Americas LLC, U.S.A.** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period 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.
2. 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.
3. As stated in note 1 to schedule "F", these financial statements have been prepared by the Company for the purposes of attaching to the financial statements of its holding company, Gujarat Fluorochemicals Limited, India, as prescribed under section 212 of the Indian Companies Act, 1956.
4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
5. 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement 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) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For Patankar & Associates,
Chartered Accountants

S. S. Agrawal
Partner

Membership No. 49051
Firm Reg No. 107628W

Place : Pune.
Dated : 22nd May, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 4 OF THE AUDITOR'S REPORT TO THE MEMBERS OF GUJARAT FLUOROCHEMICALS AMERICAS LLC, U.S.A. ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2010

In term of the Companies (Auditor's Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals and no discrepancies have been noticed on such verification. There is no disposal of fixed assets during the year
2. The inventories were physically verified by the management at reasonable intervals during the period.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of this area.
4. The provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003 in respect of internal audit system are not applicable to the Company.
5. The Company being registered in USA, has no statutory liabilities in India and accordingly reporting for clause 4(ix) of the the Companies (Auditor's Report) Order, 2003 is not required.
6. The Company has been registered for a period of less than five years and hence the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. The Company does not have any borrowings from financial institutions or bank or by way of debentures issued and hence the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
8. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
9. The Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
10. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
11. The Company has not availed of any term loans during the year and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. The Company has not raised funds on short term basis during the year and hence the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not raised any money by way of public issues during the year.
15. No fraud on or by the company was noticed or reported during the course of our audit.

The clauses 4(iii), (v), (vi), (viii), (xiii) and (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company since it is registered outside India and hence no reporting has been made.

For Patankar & Associates,
Chartered Accountants

S. S. Agrawal
Partner

Membership No. 49051
Firm Reg No. 107628W

Place : Pune.
Dated : 22nd May, 2010

Balance Sheet as at 31 st March, 2010

	Schedule	As at 31-3-2010 Rs.
SOURCES OF FUNDS :		
Shareholder's Funds		
Capital	A	2,04,84,380
Foreign Currency Translation Reserve		(5,58,740)
Total		1,99,25,640
APPLICATION OF FUNDS :		
Fixed Assets		
Gross Block		1,47,17,900
Less: Depreciation		2,00,992
Net Block	B	1,45,16,908
Current Assets, Loans and Advances		
Inventories	C	7,66,176
Sundry Debtors		18,36,363
Cash & Bank Balances		26,11,744
Loan and Advances		2,50,953
		54,65,236
Current Liabilities & Provisions		
Current Liabilities	D	36,33,256
		36,33,256
Net Current Assets		
		18,31,980
Profit & Loss Account		
(Balance as per annexed accounts)		35,76,752
Total		1,99,25,640
Notes to Accounts	F	

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Gujarat Fluorochemicals Americas LLC,U.S.A.

David Kaufmann
Manager

Place : Texas,U.S.A.
Dated : 22nd May, 2010

Profit and Loss Account for the period ended 31 st March, 2010

	Schedule	Rs. 2009-2010
INCOME		
Sales		21,56,270
		<hr/> 21,56,270
EXPENDITURE		
Raw Material Consumed		23,15,847
Manufacturing and other expenses	E	32,16,182
Depreciation and Amortization	B	2,00,992
		<hr/> 57,33,022
Loss for the year carried to Balance Sheet		<hr/> (35,76,752) <hr/>
Notes to Accounts	F	

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Gujarat Fluorochemicals Americas LLC,U.S.A.

David Kaufmann
Manager

Place : Texas,U.S.A.
Dated : 22nd May, 2010

Cash Flow Statement for the period ended 31 st March, 2010

	Rs. 2009-2010
A Cash flow from operating activities	
Net Loss before tax	(35,76,752)
Adjustments for :	
Depreciation and amortization	2,00,992
<i>Operative profit/(loss) before working capital changes</i>	(33,75,759)
Adjustments for :	
Trade and other receivables	(20,87,316)
Inventories	(7,66,176)
Trade payables	36,33,256
Net cash generated/(used) in operating activities	(25,95,996)
B Cash flow from investing activities	
Purchase of Fixed Assets	(1,47,17,900)
Net cash generated/ (used) in investment activities	(1,47,17,900)
C Cash flow from financing activities	
Issue of Shares	2,04,84,380
Net cash from financing activities	2,04,84,380
D Adjustement on accounts of Foreign Currency Transalation Reserve	(5,58,740)
Net increase in cash and cash equivalent	26,11,744
Cash and cash equivalents as at the end of the year	26,11,744

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

S. S. AGRAWAL
Partner

Place : Pune
Dated : 22nd May, 2010

For Gujarat Fluorochemicals Americas LLC,U.S.A.

David Kaufmann
Manager

Place : Texas,U.S.A.
Dated : 22nd May, 2010

Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

SCHEDULE "A" : SHARE CAPITAL

Capital Contribution

(Entire capital contribution is made by the Holding Company
Gujarat Fluorochemicals Limited, India)

TOTAL

As at
31-3-2010
Rs.

2,04,84,380

2,04,84,380

SCHEDULE B : FIXED ASSETS

Rs.

Particulars	Gross Block		Depreciation/Amortization		Net Block
	Additions	As at 31-Mar-10	For the year	As at 31-Mar-10	As at 31-Mar-10
Plant and Machinery	63,90,099	63,90,099	85,482	85,482	63,04,617
Electrical Installations	8,39,491	8,39,491	10,491	10,491	8,29,001
Manufacturing and other Equipments	72,16,225	72,16,225	1,01,639	1,01,639	71,14,586
Furniture and Fixtures	2,72,085	2,72,085	3,380	3,380	2,68,705
Total	1,47,17,900	1,47,17,900	2,00,992	2,00,992	1,45,16,908

SCHEDULE "C" : CURRENT ASSETS, LOANS & ADVANCES

INVENTORIES

(at lower of cost or net relaisable value)

Raw Material

TOTAL

As at
31-3-2010
Rs.

7,66,176

7,66,176

SUNDRY DEBOTRS

(Unsecured and considered good by mamagement)

Exceeding 6 months

Others

TOTAL

18,36,363

18,36,363

CASH & BANK BALANCES

Balance in current accounts with non-scheduled banks

(Ref. Note No. 9 in notes to accounts)

TOTAL

26,11,744

26,11,744

LOANS AND ADVANCES

(Unsecured and considered good by mamagement)

Advances Recoverable in cash or in kind or for value to be received

TOTAL

2,50,953

2,50,953

Schedule Annexed to and Forming part of the Balance Sheet as at 31 st March, 2010

SCHEDULE "D" : CURRENT LIABILITIES

Sundry Creditors

- Dues to Micro and Small Enterprises
 - Others
- (Including due to holding company Rs.26,84,212/-)

TOTAL

As at
31-3-2010
Rs.

-

36,33,256

36,33,256

Schedule Annexed to and Forming part of the Profit and Loss Account

SCHEDULE "E" : MANUFACTURING AND OTHER EXPENSES

Stores and Spares Consumed

Repairs and Maintenance

- Plant & Machinery
- Building
- Other

Power and Fuel

Freight

Insurance

Legal and Professional Fees

Labour charges

Rent

Communication expenses

Bank Charges

Miscellaneous expenses

TOTAL

Rs.
2009-2010

105,302

2,12,094

1,14,771

26,511

1,92,306

1,99,150

6,471

9,32,960

1,71,669

6,06,652

70,642

14,204

5,63,451

32,16,182

Schedule F : Notes to Accounts for the period ended 31 st March, 2010

1. BACKGROUND:

Gujarat Fluorochemicals Americas LLC has been incorporated in United States of America on 8th September, 2009 and is 100% subsidiary of Gujarat Fluorochemicals Limited, India.

These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of the Indian Companies Act, 1956 by the holding company i.e. Gujarat Fluorochemicals Limited, India (GFL). Accordingly, these financial statements will be attached to the financial statements of GFL as prescribed under Section 212 of the Indian Companies Act, 1956. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard 11 Effects of Changes in Foreign Exchange Rates.

2. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, 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

Fixed Assets are carried at cost less accumulated depreciation. Cost comprises of purchase price, including any expenses attributable to bring the asset to its working condition for its intended use.

c) DEPRECIATION & AMORTIZATION

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Fixed Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition.

d) INVENTORIES

Inventories are valued at lower of cost and net realisable value. Cost is determined using FIFO Method and is inclusive of appropriate overheads.

e) SALES

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.

3. The Company was incorporated in United States of America on 8th September, 2009 and this is the first financial year of the Company, Hence there are no figures for the previous year.

4. In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and the provisions for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.

5. Particulars of Capacity, Production, Turnover and Stocks:

Products		Quantity	Value (Rs.)
	UOM	2009-2010	2009-2010
Post Treated Poly Tetra fluoroethylene (PT PTFE) Compounding			
- installed capacity	MT	45	
- opening stock	MT	0	0
- production	MT	5.50	
- sales	MT	5.50	21,56,270
- closing stock	MT	0	0

i. Licences Capacity- Not applicable.

ii. Installed capacities are as certified by the management on which the Auditor's have relied, being a technical matter.

6. Raw Materials consumed

	2009-2010	
	Quantity (in MT)	Value (Rs.)
PT-PTFE	6.00	19,63,172
Others		3,52,675
Total		23,15,847

7. Entire consumption of raw materials and stores & spares consumption is in respect of materials procured locally, viz. in USA. Further, entire sale of the Company is in the USA.

8. **Particulars of Payments to Auditor's**

Particulars

Audit Fees

Service Tax

Total

**Amount (Rs.)
2009-2010**

50,000

5,150

55,150

9. **Particulars of balances with non-scheduled bank**

Name of the Bank

JP Morgan Chase Bank 8647

JP Morgan Chase Bank 8515

JP Morgan Chase Bank 8092

**Closing Balance
as on
31.03.2010**

26,02,762

4,491

4,491

**Maximum
balance during
the period**

1,47,36,431

4,814

4,704

10. **Segment Information**

The Company operates in a single business segment viz. manufacture of PT-PTFE Compounding. Further, all the activities of the Company are in U.S.A. and hence there is a single geographical segment.

11. **Related Party Disclosures:**

Names of Related Parties where control exists:

- i) Inox Leasing and Finance Limited, India (Ultimate Holding Company) – no transactions with this party during the period.
- ii) Gujarat Fluorochemicals Limited, India (Holding Company)

a) Transaction during the year :

S.No.

Particulars

a)

Capital Contribution

b)

Purchase of Goods

c)

Reimbursement of Expenses Paid

b) Amount outstanding as at the end of the year :

S.No.

Particulars

a)

Capital Contribution

b)

Amount Payable

Amount (Rs.)

2,04,84,380

20,44,010

6,40,202

Amount (Rs.)

2,04,84,380

26,84,212

12. **Disclosure as required by Accounting Standard – AS 19 on "Leases" –**

The Company's leasing arrangements are in respect of operating leases for factory premises taken on lease. This lease arrangement is non-cancellable and valid for 3 years and is renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent" in Schedule "E" to the Profit and Loss Account.

13. **Deferred Tax:**

The Company has incurred loss during the year and consequently has a net deferred tax asset as on 31st March 2010. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized

14. **Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956, is enclosed vide Annexure.**

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

S. S. AGRAWAL

Partner

Place : Pune

Dated : 22nd May, 2010

For Gujarat Fluorochemicals Americas LLC,U.S.A.

David Kaufmann

Manager

Place : Texas,U.S.A.

Dated : 22nd May, 2010

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

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No 8 0 1 1 6 5 9 8 5

Balance Sheet Date 3 1 0 3 1 0

Date Month Year

State Code T E X A S U S A

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

Public Issue

N I L

Bonus Issue

N I L

Right Issue

N I L

Private Placement

N I L

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

Total Liabilities

1 9 9 2 6

Sources of Funds

Paid-up Capital

2 0 4 8 4

Secured Loans

N I L

Deferred Tax Liability

N I L

Application of Funds

Net Fixed Assets

1 4 5 1 7

Net Current Assets

1 8 3 2

Accumulated Losses

3 5 7 7

Total Assets

1 9 9 2 6

Reserves & Surplus

5 5 9

Unsecured Loans

N I L

Unsecured Loans

Investments

N I L

Misc. Expenditure

N I L

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

Turnover (Net)

2 1 5 6

+ / (-) Profit/(Loss) Before Tax

(-) 3 5 7 7

Earning per share (Rs.)

N I L

Total Expenditure

5 7 3 3

+ - Profit/(Loss) After Tax

(-) 3 5 7 7

Dividend Rate @ %

N I L

V GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

3 9 0 4 0 0

Item Code No (ITC Code)

POLYTETRAFLUOROETHYLENE

Product Description



Gujarat Fluorochemicals Limited

GUJARAT FLUOROCHEMICALS LIMITED

CONSOLIDATED ANNUAL ACCOUNTS

2009 – 2010

Auditor's Report on Consolidated Financial Statements

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF GUJARAT FLUOROchemicals LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT FLUOROchemicals LIMITED, ITS SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE.

We have audited the attached Consolidated Balance Sheet of Gujarat Fluorochemicals Limited (the "Company"), its subsidiaries, joint venture and associate, (collectively "Group") as at 31st March 2010, 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 report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Venture, notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

We did not audit the financial statements of the joint venture of the Company, whose financial statements reflect, to the extent of the proportionate share of the Group, total assets of Rs. 2889.74 lacs and total revenues of Rs. 2021.08 lacs in this Consolidated Financial Statement. We also did not audit the financial statements of the an associate of the Company's subsidiary whose financial statements reflect the Group's share of profit upto 31st March 2010 of Rs. 1.18 lacs and Group's share of profit for the year ended 31st March 2010 of Rs. 434/-. The financial statements and other financial information of these joint venture 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 these venture and associate, is based solely on the reports of the other auditors.

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

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

For Patankar & Associates
Chartered Accountants

S. S. Agrawal
Partner

Membership No. 49051
Firm Reg. No. 107628W

Place : Pune.
Dated : 22nd May 2010



Gujarat Fluorochemicals Limited

Consolidated Balance Sheet of Gujarat Fluorochemicals Limited and its Subsidiary Companies as at 31 st March, 2010

	Schedule Number	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
I SOURCES OF FUNDS			
1 Shareholders' Funds			
(a) Capital	1	1098.50	1098.50
(b) Reserves and Surplus	2	167061.66	136283.17
		168160.16	137381.67
2 Minority Interest		10708.23	10278.16
3 Loan Funds			
(a) Secured Loans	3	33987.62	58419.97
(b) Unsecured Loans	4	27891.21	13877.71
		61878.83	72297.68
4 Deferred Tax Liability (Net)		11332.78	10555.67
Total		252080.01	230513.17
II APPLICATION OF FUNDS			
1 Fixed Assets	5		
(a) Gross Block		169639.56	126611.35
(b) Less : Depreciation		25953.57	18796.33
(c) Net Block		143685.99	107815.01
(d) Capital Work-in-progress		10899.20	19895.86
(e) Advances on Capital Account		7978.04	4376.00
(f) Pre-operative expenditure pending allocation	6	1014.63	1049.84
		163577.85	133136.72
2 Investments	7	72344.69	46750.97
3 Deferred Tax Asset		0.74	0.00
4 (i) Current Assets, Loans and Advances	8		
(a) Inventories		20392.03	19383.85
(b) Sundry Debtors		10518.30	12822.38
(c) Cash and Bank Balances		13832.03	20587.56
(d) Other Current Assets		277.00	820.27
(e) Loans and Advances		15203.06	18920.39
Sub-Total (i)		60222.42	72534.46
(ii) Less : Current Liabilities and Provisions	9		
(a) Liabilities		41260.99	16648.56
(b) Provisions		2804.71	5260.42
Sub-Total (ii)		44065.69	21908.98
Net Current Assets (i) - (ii)		16156.73	50625.48
Total		252080.01	230513.17
Notes forming part of Accounts	17		

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

D. K. JAIN
Chairman

SHAIENDRA SWARUP
Director

S. S. AGRAWAL
Partner

DEEPAK ASHER
Director

B. V. DESAI
Company Secretary

S. P. JAIN
Director

Place : Pune
Dated : 22nd May 2010

Place : Noida
Dated : 22nd May 2010

Consolidated Profit and Loss Account of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2010

	Schedule Number	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
INCOME			
1 Sales and Services - Gross		128031.14	129682.33
Less: Excise Duty		2014.96	2669.14
Sales and Services - Net	10	126016.18	127013.19
2 Other Income	11	7038.66	3193.98
		133054.84	130207.17
EXPENDITURE			
1 (Increase) / Decrease in Stocks	12	(910.97)	(4483.50)
2 Materials Consumed and Purchase of Goods	13	22279.94	20832.98
3 Manufacturing, Operating and other Expenses	14	49813.95	45819.76
4 Salaries and Benefits	15	6956.32	6917.13
5 Provision for diminution in value of investments (Net)	7	1559.84	268.09
6 Interest	16	5170.02	5335.16
7 Goodwill on consolidation written off		167.85	0.00
8 Depreciation & Amortization	5	7790.50	6368.69
		92827.44	81058.31
Less : Expenses Capitalized		(784.95)	0.00
Net Expenditure		92042.49	81058.31
9 Profit before Taxation		41012.35	49148.86
10 Provision for Taxation for the year			
Current tax		7301.50	12343.25
MAT Credit Entitlement		(1102.00)	0.00
Deferred tax		969.00	1621.58
Fringe benefit tax		0.00	80.00
		7168.50	14044.83
11 Profit after tax		33843.85	35104.03
12 Add/(Less) : Taxation in respect of earlier years			
Prior Period Taxation		(3.95)	20.86
MAT Credit Entitlement for earlier years - ref. note no. 9		978.00	0.00
Reversal of current tax provision and deferred tax for earlier years - Refer Note No. 9 in Notes to Accounts		192.63	1022.62
13 Profit for the year		35010.52	36147.51
14 Less: Minority Interest		(922.61)	(876.76)
15 Add/(Less) : Profit of Associate/Share in (Loss)		0.00	(2.46)
16 Net Profit		34087.91	35268.30
17 Profit brought forward from previous year		1385.13	41.82
18 Share in opening profit in Joint Venture		31.69	0.00
19 Profit available for appropriation		35504.73	35310.11
20 Less : Appropriations			
Capital Redemption Reserve		0.00	59.30
Dividend on shares bought back		0.00	(4.88)
Transfer to General Reserve		28800.00	29372.39
Interim Dividend		2197.00	0.00
Proposed Dividend		1647.75	3844.75
Tax on Dividend		647.05	653.42
		33291.80	33924.98
21 Balance carried to Balance Sheet		2212.93	1385.13
Basic and diluted Earnings per Share of Re 1 each		31.03	31.02
Notes forming part of Accounts	17		

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

D. K. JAIN

Chairman

SHAILENDRA SWARUP

Director

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

B. V. DESAI

Company Secretary

S. P. JAIN

Director

Place : Pune

Dated : 22nd May 2010

Place : Noida

Dated : 22nd May 2010



Gujarat Fluorochemicals Limited

Consolidated Cash Flow Statement of Gujarat Fluorochemicals Limited and its Subsidiary Companies for the year ended 31 st March, 2010

	Amount (Rs. in lacs)	
	2009-2010	2008-2009
A Cash flow from operating activities		
Net profit before tax	41012.35	49548.87
Adjustments for :		
Depreciation and Amortisation	7790.50	6368.69
Provision for diminution in value of investments	1559.84	268.09
Loss on assets sold/written off (Net)	8.31	104.81
Amortization of Value of Stock Option	16.22	(25.75)
Goodwill written off	167.85	0.00
Income in respect of Investments (Net)	(2591.55)	(2520.25)
Interest	5170.02	5456.17
	12121.19	9651.76
Operative profit before working capital changes	53133.54	59200.63
Adjustments for :		
Trade and other receivables	14627.49	(11475.84)
Inventories	(1008.18)	(9245.26)
Trade payables	14874.09	694.51
	28493.41	(20026.59)
Cash generated from operations	81626.94	39174.04
Direct taxes paid (Net)	(6470.11)	(11999.04)
Net cash from operating activities	75156.83	27175.00
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital WIP, capital advances and pre-operative expenses)	(37769.79)	(25981.17)
Sale of fixed assets	11.26	147.42
Acquisition of intangible assets (Including advances)	318.65	(125.18)
Purchase of investments	(141591.10)	(90316.14)
Deposit in Escrow Account for Open Offer - see note below	(4221.54)	0.00
Redemption/Sale of Investments	115228.36	98801.00
Purchase of Investment property	(271.90)	0.00
Inter corporate and other loans (Net)	589.56	(639.09)
Interest , Dividend received and others (Net of expenses)	3061.47	1598.12
Adjustment for receivables on investment account	7.37	182.25
Net cash used in investment activities	(64637.66)	(16332.79)
C Cash flow from financing activities		
Share issue under ESOP	4.17	4.27
Shares issued	0.06	0.00
Debentures issued	1000.00	0.00
Proceeds from/Repayment of Long Term Loan (Net)	(28688.76)	21514.90
Repayment of /Proceeds from Short Term Loan (Net)	17266.99	(1503.36)
Interest paid	(5190.94)	(5174.17)
Dividend paid (Including Tax on Dividend)	(7018.05)	(2818.19)
Amount paid towards Buy Back of Shares	0.00	(6136.31)
Net cash (used in)/from financing activities	(22626.54)	5887.14
D Adjustment on accounts of Foreign Currency Transalation Reserve	305.25	0.00
E Capital receipts	825.05	629.64
(Please refer to Note No. 9 of Note to Accounts)		
Net (increase)/decrease in cash and cash equivalent	(10,977.07)	17358.99
Cash and cash equivalents as at 1st April, 2009 (Opening balance)	20587.56	3228.57
Cash and cash equivalents as at 31st March, 2010 (Closing balance)	9610.49	20587.56

Note : Components of cash and cash equivalents are as per Schedule 10 to the Balance Sheet,excluding amount in Escrow Account.

As per our report of even date attached

For PATANKAR & ASSOCIATES

Chartered Accountants

V. K. JAIN

Managing Director

D. K. JAIN

Chairman

SHAIENDRA SWARUP

Director

S. S. AGRAWAL

Partner

DEEPAK ASHER

Director

B. V. DESAI

Company Secretary

S. P. JAIN

Director

Place : Pune

Dated : 22nd May 2010

Place : Noida

Dated : 22nd May 2010

Schedules Forming part of Consolidated Balance Sheet

SCHEDULE 1 : CAPITAL

Authorised

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

Issued and Subscribed and Paid Up

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

-Out of above 5,77,15,310 shares are held by the Holding Co.- Inox Leasing & Finance Limited

-5930000 Shares bought back during the year 2008-09

Total

SCHEDULE 2 : RESERVES AND SURPLUS

Capital Reserves

As per last Balance Sheet

Addition during the year (Refer Note No. 6 in Notes to Accounts)

Share Premium Account

As per last Balance Sheet

Less: Adjusted on Buyback of shares

Add: Adjustment on account of grant of stock options to employees in subsidiary company and share in Joint Venture

Capital Redemption Reserve

As per last Balance Sheet

Add : Transfer from Profit & Loss Account

General Reserve

As per last Balance Sheet

Less: Adjusted on Buyback of shares

Add: Transfer from Profit and Loss Account

Amalgamation Reserve

As per last Balance Sheet

Foreign Currency Transalation Reserve

Profit and Loss Account

Balance as per Annexed Account

Total

SCHEDULE 3 : SECURED LOANS

From Banks

Rupee Loan

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

Foreign Currency Loans

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

Total

SCHEDULE 4 : UN SECURED LOANS

From Banks

Rupee Loan

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

Foreign Currency Loans

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

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

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

Add Interest accrued and due

Inter Corporate Deposits

Total

As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
2000.00	2000.00
1098.50	1098.50
1098.50	1098.50
11055.83	10426.19
824.73	629.64
11880.56	11055.83
8234.72	8212.05
0.00	(4.62)
20.71	27.29
8255.43	8234.72
59.30	0.00
0.00	59.30
59.30	59.30
115300.00	92000.00
0.00	(6072.39)
28800.00	29372.39
144100.00	115300.00
248.18	248.18
305.25	0.00
2212.93	1385.13
167061.66	136283.17
25481.19	41987.45
8506.43	16432.52
33987.62	58419.97
9642.44	0.00
16527.04	13877.71
1000.00	0.00
2.93	0.00
1002.93	0.00
718.80	0.00
27891.21	13877.71

Schedules Forming part of Consolidated Balance Sheet

SCHEDULE 5 – FIXED ASSETS

Amount (Rs. in lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 1-Apr-09	Additions	Deductions	As at 31-Mar-10	As at 1-Apr-09	For the year	Deductions	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
(a) Tangible Assets										
Land										
- Freehold Land	2250.56	458.88		2709.44					2709.44	2250.56
- Leasehold Land	1925.93	456.69	9.00	2373.62	105.94	26.70		132.64	2240.98	1819.99
Buildings and Roads	21793.33	2875.28		24668.61	1545.83	534.25		2080.08	22588.53	20247.50
Lease hold improvements	5112.74	2176.80		7289.54	505.25	329.48		834.73	6454.81	4607.49
Plant and Machinery	63344.45	14739.08	0.32	78083.21	10965.12	3942.79	0.32	14907.59	63175.62	52379.33
Wind Mill	23998.11	18196.84		42194.95	2186.45	1758.56		3945.01	38249.94	21811.66
Manufacturing and other Equipments	1966.02	531.16	15.95	2481.23	731.32	213.07	13.99	930.40	1550.83	1234.70
Furniture and Fixtures	2637.26	773.71	16.89	3394.08	676.27	262.80	10.71	928.36	2465.72	1960.99
Vehicles	397.48	76.67	13.27	460.88	131.91	39.36	10.81	160.46	300.42	265.57
Total (a)	123425.88	40285.11	55.43	163655.56	16848.10	7107.01	35.83	23919.28	139736.28	106577.78
(b) Intangible Assets										
Technical Know How	804.22	1029.07		1833.29	113.89	89.16		203.05	1630.24	690.33
Software	409.41	47.35		456.76	160.89	64.23		225.12	231.64	248.52
Film Distribution Rights & Prints Cost	1681.84		692.25	989.59	1673.44	8.40	692.25	989.59		8.40
Movie Production	290.00	82.35		372.35		335.12		335.12	37.23	290.00
Total (b)	3185.47	1158.77	692.25	3651.99	1948.22	496.91	692.25	1752.88	1899.11	1237.25
(c) Share in Joint Venture*		2332.02		2332.02		281.41		281.41	2050.61	
Grand Total (a + b + c)	126611.35	43775.90	747.68	169639.56	18796.33	7885.33	728.08	25953.57	143685.99	107815.01
Previous year	112300.79	14645.97	335.41	126611.35	12917.81	5983.73	105.21	18796.33		

Schedules Forming part of Consolidated Balance Sheet

SCHEDULE 6 : PRE-OPERATIVE EXPENDITURE PENDING ALLOCATION

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
Opening balance	1049.84	922.92
Add: Expenses incurred during the year		
Salaries, Wages, Allowances and benefits	319.56	196.88
Contribution to Provident and other funds	15.83	10.97
Legal, Professional and Consultancy charges	249.90	481.38
Travelling and Conveyance	156.39	102.50
Rent	3.74	15.86
Insurance	9.65	10.46
Power & Fuel	51.03	31.10
Communication expenses	6.49	13.99
Rates and Taxes	8.34	5.87
Processing fees	52.39	0.00
Interest on fixed loans	161.40	47.92
Lease Rentals and Hire Charges	12.11	0.00
Testing Charges	94.44	0.00
Miscellaneous expenses	123.20	292.65
Depreciation	3.38	0.00
Bank charges	0.00	0.00
Raw Materials	0.00	0.00
	1267.85	1209.59
Less:		
Dividend on current investments	0.91	0.00
Profit on sale of current investments	0.42	0.00
Miscellaneous income	3.95	4.06
	5.27	4.06
	1262.58	1205.53
	2312.42	2128.45
Less: Capitalized	1297.79	1078.61
Closing Balance	1014.63	1049.84

SCHEDULE 7 : INVESTMENTS

(I) Investment in Securities (Long term, Non-trade, at cost, unquoted)

A] UNQUOTED

i) In Venture Capital Fund

Indiareit Fund Scheme III
Kshitij Venture Capital Fund

ii) National Savings Certificates

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

iii) In Fully Paid-up Equity Shares (unless otherwise stated)

Humsay i Global Services Limited
Future Ventures India Limited
The Ratnakar Bank Limited

Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
100000	1,000	1,000	1000.00	1000.00
1000	250,000	250,000	2500.00	2500.00
			3500.00	3500.00
			21.14	54.94
			21.14	54.94
10	2,392,500	2,392,500	239.25	239.25
10	15,000,000	15,000,000	1500.00	1500.00
100	2,219,190	221,919	998.64	998.64



Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
Megnasolance City Private Limited (Equity shares of Rs. 10 each - paid up Rs. 1.60 per share, previous year Rs. 1.50 per share) (Including Rs. Nil Lacs (previous year Rs. 200 Lacs) advance call money paid)	10	5,000,000	5,000,000	3201.18	3201.18
Kaleidoscope Entertainment Private Limited	1	562,500	562,500	60.75	60.75
				5999.82	5999.82
iii) In Cumulative, Non-convertible, Redeemable Preference Shares (fully paid-up)					
Humsay i Global Services Limited	64	1,638,210	1,638,210	1048.45	1048.45
				1048.45	1048.45
iv) In Equity linked Debentures					
i) Citicorp Finance (India) limited					
Redeemable NCD Issue Series 173	1000000	150	150	1500.00	1500.00
Redeemable NCD Issue Series 184	1000000	100	100	1000.00	1000.00
Redeemable NCD Issue Series 200	1000000	100	100	1000.00	1000.00
ii) Citifinancial Consumer Financial India	100000	1,000	1,000	1000.00	1000.00
				4500.00	4500.00
v) In Units of Mutual Funds					
Birla Sunlife Income Plus-Growth	10	2,533,281	2,437,330	1000.00	2000.00
ICICI Prudential Institutional Income Plan-Growth	10	10,106,645	6,806,228	3000.00	2000.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	4,853,003	14,099,505	500.00	1500.00
IDFC Dynamic Bond Fund Plan B-Growth	10	9,748,489	9,748,489	1000.00	1000.00
Kotak Bond-Regular-Growth	10	9,819,155	5,935,464	2500.00	1500.00
Reliance Income Fund Retail Plan Growth Plan-Growth	10	0	6,747,468	0.00	2000.00
Reliance Medium Term Fund - Retail Plan - Growth	10	0	3,470,176	0.00	621.23
Birla Sunlife Midcap Fund- Plan A-Dividend-Reinvestment	10	2,668,337	0	560.30	0.00
DSP Blackrock Small & Midcap Fund-Regular Plan-Dividend	10	3,579,300	0	500.00	0.00
DSPBR Strategic Bond Fund-Institutional Plan-Daily Dividend	10	99,998	0	1002.12	0.00
DSP Black Rock Strategic Bond Fund Growth	10	0	1,066	0.00	12.00
HDFC Top 200 Fund-Dividend	10	2,999,000	0	1109.66	0.00
ICICI Prudential Infrastructure Fund - Dividend	10	4,112,541	0	458.40	0.00
ICICI Prudential Discovery Fund-Dividend	10	2,624,672	0	500.00	0.00
JM Money Manager Fund Super Plus Plan-Daily Dividend	10	10,017,526	0	1002.28	0.00
Kotak Flexi Debt Scheme Institutional-Daily Dividend	10	19,953,904	0	2004.87	0.00
Birla Sunlife Short Term Fund-Inst.Pl.-Fnd	10	2,949,928	0	300.60	0.00
HDFC Income Fund - Growth	10	4,796,669	0	1000.00	0.00
Templeton India Ultra short Bond Fund Super Institutional Plan -Daily Dividend - Ddr	10	12,006,381	0	1202.25	0.00
Reliance Diversified Power Sector Fund- Retail Dividend Plan	10	2,743,596	0	1065.11	0.00
Reliance Equity Opportunities Fund Retail Plan-Dividend Plan	10	2,362,960	0	500.00	0.00
Reliance Banking Fund-Institutional Plan-Dividend Plan	10	881,305	0	517.07	0.00
Reliance Income Fund -Retail Plan-Growth Option	10	10,078,647	0	3000.00	0.00
Reliance Regular Savings Fund - Equity Plan- Dividend Plan	10	2,719,815	0	500.00	0.00
SBI- Magnum Global Fund- Dividend	10	1,768,991	0	500.00	0.00
SBI- Magnum Sector Funds Umbrella Contra-Dividend	10	2,423,799	0	503.90	0.00
SBNPP Ultra ST Fund Super Institutional Daily Dividend	10	14,981,046	0	1503.65	0.00
SBNPP Select Midcap- Dividend	10	7,822,621	0	1268.05	0.00
Tata Floater Fund-Daily Dividend	10	12,974,681	0	1302.09	0.00
Templeton India Equity Income Fund-Dividend Reinvestment	10	4,897,997	0	563.56	0.00
UTI Treasury Advantage Fund-Institutional Plan-Daily Dividend	10	220,934	0	2209.81	0.00
Reliance Income Fund-Retail Plan-Growth Option	10	0	1,242,800	0.00	375.00
Birla Sun Life Income Plus Growth (Prudent)	10	0	913,999	0.00	375.00
IDFC Super Saver Income Fund-Investment Plan B-Growth	10	0	3,467,438	0.00	375.00
Kotak Bond (Regular) Growth (Prudent)	10	0	1,468,389	0.00	375.00
ICICI Prudential Institutional Income Plan Growth	10	0	1,248,469	0.00	375.00
ICICI Prudential Flexible Income Plan Premium - Dividend	100	118,220	0	125.00	0.00
				31,198.71	12,508.23
Total Unquoted Investments				46268.11	27611.44
Less: Provision for diminution in value of Investment				1286.81	1287.70
Net Unquoted Investments				44981.30	26323.74

Schedules Forming part of Consolidated Balance Sheet

	Face Value Rs.	Nos. As at 31st March, 2010	Nos. As at 31st March, 2009	As at 31st March 2010 Amount (Rs. in lacs)	As at 31st March 2009 Amount (Rs. in lacs)
B] QUOTED					
i) In Units of Mutual Funds					
DWS Fixed Term Fund-Sr 68-Reg Gr	10	5,000,000	0	500.00	0.00
DWS Fixed Term Fund-Sr 69-Reg Gr	10	5,000,000	0	500.00	0.00
Fortis Fixed Term Fund Series 16	10	5,000,000	0	500.00	0.00
HDFC FMP 24M Feb10-Growth Sr Xii	10	5,000,000	0	500.00	0.00
ICICI FMP Sr.51-15 Month Pl E-Gr	10	10,000,000	0	1000.00	0.00
Kotak FMP 13M Series 6 - Growth	10	5,000,000	0	500.00	0.00
Kotak FMP 24M Series 1-Growth	10	5,000,000	0	500.00	0.00
				4000.00	0.00
ii) In Fully Paid-up Equity Shares					
Advanta India Limited	10	48,590	48,590	598.39	598.39
Balrampur Chini Mills Limited	1	0	270,000	0.00	319.12
Borosil Glass Limited	10	63,512	63,512	366.48	366.48
Brandhouse Retails Limited	10	0	13,040	0.00	0.00
Bhilwara Technical Textile Limited (Received pursuant to a scheme of arrangement)	1	301,138	0	0.00	0.00
Dalmia Cement Bharat Limited	2	191,881	491,881	492.54	1652.64
Dewan Housing Finance Corporation Limited	10	0	496,832	0.00	958.29
Deepak Fertilisers & Petrochemicals Limited	10	600,531	600,531	996.90	996.90
TCS E-Serve Ltd.	10	200	200	1.93	1.93
Elh Limited	2	439,950	439,950	963.28	963.28
Fame India Limited	10	17,565,288	0	8248.39	0.00
GAIL India Limited	10	0	137,781	0.00	501.49
Garware Wall Ropes Limited	10	441,308	441,308	729.88	729.88
Gujarat NRE Coke Limited	10	166,000	266,000	165.14	264.44
Housing Development & Infrastructure Limited	10	156,556	156,556	1176.01	1176.01
HEG Limited	10	116,000	116,000	500.91	500.91
Jindal Saw Limited	10	0	143,559	0.00	1612.51
K S Oil Limited	1	621,081	621,081	552.01	552.01
Kesoram Textile Mills Limited	10	131,893	131,893	0.00	0.00
(Received pursuant to a scheme of arrangement)					
Mount Everest Mineral water Limited	10	2,335,592	2,335,592	2613.06	2613.06
Navin Flourine Limited	10	0	4,495	0.00	16.72
Orbit Corporation Limited	10	0	245,000	0.00	219.50
OCL India Limited	2	152,950	0	203.19	0.00
Praj Industries Limited	2	993,630	993,630	2461.04	2461.04
Prime Focus Limited	10	77,256	77,256	989.21	989.21
Reliance Communication Limited	5	56,981	56,981	362.76	362.76
Reliance Petroleum Limited	10	0	70,000	0.00	118.76
RSWM Limited	10	347,695	347,695	431.30	431.30
Shree Global Tradefin Limited	5	651,093	0	1601.57	0.00
Taneja Aerospace & Aviation Limited	5	365,559	365,559	738.06	738.06
Tantia Construction Limited	10	320,585	472,287	461.03	663.80
Trent Limited	10	0	2,073	0.00	14.54
United Phosphorus Limited	2	0	321,326	0.00	604.20
Total Quoted Equity shares				24653.08	20427.23
Total Quoted Investments				28653.08	20427.23
Less: Provision for diminution in value of Investment				1560.74	0.00
Net Quoted Investments				27092.34	20427.23
Total Investments in securities				72073.64	46750.97
Market value of quoted investments				28286.84	5983.54

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

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-09	Additions	As at 31-Mar-10	As at 1-Apr-09	For the year	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Leasehold Land	0.00	169.37	169.37	0.00	0.08	0.08	169.30	0.00
Building	0.00	102.53	102.53	0.00	0.77	0.77	101.75	0.00
Total Investment Property	0.00	271.90	271.90	0.00	0.85	0.85	271.05	0.00
Previous Year	0.00	0.00	0.00	0.00	0.00	0.00		

Total Investment (I & II) **72,344.69** 46,750.97



Schedules Forming part of Consolidated Balance Sheet

SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
A Current Assets		
1 Inventories		
Stores and Spares	3241.20	2981.17
Packing Materials	278.98	191.44
Finished Goods		
-Manufactured Goods	6893.13	6718.50
-Traded Goods	4.46	51.31
	6897.59	6769.81
By-products	1.79	1.41
Material in process	1720.43	1048.05
Food and Beverages	108.66	87.21
Raw Materials	7517.08	8205.73
Material in transit	407.39	0.00
Carbon Credits	218.91	99.03
	20392.03	19383.85
2 Sundry Debtors (Unsecured)		
Considered good	718.09	189.72
Exceeding 6 months	9800.21	12632.66
Others	10518.30	12822.38
Considered Doubtful		
Exceeding 6 months	11.15	21.78
Others	36.15	0.00
	47.30	21.78
	10565.60	12844.16
Less : Provision for Doubtful Debts	(47.30)	(21.78)
	10518.30	12822.38
3 Cash and Bank Balances		
Cash on Hand	98.39	70.73
Bank Balances with Scheduled Banks		
(a) in Current Accounts	3050.80	2448.36
(b) in Cash Credit Accounts	1301.30	308.90
(c) Fixed Deposits	5127.43	17759.57
(d) in Escrow account - Refer Note No.7 in Notes to Accounts	4221.54	0.00
Bank Balances with Non Scheduled Banks		
in Current Accounts	32.57	0.00
	13832.03	20587.56
4 Other Current Assets		
Interest accrued	277.00	820.27
B LOANS AND ADVANCES		
(Unsecured,considered good,unless otherwise stated)		
1 Advances recoverable in cash or in kind or for value to be received		
Considered Good	2701.32	4868.77
Considered Doubtful	45.29	45.29
	2746.61	4914.07
Less: Provision for Doubtful Advances	45.29	45.29
	2701.32	4868.77
2 Deposits	3724.93	3290.19
3 Current investments - Inter-corporate deposits		
Considered Good	2934.03	3523.59
Considered Doubtful	99.00	144.51
	3033.03	3668.10
Less: Provision for Doubtful Inter-corporate deposits	99.00	144.51
	2934.03	3523.59
4 Share Application Money	0.00	1151.34
5 Balances in Excise, Service Tax and VAT Accounts	2520.79	3588.42
6 Entertainment Tax Refund Claimed	795.66	686.25
7 Income Tax paid (net of provisions)	446.33	1811.83
8 MAT Credit Entitlement	2080.00	0.00
	15203.06	18920.39
Total	60222.42	72534.46

Schedules Forming part of Consolidated Balance Sheet

SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS

A Current Liabilities

	As at 31st March, 2010 Amount (Rs. in lacs)	As at 31st March, 2009 Amount (Rs. in lacs)
1 Sundry Creditors		
- dues to Micro and Small Enterprises	21.30	53.81
- others	18073.58	14924.08
	18094.88	14977.89
2 Trade Deposits	872.61	687.13
3 Investor Education and Protection Fund shall be credited by the following amounts namely:		
- Unclaimed dividends	161.31	110.92
4 Advances from Customers	20786.27	240.03
5 Other Liabilities	1180.39	426.64
6 Interest accrued but not due	165.52	205.95
	41260.99	16648.56

B Provisions

1 For Taxation (Net of Payment)	4.58	9.11
2 For Fringe Benefit Tax (Net of Payment)	9.98	36.68
3 Proposed Dividend	1647.75	3844.75
4 Tax on Proposed Dividend	273.67	653.42
6 For Gratuity & Leave Encashment	749.73	605.25
7 For Expenses	119.00	111.20
	2804.71	5260.42
Total	44065.69	21908.98

Schedules Forming part of Consolidated Profit and Loss Account

SCHEDULE 10: SALES AND SERVICES

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
Sales - Gross	102602.02	107170.90
Less: Excise Duty	2014.96	2669.14
Sales (Net)	100587.06	104501.76
Box Office Revenues	18835.74	16624.69
Food and Beverages Revenues	4162.86	3523.67
Income from Movie Rights	22.35	0.00
Film Distribution Income	14.89	70.16
Conducting Fees	783.55	714.27
Advertising Income	1251.82	1351.27
Management Fees	41.95	46.66
Parking charges	78.89	88.81
Other Operating Income	237.08	91.90
Total	126016.18	127013.19



Schedules Forming part of Consolidated Profit and Loss Account

SCHEDULE 11: OTHER INCOME

Interest

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

2009-2010
Amount (Rs. in lacs)

2008-2009
Amount (Rs. in lacs)

256.66
51.24
1016.81
313.80
128.40

320.63
249.12
965.81
0.11
78.65

1766.91

1614.32

Dividend

- On long term investments
- On current Investments

1060.61
0.00

339.33
72.42

1060.61

411.75

Profit on sale of investments (Net)

- On long term investments
- On current Investments

42.96
0.00

0.00
101.57

42.96

101.57

Liabilities written back no longer required

586.18

82.20

Provision for doubtful advances written back

45.51

0.00

Foreign Exchange Fluctuation Gain (Net)

2445.58

0.00

Lease Rent

738.17

727.08

Miscellaneous Income

352.73

257.05

Total

7038.66

3193.98

SCHEDULE 12: (INCREASE)/DECREASE IN STOCKS

Opening Stock

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

6769.80
1048.05
1.41
99.03

3184.90
281.76
2.60
54.30

7918.29

3523.56

Less: Closing Stock

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

6897.59
1720.43
1.79
218.91

6769.81
1048.05
1.41
99.03

8838.72

7918.30

Excise Duty on Stock of Finished Goods (Net)

9.46

(88.76)

(Increase)/Decrease in Stocks

(910.97)

(4483.50)

SCHEDULE 13: MATERIALS CONSUMED AND PURCHASE OF FINISHED GOODS

- Raw Materials consumed
- Packing Materials consumed
- Purchase of Finished Goods
- Cost of Food and Beverages

16835.56
3927.12
148.33
1368.93

15266.25
4305.61
51.52
1209.60

Total

22279.94

20832.98

Schedules Forming part of Consolidated Profit and Loss Account

SCHEDULE 14: MANUFACTURING, OPERATING AND OTHER EXPENSES

	2009-2010 Amount (Rs. in lacs)	2008-2009 Amount (Rs. in lacs)
Stores and Spare parts Consumed	1956.84	1769.74
Power and Fuel	18778.79	12236.31
Entertainment tax	3167.40	2838.01
Film Distributors share	6640.53	5308.43
Advertisement and Sales Promotion	359.77	432.13
Freight and Octroi	1519.32	1671.45
Insurance	459.84	329.38
Excise duty, Custom Duty, Sales tax and Service tax	798.63	250.89
Production Labour Charges & Outsourced Personnel Cost	783.58	648.85
Processing Charges	46.42	218.94
Factory Expenses	290.96	174.92
Repairs to		
- Buildings	288.65	187.99
- Machinery	2013.99	1420.39
- Others	203.19	244.63
	2505.84	1853.02
Directors' Sitting Fees	4.60	5.20
Commission to Chairman	440.34	0.00
Rent and Conducting fees	3164.23	2744.74
Rates and Taxes	310.44	240.15
Travelling and Conveyance	876.97	750.33
Communication Expenses	283.17	309.16
Common Facility charges	881.45	618.56
Legal and Professional Fees and Expenses	2411.80	1668.18
Lease Rentals and Hire Charges	343.98	407.17
Discount	276.14	48.05
Loss on assets sold/scrapped (Net)	8.31	82.76
Bank Charges	111.12	222.26
Foreign exchange fluctuation loss (Net)	0.00	7173.44
Provision for doubtful debts	25.53	21.78
Provision for doubtful advance	0.00	30.10
Bad debts and remissions	16.59	64.24
Less : Provision for Doubtful debts adjusted	0.00	(62.44)
	49813.95	46140.98
Commission	227.87	293.89
Royalty	40.09	192.23
Expenditure on Sustainable Development Plan	106.92	69.93
Miscellaneous Expenses	2949.30	2787.52
Preliminary Expenses written off	27.17	8.17
Loss on Sale of long term Investments (Net)	0.00	733.51
	49813.95	46140.98
Less :Service Tax credit in respect of earlier years	0.00	(321.22)
Total	49813.95	45819.76
SCHEDULE 15: SALARIES AND BENEFITS		
Salaries, Wages, Allowances and Benefits	6420.45	6444.06
Contribution to Provident and other funds	270.21	252.17
Gratuity	94.66	101.92
Staff Welfare expenses	171.00	118.98
Total	6956.32	6917.13
SCHEDULE 16: INTEREST		
Interest on fixed loans		
(Net of interest capitalised Rs. 264.27 Lacs, previous year Rs. 422.52 Lacs)	5007.71	5172.27
Other Interest	162.31	162.89
Total	5170.02	5335.16

**SCHEDULE 17: NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010****1. Basis of preparation and principles of consolidation**

The Consolidated Financial Statements relate to Gujarat Fluorochemicals Limited ('the Company'), its subsidiary companies, an 'associate' of a subsidiary company and a joint venture ("the Group"). The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investment in the Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures" as specified in the Companies (Accounting Standard) Rules, 2006.

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

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

2. Other Significant Accounting Policies

These are set out in the notes to the accounts under "Significant Accounting Policies" of the financial statements of the Company and its subsidiaries.

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

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March 2010	As at 31 st March 2009
Inox Leisure Limited	India	65.62%	63.98%
Inox Infrastructure Private Limited	India	100%	100%
Inox Motion Pictures Limited	India	100%	100%
Inox Wind Limited (incorporated on 9 th April 2009)	India	99.998%	N.A.
Gujarat Fluorochemicals Americas, LLC (incorporated on 8 th September 2009)	USA	100%	N.A.

4. 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:-

Amount (Rs. in lacs)			
S.No.	Particulars	2009-2010	2008-2009
1	Book value of Investment on acquisition	3000.00	3000.00
2	Share of Profit - Up to Previous Year	1.18	3.64
3	Share of (Loss)/Profit - Current Year	*	(2.46)
4	Carrying amount	3001.18	3001.18

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

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

5. Investment in joint venture

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

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

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

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

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

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

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

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

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

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

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

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

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

- (b) The Minimum Alternate Tax (MAT) paid by the Company 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 Company would have normal tax liability within the specified period to avail such MAT credit. Consequently, the Company has now recognized the MAT credit entitlement of Rs. 978.00 lacs in respect of earlier years and Rs. 292.00 lacs in respect of current year.

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

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

11. Contingent liabilities not provided for in respect of:

Particulars	Amount (Rs. in lacs)	
	2009-2010	2008-2009
Sales Tax	7.12	27.32
Income Tax	107.27	29.14
Service Tax	104.29	88.55
Bills discounted	1321.81	59.61
Bank Guarantees	1443.51	5882.44
Claims against the Company not acknowledged as debts	48.53	19.30
Municipal Tax	402.25	1346.11
Entertainment Tax	53.06	53.06
Service Charge	14.42	0.00
Claims in respect of labour matters	Amount is not ascertainable	

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

12. The Company had commenced arbitration proceedings against Gujarat Gas Company Limited (GGCL), for purported termination of the Gas Supply Agreement, and purported increase in price of gas supplied, from US \$ 4.60 per MMBTU (plus applicable taxes thereon) to US \$ 24.62 per MMBTU (plus applicable taxes thereon), for supplies made from April, 2008 till December, 2008 and had also approached the Delhi High Court for interim protection. These proceedings have been settled out of Court with GGCL on 17th December, 2009, and it has been agreed that the amounts paid by GFL to GGCL pursuant to the interim orders of the Honorable High Court of Delhi, at US \$ 10 per MMBTU (plus applicable taxes thereon), shall be the final agreed price for supplies made during 1st April, 2008 and 31st December, 2008. Since this gas supply was accounted earlier at a price of @ US \$ 4.62 per MMBTU (plus applicable taxes thereon), the difference @ US \$ 5.38 per MMBTU (plus applicable taxes thereon), amounting to Rs. 2886.00 lacs, is charged to books of accounts in the Power & Fuel expenses in this year on settlement during the year.

13. Estimated amount of contract remaining to be executed on Capital Account and not provided for, net of advances Rs. 10379.35 lacs (previous year Rs. 3582.12 lacs)

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

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

S.No. Particulars	Amount (Rs. In lacs)	
	2009-2010	2008-2009
(A) Deferred Tax Assets (Net)		
(i) Retirement Benefits	0.74	0.00
Total	0.74	0.00

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

S.No.	Particulars	Amount (Rs. In lacs)	
		2009-2010	2008-2009
(A)	Deferred Tax Liabilities		
(i)	Depreciation (Net)	11676.71	10856.43
(ii)	Amortization of Film Distribution Rights and Prints cost	0.00	2.85
	Total	11676.71	10859.28
(B)	Deferred Tax Assets		
(i)	Expenditure allowable on payment basis	295.38	250.92
(ii)	Others	48.55	52.69
	Total	343.93	303.61
	Net Deferred Tax Liability (A-B)	11332.78	10555.67

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

a) In respect of Assets given on Operating Lease :

Assets given on operating lease are Office Premises. The non-cancellable initial lease tenure is for five to nine years, which can be further extended at the mutual option of both the parties. The details of carrying amount of assets given on lease and the future minimum lease payments are as under :

Particulars	Amount (Rs. in lacs)	
	2009-2010	2008-2009
(i) Gross carrying amount of asset given on operating lease included in Buildings & Road block of fixed assets.	914.52	914.52
(ii) Accumulated Depreciation as at the end of the year	53.45	38.56
(iii) Depreciation for the year	14.90	14.90
(iv) Future minimum lease payments -		
(a) Not later than one year	775.26	737.39
(b) Later than one year and not later than five years	2959.90	2941.24
(c) Later than five years	1323.20	2117.12

b) In respect of plant taken on operating lease:

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

S.No.	Payable in future	Amount (Rs. in lacs)	
		2009-2010	2008-2009
a)	Not later than one year	35.28	35.28
b)	Later than one year and not later than five years	141.12	141.12
c)	Later than five years	61.74	97.02

c) Operating leases for some of the multiplexes of Inox Leisure Limited –

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

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

S.No.	Payable in future	Amount (Rs. in lacs)	
		2009-2010	2008-2009
a)	Not later than one year	3613.57	2932.47
b)	Later than one year and not later than five years	15271.70	12300.09
c)	Later than five years	57192.93	46870.07
d)	Other significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations) taken on lease. Generally, these lease arrangements are non-cancellable, range between 11 months to 5 years and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as "Rent and Conducting Fees" in Schedule 14 to the Profit and Loss Account and Schedule 6: Pre-operative Expenditure Pending Allocation.		

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

Particulars	Amount (Rs. in lacs)	
	2009-2010	2008-2009
Opening Balance	111.20	88.40
Provided during the year	52.80	52.80
Paid during the year	45.00	30.00
Closing balance	119.00	111.20

- 17.** Related Party Disclosures :

- (i) Names of Related Parties
- (A) Where control exists:
- Holding Company- Inox Leasing & Finance Limited (w.e.f. 18th September 2008 – see note (a))
- (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 V K Jain (Managing Director)
- Shri D K Sachdeva (Whole Time Director)
- Shri J S Bedi (Whole Time Director)
- Shri Alok Tandon
- Relatives of Key Management Personnel
- Shri D K Jain (Father of Shri V K Jain)
- Shri P K Jain (Brother 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 Leasing & Finance Limited- (up to 17th September, 2008 – see note (a))
- Inox Chemicals Private Limited
- Refron Valves Limited
- Rajni Farms Private Limited
- Sidhapavan Trading and Finance Private Limited
- Siddho Mal Investments Private Limited

(ii) Particulars of transactions: -

(Amount Rs. in lacs)

Particulars	Holding Company		Associate Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
A) Transactions during the year														
Sales of Goods														
Inox Air Products Limited											16.97	7.25	16.97	7.25
Others											0.04	0.12	0.04	0.12
Total											17.01	7.37	17.01	7.37
Purchase of Goods														
Inox Air Products Limited											70.08	104.74	70.08	104.74
Inox India Limited											2902.62	3145.26	2902.62	3145.26
XHCT Co. Ltd					143.86	0.00					0.00	0.46	143.86	0.00
Others											0.00		0.00	0.46
Total					143.86	0.00					2972.69	3250.45	3116.55	3250.45
Advance Call Money														
Megnasolace City Private Limited			0.00	200.00									0.00	200.00
Total			0.00	200.00									0.00	200.00
Equity shares Subscribed														
XHCT Co. Ltd					1263.89	0.00							1263.89	0.00
Total					1263.89	0.00							1263.89	0.00
Expenses (Repairs)														
Inox India Limited											0.50	4.25	0.50	4.25
Refron Valves Limited											2.87	1.69	2.87	1.69
Total											3.37	5.94	3.37	5.94
Interest Paid														
Inox Leasing & Finance Limited	49.78	0.00											49.78	0.00
Total	49.78	0.00											49.78	0.00
Reimbursement of expenses (paid)														
Inox Air Products Limited											4.93	4.30	4.93	4.30
Inox India Limited											0.55	0.00	0.55	0.00
Inox Leasing & Finance Limited	0.76	0.00									0.00	0.80	0.76	0.80
Total	0.76	0.00									5.48	5.10	6.24	5.10
Reimbursement of expenses (received)														
Inox India Limited											4.81	6.12	4.81	6.12
Inox Leasing & Finance Limited	0.43	0.00									0.00		0.43	0.00
Others	0.00	0.00									0.00	0.39	0.00	0.39
Total	0.43	0.00									4.81	6.51	5.24	6.51
Rent Received														
Inox Air Products Limited											137.03	126.00	137.03	126.00
Others											0.72	0.72	0.72	0.72
Total											137.75	126.72	137.75	126.72
Rent & Lease Rentals paid														
Inox Air Products Limited											47.95	46.94	47.95	46.94
Devansh Gases Private Limited											18.00	18.00	18.00	18.00
Inox Leasing & Finance Limited	36.00	18.00									0.00	18.00	36.00	36.00
Others							1.20	1.20			0.00		1.20	1.20
Total	36.00	18.00					1.20	1.20			65.95	82.94	103.15	102.14
O&M Charges paid in respect of leased plant														
Inox Air Products Limited											52.31	57.67	52.31	57.67
Total											52.31	57.67	52.31	57.67
Remuneration paid														
Shri V K Jain							1818.41	2073.31					1818.41	2073.31
Others							115.63	103.75	5.38	5.38			121.01	109.13
Total							1934.04	2177.06	5.38	5.38			1939.42	2182.44
Commission paid to Chairman														
Shri D K Jain									440.34	0.00			440.34	0.00
Total									440.34	0.00			440.34	0.00



(Amount Rs. in lacs)

Particulars	Holding Company		Associate Company		Joint Venture		Key Management Personnel		Relative of key Management Personnel		Enterprises over which KMP has significant influence		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Sitting Fees														
Shri D K Jain									0.40	0.80			0.40	0.80
Shri P K Jain									0.05	0.05			0.05	0.05
Total									0.45	0.85			0.45	0.85
B) Amounts outstanding														
Megnasolace City Private Limited														
Equity shares			3000.00	3000.00									3000.00	3000.00
XHCT Co. Ltd														
Equity shares					1263.89	0.00							1263.89	0.00
Total			3000.00	3000.00	1263.89	0.00							4263.89	3000.00
Amount payable														
Shri V K Jain							1219.80	1335.72					1219.80	1335.72
Shri D K Jain									304.28	0.00			304.28	0.00
Inox Leasing & Finance Limited	500.00	0.00											500.00	0.00
Others					13.93	0.00	4.84	4.40	0.45	0.00	203.45	181.19	222.67	185.59
Total	500.00	0.00			13.93	0.00	1224.64	1340.12	304.73	0.00	203.45	181.19	2246.74	1521.31

Notes :-

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

18. Segment Information

A) Information about Primary (Business) Segments.

Description	Amount (Rs. in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
[I] Segment Revenue		
i. Chemicals	91523.33	102225.32
ii. Multiplexes	25360.09	22516.73
iii. Power	24064.77	17017.73
iv. WTG	784.95	0.00
v. Other Segment ,Un allocable and Corporate	5871.65	3084.17
Total Segment Revenue	147604.78	144843.95
Less : Inter Segment Revenue		
- Power	13759.12	14554.68
- WTG	784.95	0.00
- Others	5.86	82.10
Total External Revenue	133054.84	130207.17
[II] Segment Result		
i. Chemicals	39110.87	50732.51
ii. Multiplexes	2057.46	2508.86
iii. Power	4016.45	6469.77
iv. WTG	(105.62)	0.00
v. Other Segment ,Un allocable and Corporate	(639.13)	(286.09)
Total Segment Result	44440.02	59425.05
(Less)/Add: Un-allocable (Expenses)/Income (net)	1742.34	(4941.03)
Less :Interest expenses	5170.02	5335.16
Total Profit Before Tax	41012.34	49148.86
Less : Taxation (including Deferred tax and Fringe Benefit tax)	6001.82	13001.35
Net Profit After Tax	35010.52	36147.52

Particulars	Amount (Rs in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
[III] Other Information		
a] Segment Assets		
i. Chemicals	91129.44	99547.59
ii. Multiplexes	39979.13	35292.78
iii. Power	63458.97	50447.13
iv. WTG	10744.07	0.00
v. Other Segment ,Un allocable and Corporate	90834.08	77178.43
Total	296145.70	262465.93
b] Segment Liabilities		
i. Chemicals	32371.78	21694.50
ii. Multiplexes	4339.84	2848.51
iii. Power	1343.78	182.15
iv. WTG	2122.34	0.00
v. Other Segment ,Un allocable and Corporate	77099.57	90080.94
Total	117277.31	114806.10
c] Capital Expenditure		
i. Chemicals	7880.99	4791.24
ii. Multiplexes	4246.37	4699.82
iii. Power	17887.70	16088.57
iv. WTG	7898.81	0.00
v. Other Segment ,Un allocable and Corporate	904.70	758.68
Total	38818.56	26338.31
d] Depreciation & Amortization		
i. Chemicals	3374.76	2915.33
ii. Multiplexes	1493.87	1225.12
iii. Power	2448.97	1666.08
iv. WTG	17.90	0.00
v. Other Segment ,Un allocable and Corporate	454.99	562.15
Total	7790.50	6368.69
e] Non-cash expenses (other than depreciation)		
i. Chemicals	0.00	0.00
ii. Multiplexes	16.22	0.00
iii. Power	0.00	0.00
iv. WTG	0.00	0.00
v. Other Segment ,Un allocable and Corporate	1559.84	268.09
Total	1576.06	268.09

B) Information about Secondary (Geographical) Segments.

Particulars	Amount (Rs in lacs)	
	2009-2010	2008-2009
Domestic	60279.33	45279.07
Overseas	65736.85	81734.12
Total	126016.18	127013.19



Gujarat Fluorochemicals Limited

C) Notes

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

19. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 257.50 lacs (Previous year Rs. 236.31 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 31.3.2010	As at 31.3.2009	As at 31.3.2010	As at 31.3.2009
1. Change in Benefit Obligation				
Liability at the beginning of the year	358.99	288.08	202.73	175.06
Interest Cost	24.49	20.42	13.49	12.08
Current Service Cost	111.34	77.81	104.64	75.25
Benefit paid	(18.20)	(31.95)	(20.44)	(51.57)
Actuarial (Gain)/Loss	(38.26)	4.63	(120.00)	(8.09)
Liability at the end of the year	438.36	358.99	180.42	202.73
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	111.34	77.81	104.65	75.25
Interest Cost	24.49	20.42	13.49	12.08
Actuarial (Gain)/Loss	(38.26)	4.63	(120.00)	(8.09)
Expenses recognized in the Profit and Loss Account	97.57	102.86	(1.86)	79.24
3. Actuarial Assumptions				
Discount Rate	8%	7%	8%	7%
Salary Escalation Rate	7% to 8%	6% to 8%	7% to 8%	6% to 8%
Retirement Age	58 years to 60 years			
Withdrawal Rates	5% to 10%	5% to 10%	5% to 10%	5% to 10%
Mortality	LIC (1994-96) published table of rates			

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

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

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

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

S.No.	Particulars	2009-2010	2008-2009
a)	Amount used as the numerator - Profit after taxation – including share in profit of the Associate and after minority interest in the profit for the year (Rs. in lacs)	34087.91	35268.30
b)	Equity shares outstanding at the beginning of the year – (Nos.)	109850000	115780000
c)	Equity shares bought back – (Nos.)	0	5930000
d)	Equity shares outstanding at the end of the year – (Nos.)	109850000	109850000
e)	Weighted Average equity shares outstanding for the year – (Nos.)	109850000	113711390
f)	Nominal value of each share – (Re)	1	1
g)	Basic and Diluted Earnings per share (Rs.)	31.03	31.02

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

Particulars	Amount (Rs. in lacs)
	Current Year
SOURCES OF FUNDS	
Shareholders' Funds	
Reserves and Surplus	7.19
Loan Funds	
Unsecured Loans	659.13
Total Sources of Funds	666.32
APPLICATION OF FUNDS	
Fixed Assets	
(a) Gross Block	2332.03
(b) Less : Depreciation	281.41
(c) Net Block	2050.61
(d) Capital Work-in-progress	77.24
Total Fixed Assets	2127.85



Gujarat Fluorochemicals Limited

	Amount (Rs. in lacs)
Particulars	Current Year
Current Assets, Loans and Advances	
(a) Inventories	243.66
(b) Sundry Debtors	328.31
(c) Cash and Bank Balances	6.45
(d) Loans and Advances	183.46
Sub-Total (i)	761.89
Less : Current Liabilities and Provisions	
(a) Liabilities	846.28
Sub-Total (ii)	846.28
Net Current Assets (i) - (ii)	(84.38)
Profit & Loss Account	234.59
Total	2278.05
INCOME	
Sales and Services	1937.01
Other Income	84.07
Total Income	2021.08
EXPENDITURE	
Materials Consumed and Purchase of Goods	1766.84
Manufacturing, Operating and other Expenses	233.11
Salaries and Benefits	38.39
Interest	59.91
Depreciation & Amortization	189.10
Total Expenditure	2287.36
Profit before Taxation	(266.27)
Profit brought forward from previous year	31.69
Balance Carried to Balance Sheet	(234.59)

As per our report of even date attached

For PATANKAR & ASSOCIATES
Chartered Accountants

V. K. JAIN
Managing Director

D. K. JAIN
Chairman

SHAILENDRA SWARUP
Director

S. S. AGRAWAL
Partner

DEEPAK ASHER
Director

B. V. DESAI
Company Secretary

S. P. JAIN
Director

Place : Pune
Dated : 22nd May 2010

Place : Noida
Dated : 22nd May 2010



GUJARAT FLUOROchemicals LIMITED

Regd. Office : S/No. 16/3, 26 & 27, Ranjitnagar 389 380
Taluka Ghoghamba, Dist. Panchmahal, Gujarat.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS OF THE SHAREHOLDERS

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

No. of Shares held.....

I hereby record my presence at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on **Saturday, the 10th July, 2010 at 11.30 a.m. at S/No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Ghoghamba, Dist. Panchmahal, Gujarat.**

SIGNATURE OF THE SHAREHOLDERS OR PROXY

(TEAR HERE)



GUJARAT FLUOROchemicals LIMITED

Regd. Office : S/No. 16/3, 26 & 27, Ranjitnagar 389 380
Taluka Ghoghamba, Dist. Panchmahal, Gujarat.

PROXY

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

I/We

ofbeing a member/members of

GUJARAT FLUOROchemicals LIMITED hereby appoint.....

of

or failing him.....

of

as my/our proxy to vote for me/us and on my/our behalf at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on **Saturday, the 10th July, 2010** and at any adjournment thereof.

Signed this day of..... 2010.

Affix
Re 1/-
Revenue
Stamp

NOTE: The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.

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