

***INOX LEASING AND
FINANCE LIMITED***



**ANNUAL REPORT
2013 - 2014**



INOX LEASING AND FINANCE LIMITED

19th ANNUAL REPORT

2013 – 2014

BOARD OF DIRECTORS

Shri D.K. Jain	<i>Chairman</i>
Shri P.K. Jain	<i>Managing Director</i>
Shri V.K. Jain	<i>Director</i>
Shri Siddharth Jain	<i>Director</i>

AUDIT COMMITTEE

Shri P.K. Jain
Shri V.K. Jain
Shri Siddharth Jain

COMPANY SECRETARY

Shri Vijay Saxena

AUDITORS

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

BANKERS

Standard Chartered Bank
HDFC Bank Limited
Axis Bank Limited

REGISTERED OFFICE

69, Jolly Maker Chambers II
Nariman Point,
Mumbai – 400021.



INOX LEASING AND FINANCE LIMITED

INOX LEASING AND FINANCE LIMITED

Regd. Office: 69, Jolly Maker Chambers 2,
Nariman Point, Mumbai – 400021.

CIN: U65910MH1995PLC085703 . Web site: www.ilfl.co.in. E-mail: info@ilfl.co.in.

NOTICE

NOTICE is hereby given that the Ninteenth Annual General Meeting of the Members of **INOX LEASING AND FINANCE LIMITED** will be held on Friday, the 26th day of September, 2014 at 10.00 a.m. at 69, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements including Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet and Cash Flow Statement as at that date, the report of the Auditors thereon and the report of the Board of Directors for the said year.
2. To take note of payment of Interim Dividend and declare Final Dividend for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri Vivek Kumar Jain (DIN: 00029968) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Siddharth Jain (DIN: 00030202) who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), , the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to the provisions of Section 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014 Shri Deepak Asher (DIN: 00035371), be and is hereby re-appointed as Whole-time Director of the company for a period of three months with effect from 1st January, 2014 on the terms and conditions including remuneration of up to Rs. 10 lacs for the said period and that the aforesaid remuneration be bifurcated by way of salary, allowance, perquisites, incentive bonus, and gratuity as per the rules and regulations of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and 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 a Special Resolution:

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

Name of Related Party	Nature of relationship as defined under the Companies Act, 2013	Nature and Particulars of Contract	Amount per annum (Rs in lacs)
Gujarat Fluorochemicals Limited	2 (76) (viii) – Subsidiary Company.	Giving office premises on lease at Mumbai (Receipt of lease rent).	68.00
Rajni Farms Private Limited	2 (76) (iv) – Shri Devendra Kumar. Jain, Shri Pavan Kumar Jain, Shri Vivek Kumar Jain and Shri Siddharth Jain are Directors and Members.	Taking premises on lease at Delhi (Payment of lease rent).	12.00



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

By Order of the Board of Directors

D.K. JAIN
Chairman

P. K. JAIN
Managing Director

Mumbai, 18th August, 2014

REGISTERED OFFICE:

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

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- 2) The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business as set out above is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2014 to 26th September, 2014 (both days inclusive).
- 4) Those Members who have not received /encashed interim dividend and / or final dividend for 2009-10 and / or 2010-11 and/or 2011-12 and / or 2012-13 and / or 2013-14 declared and paid by the Company, are requested to write to the company for issue of duplicate dividend warrants.



INOX LEASING AND FINANCE LIMITED

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6.

At the Annual General Meeting of the Company held on 30th September, 2013, the Members had re-appointed Shri Deepak Asher (DIN: 00035371), as Whole-time Director for a period of one year with effect from 1st January, 2013. Subsequently, the Board of Directors of the Company at its meeting held on 3rd February, 2014 has, subject to approval of the members, re-appointed Shri Deepak Asher as Whole-time Director of the Company for a period of three months with effect from 1st January, 2014 to 31st March, 2014 on the terms and conditions contained in the resolution.

Shri Deepak Asher has since resigned as a Director and Whole-time Director of the company with effect from 31st March, 2014.

Members are requested to approve/ratify the re-appointment of Shri Deepak Asher as Whole-time Director and the remuneration paid to him for the period from 1st January, 2014 to 31st March, 2014.

None of the Directors /Key Managerial Personnel of the Company/their relatives are concerned or interested in the resolution.

Item No 7

Section 188 of the Companies Act, 2013 (Act) states that no company shall enter into transactions with Related Party as defined under Section 2 (76) of the said Act except with the consent of the Board and Shareholders of the Company which are either not (a) in Ordinary Course of Business or (b) on arm's length basis or otherwise.

The Company had entered into the transactions with Related Parties as mentioned in Item no 7 of the Notice prior to commencement of the Act which are continuing as on date. In view of the requirements of the referred Section, the Company is required to obtain approval of the Shareholders in respect of Related Party transactions which are continuing one prior to the commencement of the Act.

The Directors commend that the proposed resolution as stated No. 7 of the Notice be approved.

All the Directors of the Company are concerned or interested in the proposed Resolution. None of the Key Managerial Personnel of the Company/their relatives are concerned or interested in the resolution.

By Order of the Board of Directors

D.K. JAIN
Chairman

P. K. JAIN
Managing Director

Mumbai, 18th August, 2014

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



DIRECTORS' REPORT

To

The Members of
Inox Leasing and Finance Limited

Your Directors have pleasure in presenting to you their Nineteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

1. Financial Results

Given below is the financial performance as reflected in the Audited Accounts for the year ended 31st March 2014.

	(Rupees)	(Rs. in lacs)
	2013-2014	2012-2013
Total Income	2027.38	2719.40
Profit before Interest & Depreciation	1878.74	2589.37
Less: Interest	—	—
Profit before Depreciation	1878.74	2589.37
Less: Depreciation	47.29	39.18
Profit before Tax	1831.45	2550.19
Less: Provision for Taxation	100.47	105.21
Profit for the year	1730.98	2444.98
Add: Profit brought forward from previous year	4826.44	4724.23
Profit available for appropriations	6557.42	7169.21
Appropriations		
Transferred to Statutory Reserve Fund	350.00	500.00
Transferred to General Reserve	175.00	250.00
Interim Dividend	530.92	1061.85
Proposed Dividend	530.92	530.92
Balance carried to Balance Sheet	4970.58	4826.44
	6557.42	7169.21

2. Dividend

Your Company has paid an Interim Dividend of Rs. 5.00 per share (50%) and now recommend a final dividend of Rs. 5/- per share (50%) for the year ended 31st March, 2014 subject to approval of the shareholders. The total dividend pay out for the year will be Rs. 1061.85 lacs.

3. Responsibility Statement

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

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



INOX LEASING AND FINANCE LIMITED

IV. the Directors have prepared the Annual Accounts on a going concern basis.

4. Fixed Deposits

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

5. Directors

Mr. V.K. Jain (DIN:00029968) and Mr. Siddharth Jain (DIN:00030202), Directors retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors had re-appointed Mr. Deepak Asher as Whole-time Director of the Company for a period of three months subject to the approval of the members at the ensuing Annual General Meeting. Mr. Deepak Asher has since resigned as Director with effect from 31st March, 2014.

6. Subsidiaries

In accordance with the General Circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said Circular. The company will provide a copy of the Annual Accounts in respect of its subsidiary to any shareholder of the company and shall also be kept open for inspection at the Registered Office of the company.

7. Audit Committee

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

8. 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.

9. Auditors

M/s. S.C. Bandi & Company, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A certificate has been received from them that their appointment, if made will be in compliance with the provisions of the Companies Act, 2013.

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

As the Company is not a manufacturing Company, matters relating to conservation of energy and technology absorption as required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is not applicable.

11. Particulars of Employees

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

12. Insurance

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

By Order of the Board of Directors

D.K. JAIN
Chairman

P. K. JAIN
Managing Director

Mumbai, 18th August, 2014



INDEPENDENT AUDITORS' REPORT

To the Members of Innox Leasing and Finance Limited

Report on the Financial Statements

I have audited the accompanying financial statements of INOX Leasing and Finance Limited (the Company), which comprise the Balance Sheet as at 31st March, 2014 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b. In my opinion proper books of account as required by law have been kept by the company so far as appears from my examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. in my opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

S.C. BANDI
Proprietor
M. No: 16932

Place: Mumbai
Date : 18th August, 2014



ANNEXURE REFERRED TO IN MY REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH, 2014

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of its fixed assets, which will affect the going concern status of the Company.
- (ii) (a) The stock of shares have been physically verified by the management during the year. In my opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks of shares followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) I am informed that no material discrepancies have been noticed on physical verification of stocks of shares as compared to the book records.
- (iii) During the year, Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of my audit, no major weakness has been noticed in internal control system.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has no internal audit system. However internal controls exercised by the management of the Company commensurate with its size and nature of its business.
- (viii) Being an Investment Company the maintenance of cost records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to me, there are no dues of sales tax, income tax, customs duty and wealth tax, which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses as at 31st March, 2014 and has not incurred any cash losses in the current financial year and the immediately preceding financial year.



INOX LEASING AND FINANCE LIMITED

- (xi) In my opinion and according to the information and explanations given to me, the company has not taken any loans from Financial Institutions, Banks and debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- (xiv) The Company is engaged in the business of trading in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of trading of shares and other securities and timely entries have been made therein. The Company's investments are held in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) The Company has not obtained any term loan for any purpose.
- (xvii) According to information and explanations given to me and on overall examination of the Balance Sheet of the Company, I report that no funds raised on short term basis have been used for long term investments and vice versa.
- (xviii) According to information and explanations given to me, during the year under audit the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the financial year covered by my audit.
- (xx) The company has not raised any money by public issue during the financial year covered by my audit.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

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

S.C. BANDI
Proprietor
M. No: 16932

Place : Mumbai
Date : 18th August, 2014



INOX LEASING AND FINANCE LIMITED

BALANCE SHEET AS AT 31st MARCH, 2014

Amount (Rs. In lacs)

	Note No.	As at 31st March, 2014		As at 31st March, 2013	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
(1) Shareholders' funds:					
(a) Share Capital	4		1,061.85		1,061.85
(b) Reserves and Surplus	5		12,811.86		12,142.72
			13,873.71		13,204.57
(2) Non-current liabilities					
(b) Other Long-term liabilities	6		63.61		76.33
(a) Long-term Provisions	7		10.72		18.83
			74.33		95.16
(3) Current liabilities					
(a) Trade Payables	8		5.38		9.46
(b) Other Current Liabilities	9		91.68		80.77
(c) Short-term Provisions	10		540.42		544.47
			637.48		634.70
TOTAL			14,585.52		13,934.43
ASSETS					
(1) Non-current Assets					
(a) Fixed assets					
Tangible assets	11		52.17		63.32
(b) Capital work-in-progress			1,794.18		1,794.18
(c) Deferred Tax Asset	26		15.25		15.98
(d) Non-current investments	12		4,779.16		4,945.06
(e) Long-term Loans and advances	13		1,173.29		1,178.32
(f) Other non-current assets	14		222.92		195.16
(2) Current Assets					
(a) Current investments	15		5,892.42		5,102.42
(b) Trade receivables	16		9.33		34.00
© Cash and cash equivalents	17		489.66		514.11
(d) Short-term loans and advances	18		90.47		63.49
(e) Other current assets	19		66.67		28.39
TOTAL			14,585.52		13,934.43

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 18th August, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

Amount (Rs. In lacs)

	Note No.	2013-2014		2012-2013	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Revenue from Operations (Gross)	20		1,967.34		2,659.18
Other Income	21		60.04		60.22
Total Revenue			2,027.38		2,719.40
EXPENSES					
Employee benefits expense	22		75.67		72.52
Depreciation and amortization	23		47.29		39.18
Other expenses	24		72.97		57.51
Total Expenses			195.93		169.21
Profit before tax			1,831.45		2,550.19
Tax Expense					
a) Current Tax		128.00		165.10	
b) Deferred Tax		0.73		(1.57)	
c) Mat Credit entitlement		(27.76)		(56.20)	
d) Taxation for earlier years		(0.50)		(2.12)	
			100.47		105.21
Profit for the year			1,730.98		2,444.98
Basic & diluted earning per equity share			16.30		23.03

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 18th August, 2014



INOX LEASING AND FINANCE LIMITED

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

Amount (Rs. In lacs)

Particulars	2013-14	2012-13
A Cash flow from operating activities		
Profit before tax	1,831.45	2,550.19
<u>Adjustments for :</u>		
Depreciation and Amortisation	47.29	39.18
Income in respect of investing activities (Net)	(1,908.18)	(2,585.75)
	(1,860.89)	(2,546.57)
Operative profit before working capital changes	(29.45)	3.62
<u>Adjustments for :</u>		
Long-term provisions	(8.10)	4.41
Long-term liabilities	(12.72)	76.33
Trade payables	(4.09)	4.63
Other current liabilities	10.91	36.16
Short-term provisions	(4.05)	(520.98)
Long-term loans and advances	5.03	37.19
Trade receivables	24.67	(30.21)
Other non current assets	(38.27)	(11.85)
Short-term loans and advances	(26.98)	0.76
Assets written off	0.07	—
	(53.54)	(403.55)
Cash generated from operations	(82.99)	(399.93)
Income-tax paid (Net)	(139.00)	(162.98)
Net cash used in operating activities	(210.49)	(562.91)
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital work in progress and capital advances)	—	(979.66)
Purchase of investments	(6,792.45)	(4,980.59)
Redemption/Sale of Investments	6,653.65	5,874.19
Interest and Dividend received (Net of expenses)	1,386.69	1,856.03
Net cash from investment activities	1,247.88	1,769.96
C Cash flow from financing activities		
Dividend paid (Including Tax on Dividend)	(1,061.85)	(1,592.77)
Net cash (used) in financing activities	(1,061.85)	(1,592.77)
Net increase/(decrease) in cash and cash equivalent	(24.45)	(385.72)
Cash and cash equivalents as at the beginning of the year	514.11	899.83
Cash and cash equivalents as at the end of the year	489.66	514.11

As per our report of even date attached

On behalf of the Board of Directors

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

S.C.BANDI
Proprietor

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 18th August, 2014



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

1. CORPORATE INFORMATION

Inox Leasing and Finance Limited (the "Company") is a public Company engaged in the business of financial services, investments in shares, bonds and units of mutual funds and earns 'brokerage income on investments in mutual funds etc.

The company is the holding company of Gujarat Fluorochemicals Limited.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies Act 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES:

(a) Revenue Recognition

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. Dividend income is accounted for when the right to receive the same is established. Income from interest on deposits and interest-bearing securities is recognised on time proportion basis.

(b) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation, amortization and impairment. Cost of leasehold land is amortised over the period of lease. Depreciation is provided on Written Down Value Method on prorata basis at the rates specified in Schedule XIV of the Companies Act, 1956.

(c) INVESTMENTS

Non current Investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary in the value of these investments.

Current investments are carried at lower of cost and fair value.

(d) EMPLOYEE BENEFITS

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which the related service is rendered. Company's contribution towards Provident and Pension Funds vis-à-vis defined contribution plan paid/payable during the year are charged to the Statement of Profit and Loss post employment benefits in the form of Gratuity and Leave encashment are recognised as expense in the Statement of Profit and Loss at present value value of the amounts payable determined on the basis of actuarial value technique, using the projected unit credit method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss.

(e) TAXES ON INCOME

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

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 recognised as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax within the period prescribed for utilisation of such credit.

(f) IMPAIRMENT OF ASSETS

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets.

If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



INOX LEASING AND FINANCE LIMITED

(g) PROVISIONS & CONTINGENT LIABILITIES

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

(h) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(i) LEASE

- Assets taken on operating lease
Lease rentals in respect of assets acquired of on operating lease are charged to the Statement of Profit and Loss as per the terms of respective lease agreement.
- Assets given on operating lease
Assets given under operating lease are capitalised and included in the fixed assets. Lease income arising there from is recognised as income in the Statement of Profit and Loss as per the terms of respective lease agreement.

(j) BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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.

4. SHARE CAPITAL	As at 31st March, 2014		Amount (Rs. In lacs)	
	Rupees	Rupees	As at 31st March, 2013	Rupees
Authorised capital				
11,000,000 Equity Shares of Rs.10/- Each		1,100.00		1,100.00
1,500,000 Redeemable Cumulative Preference Shares of Preference Shares of Rs.100/- each		1,500.00		1,500.00
Total		2,600.00		2,600.00
Issued, Subscribed and fully paid up capital				
10,618,467 Equity Shares of Rs.10/- Each		1,061.85		1,061.85
Total		1,061.85		1,061.85

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	As at 31-03-2014		As at 31-03-2013	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	10618467	106184670	10618467	106184670
Add: Shares issued during the year	—	—	—	—
Less: Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	10618467	106184670	10618467	106184670

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any.

During the financial year company has paid interim dividend of Rs. 5/- per share (previous year Rs. 10/- per equity share). Further, dividend of Rs. 5/- per equity share (previous year Rs. 5/- per equity share) is proposed to be distributed to the equity shareholders. The total distribution of dividend to the equity shareholders is Rs. 10/- per equity share (previous year Rs. 15/- per equity share).

c. Details of shareholders holding more than 5% shares in the Company

	31-03-2014		31-03-2013	
	Number	% holding	Number	% holding
Mr. Pavan Kumar Jain	1,276,378	12.02	2,474,378	23.30
Mr. Vivek Kumar Jain	1,379,305	12.99	2,374,205	22.36
Mr. Devansh Jain	2,303,218	21.69	1,307,618	12.31
Mrs. Nayantara Jain	1,172,832	11.05	1,172,832	11.05
Mrs. Nandita Jain	1,031,644	9.72	1,031,644	9.72
Mr. Siddharth Jain	2,218,292	20.89	1,018,292	9.59

5. RESERVES AND SURPLUS

Amount (Rs. In lacs)

	As at 31st March, 2014		As at 31st March, 2013	
	Rupees	Rupees	Rupees	Rupees
Reconstruction Reserve				
Balance as per last Balance Sheet		639.52		639.52
Amalgamation Reserve				
Balance as per last Balance Sheet		75.76		75.76
Capital Redemption Reserve				
Balance as per last Balance Sheet		1,400.00		1,400.00
Statutory Reserve Fund*				
Balance as per last Balance Sheet	3,936.00		3,436.00	
Add: Transferred from Profit and Loss Account	350.00		500.00	
*Pursuant to Reserve Bank of India (Amendment) Act, 1947.		4,286.00		3,936.00
General Reserve				
Balance as per last Balance Sheet	1,265.00		1,015.00	
Add: Transferred from Profit and Loss Account	175.00		250.00	
Balance at the end of the year		1,440.00		1,265.00
Surplus in the statement of Profit & Loss				
Balance as per last Balance Sheet	4,826.44		4,724.23	
Add: Profit for the year	1,730.98		2,444.98	
	6,557.42		7,169.21	
Less: Appropriations				
Interim Dividend	530.92		1,061.85	
Proposed dividend	530.92		530.92	
Transfer to Statutory Reserve Fund	350.00		500.00	
Transfer to General Reserve	175.00		250.00	
Total Appropriations	1,586.84		2,342.77	
Balance at the end of the year		4,970.58		4,826.44
Total		12,811.86		12,142.72


INOX LEASING AND FINANCE LIMITED

	Amount (Rs. In lacs)	
	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupee
6. LONG TERM LIABILITIES		
For lease hold land	63.61	76.33
Total	63.61	76.33
7. LONG TERM PROVISIONS		
Provision for employee benefits		
For Gratuity	6.83	12.70
For Leave benefits	3.89	6.13
Total	10.72	18.83
8. TRADE PAYABLES		
Dues to		
Micro and Small Enterprises	—	—
Others	5.38	9.46
Total	5.38	9.46
9. OTHER CURRENT LIABILITIES		
Unclaimed dividend (see note below)	64.77	58.20
Other current liabilities	25.88	22.07
Statutory dues and taxes	1.03	0.50
Total	91.68	80.77
In respect of unpaid dividends, the actual amount to be transferred to the Investor Protection Fund shall be determined on the due date.		
10. SHORT TERM PROVISIONS		
Provision for employee benefits		
– Gratuity	8.12	2.47
– Leave benefits	1.38	0.38
Proposed Dividend	530.92	530.92
Provision for tax (net of income tax paid)	—	10.70
Total	540.42	544.47

11. TANGIBLE ASSETS

Amount (Rs. In lacs)

Sr. No.	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.13	Addition during the year	Deletion during the year	As at 31.03.14	As at 01.04.13	Addition during the year	Deletion during the year	As at 31.03.14	As at 31.03.14	As at 31.03.13
1	BUILDINGS:	31.28	—	—	31.28	22.06	0.46	—	22.52	8.76	9.22
2	FURNITURE & FIXTURES	46.20	—	—	46.20	16.66	5.35	—	22.01	24.19	29.54
3	VEHICLES	109.78	—	—	109.78	94.65	3.92	—	98.57	11.21	15.13
4	OFFICE EQUIPMENTS	24.92	—	0.36	24.56	15.49	1.35	0.29	16.55	8.01	9.43
	TOTAL	212.18	—	0.36	211.82	148.86	11.08	0.29	159.65	52.17	63.32
	PREVIOUS YEAR:	183.55	28.63	—	212.18	136.74	12.12	—	148.86	63.32	


INOX LEASING AND FINANCE LIMITED

12. NON CURRENT INVESTMENTS Investment in Securities (Long term, non-trade, at cost, unless otherwise stated)	Face Value	As at 31st March, 2014		As at 31st March, 2013	
		Nos.	Rs. in lacs	Nos.	Rs. in lacs
QUOTED					
i) In Subsidiary Company					
Gujarat Fluorochemicals Limited	1	57,715,310	1,921.18	57,715,310	1,921.18
Inox Leisure Limited (subsidiary of Gujarat Fluorochemicals Limited)	10	587,461	257.20	587,461	257.20
ii) In Other Companies					
Damania Capital Market Limited	10	124,200	37.26	124,200	37.26
Eastern Mining Limited	10	10,300	3.30	10,300	3.30
Konar Organics Limited	10	41,100	4.11	41,100	4.11
Rajinder Pipes Limited	10	8,300	3.32	8,300	3.32
Unified Agro Industries (India) Limited	10	1,800	0.45	1,800	0.45
W S Telesystem Limited	10	8,300	3.32	8,300	3.32
Orient Fabritex Limited	10	140,000	14.00	140,000	14.00
BOC India Limited	10	200	0.21	200	0.21
Ahmedabad Gases Limited	10	200	0.02	200	0.02
Bombay Oxygen Corpn. Limited	100	5	0.06	5	0.06
			2,244.43		2,244.43
Less: Provision for dimunition in value of investments			60.99		60.99
			2,183.44		2,183.44
UNQUOTED					
i) In Equity shares					
Ideas & U Limited	10	500,000	50.00	500,000	50.00
			50.00		50.00
Less: Provision for dimunition in value of investments			50.00		50.00
			—		—
ii) Investments in Mutual Funds					
TATA FMP Series 42 Scheme 419D-Growth	10	—	—	2,000,000.000	200.00
DSP BR Bond Fund Growth	10	—	—	329,570.736	121.48
ICICI PRU Income Plan -Growth	10	—	—	454,121.494	165.43
TATA Income Fund Plan A-Growth	10	—	—	1,020,409.695	356.42
Templeton India Income Builder Fund Plan A-Growth	10	—	—	477,621.706	186.40
					1,029.73
iii) Investments in Bonds					
HUDCO 7.62% Tax Free Bond Oct'11	100,000	250	250.00	250	250.00
HUDCO 8.14% Tax Free Bond	1,000	20,000	200.00	—	—
IIFCL 8.01% Tax Free Bonds	1,000,000	20	200.04	—	—
IRFC 7.55% Tax Free Bond Oct'11	100,000	250	250.00	250	250.00
NHAI 8.27% Tax Free Bonds	1,000	20,000	200.00	—	—
PFC 8.20% Tax Free Bonds	1,000	8,544	85.44	8,544	85.44
REC 7.93% Tax Free Bond	1,000	12,248	122.48	12,248	122.48
PFC 7.19% Tax Free Bonds	1,000	10,000	100.00	10,000	100.00
REC 8.01% Tax Free Bond 2013	1,000	30,000	300.00	—	—
			1,707.96		807.92
Aggregate value of quoted investments			2244.43		2244.43
Market value of quoted investments			191,300.47		173,095.44
Aggregate value of unquoted investments			1,757.96		857.92
Aggregate provision for dimunition in value of investments			110.99		110.99
Total Investments			4,779.16		4,945.06


INOX LEASING AND FINANCE LIMITED
(2) Investment in Property (Long term and Non-trade)

(Amount Rs. in lacs)

Particulars	Gross Block (at cost)				Depreciation/Amortization				Net Block	
	As at 01.04.13	Addition during the year	Deletion during the year	As at 31.03.14	As at 01.04.13	Addition during the year	Deletion during the year	As at 31.03.14	As at 31.03.14	As at 31.03.13
Leasehold Land	204.05	—	—	204.05	0.20	0.20	—	0.40	203.65	203.85
Buildings	746.98	—	—	746.98	26.85	36.01	—	62.86	684.12	720.12
TOTAL	951.03	—	—	951.03	27.05	36.21	—	63.26	887.77	923.97
PREVIOUS YEAR:	—	951.03	—	951.03	—	27.06	—	27.06	923.97	

Total Non Current Investments [1+2]
4779.16 4945.06

	Amount (Rs. In lacs)
<u>As at 31st March, 2014</u> Rupees	<u>As at 31st March, 2013</u> Rupee

13. LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

Loans to employees

2.79

3.32

Advances recoverable in cash or in kind

– Considered Good

70.50

75.00

Inter corporate Deposits - to subsidiary company

1,100.00

1,100.00

Total
1,173.29

1,178.32

14. OTHER NON-CURRENT ASSETS

MAT Credit entitlement

222.92

195.16

222.92

195.16


15. CURRENT INVESTMENTS

	As at 31st March, 2014			As at 31st March, 2013	
	Face Value	Nos.	Rs. in lacs	Nos.	Rs. in lacs
A Current Portion of Long Term Investment					
Investment in Mutual Funds					
Birla Sunlife FTP Series EV-Growth	10	—	—	2,000,000.000	200.00
Birla Sunlife FTP Series FI-Growth	10	—	—	1,098,020.000	109.80
Birla Sunlife FTP Series FR-Growth	10	—	—	2,000,000.000	200.00
Birla Sunlife FTP Series GO 369D-Growth	10	—	—	2,070,329.000	207.03
DSP BR FMP Series 38-12.5M-Growth	10	—	—	1,015,629.870	101.56
DSP BR FMP-Series 41-12.5M	10	—	—	3,000,000.000	309.70
DSP BR FMP Series 48-12M-Growth	10	—	—	2,500,000.000	250.00
DSP BR FMP Series 57-12M-Growth	10	—	—	1,578,609.974	157.86
DSP BR FMP Series 59-12M-Growth	10	—	—	903,709.688	90.37
DSP BR FMP Series 86-12M-Growth	10	—	—	2,000,000.000	200.00
HDFC FMP 399D Mar'12 (I) Growth	10	—	—	2,410,719.000	259.06
HDFC FMP 400D Mar'12 (I) Growth	10	—	—	2,000,000.000	200.00
ICICI PRUFMP Series 60-18M Plan B-Growth	10	—	—	2,000,000.000	200.00
ICICI PRU FMP Series 64-367D Plan A-Growth	10	—	—	1,645,478.000	164.55
IDFC FMP 13M Series 7- Growth	10	—	—	1,100,000.000	113.13
IDFC FMP 18M Series 9 - Growth	10	—	—	2,000,000.000	200.00
IDFC FMP 366D Series 74-Growth	10	—	—	2,000,000.000	200.00
TATA FMP Series 39 Scheme H-Growth	10	—	—	1,500,000.000	150.00
TATA FMP Series 40 Scheme F-Growth	10	—	—	2,000,000.000	200.00
TATA FMP Series 42 Scheme A-Growth	10	—	—	1,000,000.000	100.00
UTI FIIF Series XIV-II 366D-Growth	10	—	—	2,000,000.000	200.00
UTI FTIF Series XII-III 366 D-Growth	10	—	—	901,646.168	90.16
UTI FTIF Series XII-V-367D-Growth	10	—	—	2,943,519.917	294.35
UTI FTIF Series XIV-I (366D)-Growth	10	—	—	2,000,000.000	200.00
UTI FTIF Series XI-VIII (366D) Growth	10	—	—	1,775,387.513	177.54
ICICI PRU INT Fund Annual INT Pan 1-Growth	10	2,768,899.000	327.09	2,768,899.000	327.09
IDFC YS Interval Fund Series III-Growth	10	2,002,192.170	200.22	2,002,192.170	200.22
Birla Sunlife FTP Series HQ-Growth	10	1000000.000	100.00	—	—
Birla Sunlife FTP Series HS-Growth	10	1211029.000	121.10	—	—
Birla Sunlife FTP Series JU 369D-Growth	10	1250000.000	125.00	—	—
Birla Sunlife FTP Series KG-Growth	10	2263469.000	226.35	—	—
Birla Sunlife INT Income Fund Annual Plan VIII-Growth	10	2184261.000	218.43	—	—
BSL Interval Income Fund Annual Plan IX-Growth	10	2248303.000	224.83	—	—
DSP Black Rock FMP 105-12M-Growth	10	1997894.136	199.79	—	—
DSP BR FMP Series 104-12M-Growth	10	4000000.000	400.00	—	—
DSP BR FMP Series 149-12M-Growth	10	2188040.000	218.80	—	—
DSP BR Income Oppurtunities Fund-Growth	10	1447860.314	274.59	—	—
HDFC FMP 370D Jan'14(1) Growth	10	2775266.000	277.53	—	—
ICICI PRU FMP Series 72-366D Plan C-Growth	10	1680476.000	168.05	—	—
ICICI PRU FMP Series 72-366D Plan I Growth	10	4093046.000	409.30	—	—
IDFC FTP Series-24 366D-Growth	10	2193728.910	219.37	—	—
IDFC FTP Series 65 Growth	10	1899199.000	189.92	—	—
TATA FMP Series 42 Scheme G 419D-Growth	10	2000000.000	200.00	—	—
TATA FMP Series 43 Plan A-Growth	10	2000000.000	200.00	—	—
TATA FMP Series 46 Scheme I Plan A Growth	10	2837278.578	283.73	—	—
TATA FMP Series 46 Scheme P Plan-A Growth	10	1094080.000	109.41	—	—
Templeton India Short Term Income Plan-Growth	1,000	14108.781	341.40	—	—
UTI FTIF Series XVII-XIII (369D)-Growth	10	2181540.000	218.15	—	—
UTI FTIF Series XVII-XVI -Growth	10	2187220.000	218.72	—	—
UTI FTIF Series XV-IX 366 Days Growth	10	4206359.793	420.64	—	—
Total			5,892.42		5,102.42

**INOX LEASING AND FINANCE LIMITED**

	As at 31st March, 2014 Rupees	Amount (Rs. In lacs) As at 31st March, 2013 Rupee
16. TRADE RECEIVABLES		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for a period exceeding six months	—	—
Others	9.33	34.00
Total	9.33	34.00
17. CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	28.29	83.77
Cash on hand	5.30	2.95
In Liquid fund of Mutual Funds	91.30	369.19
	124.89	455.91
Other bank balances		
Unpaid dividend account	64.77	58.20
Deposits with original maturity of more than 3 months but less than 12 months	300.00	—
	364.77	58.20
Total	489.66	514.11
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Prepaid Expenses	1.35	1.52
Loans to employees	1.63	0.57
Security Deposits	61.40	61.40
Other Advances	5.00	—
Advance Income tax (net of provision)	21.09	—
Total	90.47	63.49
19. OTHER CURRENT ASSETS		
Interest accrued on Bank deposits	13.10	—
Interest accrued on Tax Free Bonds	53.57	28.39
Total	66.67	28.39

**INOX LEASING AND FINANCE LIMITED**

	Amount (Rs. In lacs)	
	2013-14	2012-13
20. REVENUE FROM OPERATIONS		
Brokerage received	59.16	73.64
Dividend Income		
— on long term investments		
i) from subsidiary company	1,154.31	1,731.46
ii) from others	0.08	0.19
Profit on sale of investments		
— on long term investments	429.59	489.11
— on current investments	91.91	240.61
Interest income		
— on inter corporate deposits	121.00	17.17
— on bank deposits	14.55	50.64
— on tax free bonds	96.74	56.36
Total	1,967.34	2,659.18
21. OTHER INCOME		
Interest income		
— Others	—	0.22
Rent received	60.00	60.00
Misc. Income	0.04	—
Total	60.04	60.22
22. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	69.32	65.42
Contribution to Provident fund and other fund	3.52	3.05
Gratuity	2.45	3.49
Staff Welfare expenses	0.38	0.56
Total	75.67	72.52
23. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible assets	11.08	12.12
Depreciation on Investment property	36.01	26.85
Amortization of Investment property	0.20	0.20
Total	47.29	39.18

**INOX LEASING AND FINANCE LIMITED**

	Amount (Rs. In lacs)	
	2013-14	2012-13
24. OTHER EXPENSES		
Rates & Taxes	4.73	4.25
Legal & Professional Expenses	11.24	4.28
Rent paid	12.00	12.00
Insurance	0.81	0.89
General Repairs	1.92	1.20
Repairs & Maint Building	5.00	—
Miscellaneous Expenses	37.27	34.88
Total	72.97	57.51
25. Commitments		
The Company has agreed to provide Equity Shares of Gujarat Fluorochemicals Limited held by it, for an amount equal to Rs 140 crores to Standard Chartered Private Equity (Mauritius) II Limited (SC) in terms of an Amendment Agreement dated 19th December, 2013 executed between Inox India Limited (ILL), Promoters of ILL, the Company and (SC), in case ILL fails to fulfil its obligations under the referred Agreement.		
26 The major components of the net deferred tax liability are as under:		
Particulars		
Deferred Tax Liability	—	—
Deferred Tax Assets:		
Provision for retirement benefits	6.56	7.03
Depreciation (on account of difference between tax depreciation and depreciation charged in the books)	6.31	6.81
Expenses allowable on payment basis	2.38	2.14
Total assets	15.25	15.98
27 Payments to the firm of auditors:		
Particulars		
Audit Fees	1.15	1.10
Tax Audit Fees	0.65	0.60
For Other services	1.10	1.45
Service Tax	0.36	0.39
Total	3.26	3.54
28 Basic and diluted Earning per share:		
Basic and Diluted Earnings have been calculated as follows:		
Profit after taxation (Rs)	1730.98	2444.98
No. of equity shares outstanding at the beginning and end of the year	10,618,467	10,618,467
Nominal value of each share (Rs).	10	10
Basic and diluted Earnings per Share (Rs)	16.30	23.03
29 Expenditure in foreign currency:		
Particulars		
Others - Travelling	—	—
Total	—	—



Amount (Rs. In lacs)

	2013-14	2012-13
30 Earnings in foreign currency:	—	—
31 Disclosure as required by Accounting Standard - AS 19 on "Leases"		
(a) In respect of Assets given on Operating Lease:		
(i) Gross carrying amount of asset given on operating lease included in Buildings of Fixed Assets	14.86	14.86
(ii) Accumulated Depreciation as at the end of the year	11.49	11.31
(iii) Depreciation for the year	0.18	0.19
(iv) Future minimum lease payments-	—	—
(a) Not later than one year	64.50	60.00
(b) Later than one year and not later than five years	103.50	168.00
Later than five years	—	—
(v) General description		
Asset given on operating lease is Office Premises. The non-cancellable initial tenure is for five years, which can be further extended at the mutual option of both the parties.		
(b) In respect of assets taken on operating lease:		
Payable in future		
(i) Not later than one year	12.00	3.00
(ii) Later than one year and not later than five years	—	—
(iii) Later than five years	—	—
(iv) The company's significant leasing arrangements are in respect of operating leases for premises taken on lease. Generally, these lease arrangements are non-cancellable, for a period of 11 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals are charged as expenses in the Statement of Profit and Loss Account.		
32 Related party disclosures as required by Accounting Standard (AS18) are as under:		
(i) Names of Related Parties:		
A) Where control exists:		
Subsidiary Company:		
Gujarat Fluorochemicals Limited		
Subsidiary Company of Gujarat Fluorochemicals Limited:		
Inox Leisure Limited		
Key Management Personnel		
Mr. Deepak Asher (Whole time Director)*		
*Resigned with effect from 31st March, 2014		
(B) Other related parties with whom there are transactions during the year:		
Enterprises over which key management personnel or his relative has significant influence		
— Rajni Farms Private Limited		


INOX LEASING AND FINANCE LIMITED

(ii) Particulars of Transactions:

Amount Rs. In lacs

Particulars	Subsidiary Company and sub-subsidiary company	Enterprises over which KMP has significant influence	Key Management Personnel	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) Transactions during the year				
i) Rent received				
Gujarat Fluorochemicals Ltd	60.00 (60.00)			60.00 (60.00)
ii) Dividend received				
Gujarat Fluorochemicals Ltd	1,154.31 (1,731.46)			1,154.31 (1,731.46)
iii) Reimbursement of expenses (paid)				
Gujarat Fluorochemicals Ltd	0.42 (0.13)			0.42 (0.13)
iv) Reimbursement of expenses (received)				
Gujarat Fluorochemicals Ltd	4.11 (0.76)			4.11 (0.76)
v) Rent paid				
Rajni Farms Pvt Ltd.		12.00 (12.00)		12.00 (12.00)
vi) Inter-Corporate Deposit paid				
Inox Leisure Limited	— (1,100.00)			— (1,100.00)
vii) Inter-Corporate Deposit received back				
Inox Leisure Limited	— (600.00)			— (600.00)
viii) Interest received				
Inox Leisure Limited	121.00 (17.17)			121.00 (17.17)
ix) Remuneration paid				
Shri Deepak Asher			21.79 (17.59)	21.79 (17.59)
(B) Amounts outstanding				
i) Deposit paid	—			—
Rajni Farms Pvt Ltd.		60.00 (60.00)		60.00 (60.00)
ii) Inter-corporate Deposit paid				
Inox Leisure Limited	1,100.00 (1,100.00)			1,100.00 (1,100.00)
(C) Amounts payable				
iii) Reimbursement of expenses				
Gujarat Fluorochemicals Ltd	0.14 (0.41)			0.14 (0.41)
iv) Remuneration				
Shri Deepak Asher			1.85 (1.85)	1.85 (1.85)

**33 Employee Benefits**

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 3.19 lacs (Previous year Rs. 2.76 lacs is recognised as an expense and included in Contribution to Provident and Other Funds in the Profit and Loss Account.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment - as per Actuarial Valuation as on 31st March, 2014.

(Amount Rs. in lacs)

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Change in Benefit Obligation				
Liability at the beginning of the year	15.17	11.60	5.20	3.75
Interest Cost	1.11	1.05	0.36	0.34
Current Service Cost	2.62	3.02	1.53	1.99
Benefit paid	(2.67)	—	(1.54)	—
Actuarial (Gain)/Loss	(1.29)	(0.58)	(1.71)	(0.88)
Liability at the end of the year	14.95	15.17	3.84	5.20
Expenses recognized in the Profit and Loss Account				
Current Service Cost	2.62	3.02	1.53	1.99
Interest Cost	1.11	1.05	0.36	0.34
Actuarial (Gain)/Loss	(1.29)	(0.58)	(1.71)	(0.88)
Expenses recognized in the Profit and Loss Account	2.45	3.49	0.18	1.44
Actuarial Assumptions				
Discount Rate	9.19%	8.06%	9.19%	8.06%
Salary Escalation Rate	10%	10%	10%	10%
Retirement Age		58 years		58 years
Mortality – Previous Year		LIC (1994-96) published table of rates		
– Current Year		IALM (2006-08) Ult		

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.

As per our report of even date attached

On behalf of the Board of Directors

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

S.C. BANDI
Proprietor

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

Membership No. 16932

Place: Mumbai
Date: 18th August, 2014



INOX LEASING AND FINANCE LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Company	Gujarat Fluorochemicals Limited	Inox Leisure Limited
2. Financial year ended	: 31 st March, 2014	31 st March, 2014
3. Shares held by the Holding Company in the Subsidiary Company	: 5,77,15,310 Equity Shares of Rs. 1/- each	5,87,461 Equity Shares of Rs. 10/- each
4. Holding Company's interest	: 52.54%	0.61%
5. The net aggregate of Profits or Losses for the current and previous financial periods of the Subsidiary so far as it concerns the members of the Holding Company :		
a) dealt with or provided for in the accounts of the Holding Company	: —	—
b) not dealt with or provided for in the accounts of the Holding Company	: Rs. 7,441.80 lacs (Rs. 39,834.33 lacs)	Rs. 3,693.60 lacs (Rs. 1,844.63 lacs)

Note:

1. Inox Leisure Limited is a subsidiary of Gujarat Fluorochemicals Limited.
2. The Company has no investments in the other subsidiary companies of Gujarat Fluorochemicals Limited.
3. Figures in bracket represent previous year figures.

By Order of the Board of Directors

D.K. JAIN
Chairman

P. K. JAIN
Managing Director

Mumbai, 18th August, 2014



INDEPENDENT AUDITOR'S ADDITIONAL REPORT

To The Board of Directors of Inox Leasing and Finance Limited

I have audited the Balance Sheet of Inox Leasing and Finance Limited (the company) as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow statement for the year ended on that date.

On the basis of such checks of the books and records of the company as I considered appropriate and according to the information and explanations given to me, I report on the matter specified in paragraph 3(A) and 4 (C) of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Pursuant to the requirements of the Directions it is my responsibility to examine the books and records of the Company and report on the matters specified in the Directions to the extent applicable to the Company.

Conclusion

Based on my examination of the books and records of the Company as produced for my examination and the information and explanations given to me, I further report that:

1. The company is engaged in the business of Non-Banking Financial Institution and has obtained the Certificate of Registration (CoR) as from RBI U/s 45-IA of the RBI Act, 1934.
2. The asset/ income pattern of the company as on 31st March, 2014 shows that financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income so the company continued to undertake the business of Non Banking Financial Institution (NBFI) during the year ended on 31st March, 2014, thereby that company is entitled to continue to hold such CoR in terms of its asset/income pattern as on March 31, 2014.
3. The Board of Directors have passed a resolution for non- acceptance of any public deposits.
4. The company has not accepted any public deposits during the relevant period/year;
5. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
6. The capital adequacy ratio as disclosed in the return submitted to the Reserve Bank of India has been correctly determined and such ratio is in compliance with the minimum capital to risk weighted asset ratio as prescribed by the Reserve Bank of India in Directions applicable to the 'Systemically important non-deposit taking non-banking financial company' as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007. It has also furnished the statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7).

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

S.C. BANDI
Proprietor
Mem. No. 16932

Place: Mumbai
Date : 18th August, 2014



Assets Side	Amount out-standing	Amount out-standing
(4) Break -up of Investments:		
<u>Current Investmentmmts</u>		
1. Quoted:		
(l) Shares :		
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of Mutual Funds	—	—
(iv) Government Securities	—	—
(v) Others (Please specify)	—	—
2. Unquoted:		
(l) Shares :		
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of Mutual Funds	5,892.42	5,102.43
(iv) Government Securities	—	—
(v) Others (Please specity)	—	—
<u>Long Term investments:-</u>		
1. Quoted:		
(l) Shares		
(a) Equity	2,183.44	2,183.44
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of mutual funds	—	—
(iv) Government Securities	—	—
(v) Others (please specify)	—	—
2. Unquoted:		
(l) Shares		
(a) Equity	—	—
(b) Preference	—	—
(ii) Debentures and Bonds	—	—
(iii) Units of mutual funds	—	1,029.73
(iv) Government Securities	—	—
(v) Others - Tax free Bonds	1707.96	807.92


INOX LEASING AND FINANCE LIMITED

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

(Rs. in Lacs)

Category	Amount net of provisions			Previous year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries*	—	1100.00	1100.00	—	1100.00	1100.00
b) Companies in the same group**	—	60.00	60.00	—	60.00	60.00
c) Other related parties	—	NIL	NIL	—	NIL	NIL
2. Other than related parties	—	92.26	92.26	—	81.81	81.81
Total	—	1252.26	1252.26	—	1241.81	1241.81

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

**Security Deposit paid for lease of property.

- (6) Investor group-wise classification of all investments (current and long term)
in shares and securities (both quoted and unquoted):
Please see note 3 below

(Rs. in Lacs)

Category			Previous year	
	Market value/ Break up or fair value or NAV	Book Value (Net of Provisions)	Market value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties*				
a) Subsidiaries (including their subsidiaries)	185101.74	2178.38	173094.62	2178.38
b) Other related parties	NIL	NIL	NIL	NIL
2 Other than related parties	7,911.87	7,605.44	7,303.58	6,945.13
Total	193,013.61	9,783.82	180,398.20	9,123.51

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

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

- (7) Other information

Current year

Previous year

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

**Notes:**

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

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

1) Capital to Risk Assets Ratio (CRAR)

	Current year	Previous year
(i) CRAR (%)	97.23%	95.71%
(ii) CRAR - Tier I capital (%)	97.23%	95.71%
(iii) CRAR - Tier II capital (%)	NIL	NIL

2) Exposure to Real Estate Sector

(a) Direct Exposure

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

(b) Indirect Exposure

NIL

3) Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31.03.2014

(Amount Rs. in lacs)

	1 day to 30/31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 month upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Liabilities :									
Borrowings from Banks	—	—	—	—	—	—	—	—	—
Market Borrowings	—	—	—	—	—	—	—	—	—
Assets :									
Advances (net of NPA's)	0.36	0.36	0.36	0.92	0.97	1,249.29	—	—	1,252.26
Investments (net of Provision)	200.00	—	—	2,626.60	3,065.82	—	—	3,891.40	9,783.82

On behalf of the Board of Directors

P.K. JAIN

Managing Director

VIJAY SAXENA
Company Secretary

D.K. JAIN
Chairman

Place: Mumbai

Date: 18th August, 2014



INOX LEASING AND FINANCE LIMITED

INOX LEASING AND FINANCE LIMITED

CONSOLIDATED ANNUAL ACCOUNTS

2013-2014



Independent Auditor's Report Consolidated Financial Statement

To the Members of Inox Leasing and Finance Limited

Report on the consolidated financial statements

I have audited the accompanying consolidated financial statements of **Inox Leasing and Finance Limited** ('the Company') its subsidiaries, joint ventures and associates (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint ventures and associate as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- ii. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

I have not audited the financial statements of the subsidiaries, joint ventures and associates of a subsidiary which reflect the Group's share of total assets of Rs. 709794.05 lacs as at 31st March, 2014, total revenue of Rs. 349694.95 lacs and net cash flows amounting to Rs. 278.21 lacs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to me and my opinion is based solely on the reports of the other auditors. My opinion is not qualified in respect of this matter.

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

S.C. BANDI
Proprietor
M. No: 16932

Place: Mumbai
Date : 18th August, 2014



INOX LEASING AND FINANCE LIMITED

Consolidated Balance Sheet of Inox Leasing and Finance Limited and its Subsidiary Companies as at 31 st March, 2014

		Amount (Rs. in Lacs)	
	Note No.	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	4	1061.85	1061.85
(b) Reserves and surplus	5	186143.78	181447.55
		187205.63	182509.40
(2) Minority interest			
		182369.05	166510.76
(3) Non-current liabilities			
(a) Long-term borrowings	6	123624.96	119753.94
(b) Deferred tax liabilities (Net)	42	25237.38	20118.58
(c) Other Long term liabilities	7	5389.14	5792.80
(d) Long-term provisions	8	1314.41	1222.94
		155565.89	146888.26
(4) Current liabilities			
(a) Short-term borrowings	9	81221.29	70205.47
(b) Trade payables	10	62949.71	39226.04
(c) Other current liabilities	11	45761.38	40875.44
(d) Short-term provisions	12	6028.23	5300.19
		195960.61	155607.14
TOTAL		721101.18	651515.55
II. ASSETS			
(1) Non-current assets			
(a) Goodwill on consolidation		5738.76	5581.99
(b) Fixed assets			
(i) Tangible assets	13	360360.51	349841.17
(ii) Intangible assets	14	6810.77	5349.70
(iii) Capital work-in-progress		78055.13	54092.68
(c) Deferred tax assets (Net)	42	1641.81	1664.51
(d) Non-current investments	15	10528.27	15210.91
(e) Long-term loans and advances	16	39646.22	30888.24
(f) Other non-current assets	17	1247.53	752.19
		504029.00	463381.39
(2) Current assets			
(a) Current investments	18	34911.78	27456.54
(b) Inventories	19	62947.55	51412.74
(c) Trade receivables	20	94977.10	88902.51
(d) Cash and bank balances	21	5763.44	6427.05
(e) Short-term loans and advances	22	14675.04	12022.63
(f) Other current assets	23	3797.28	1912.71
		217072.19	188134.17
TOTAL		721101.18	651515.55

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor
Membership No. 16932

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

Place: Mumbai
Date: 18th August, 2014



Consolidated Statement of Profit and Loss of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31 st March, 2014

	Note No.	Amount (Rs. in Lacs)	
		2013-2014	2012-2013
I. Revenue from operations	24	353143.46	324821.06
Less: Excise Duty		7930.40	8105.59
		345213.06	316715.47
II Other income	25	5173.96	3965.62
III Total Revenue (I + II)		350387.02	320681.09
IV. Expenses:			
Cost of materials consumed	26	146699.18	107292.28
Purchases of Stock-in-Trade	27	65.32	2013.96
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(9444.50)	(7668.05)
Employee benefits expense	29	17048.79	14942.55
Finance costs	30	17770.96	13184.58
Depreciation and amortization expense	31	20091.63	17105.27
Other expenses	32	150705.27	137725.93
Total expenses		342936.65	284596.52
V. Less: Expenditure capitalized		(19647.08)	(39317.96)
VI Net Expenditure		323289.57	245278.56
VII Profit before tax		27097.45	75402.53
(A) Tax expense:			
(1) Current tax		5866.16	21311.87
(2) MAT credit entitlement		(3752.24)	(3503.09)
(3) Deferred tax		1766.94	1827.94
(4) Taxation pertaining to earlier years		(16.30)	(162.57)
		3864.56	19474.15
Profit for the year (VII-VIII)		23232.89	55928.38
Less : Share of minority interest in profit /(loss)		(15232.23)	(25342.35)
Add: Share in profit of associates		411.03	—
Net Profit (XI+XII+XIII)		8411.69	28823.57

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor
Membership No. 16932
Place: Mumbai
Date: 18th August, 2014

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director



Consolidated Cash Flow Statement of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31 st March, 2014

Amount (Rs. in Lacs)

	2013-2014	2012-2013
A Cash flow from operating activities		
Profit before tax	26,976.43	75,385.36
<u>Adjustments for :</u>		
Depreciation and Amortisation	20,091.63	17,105.27
Loss on retirement/disposal of fixed assets (Net)	110.05	573.13
Provision for diminution in value of assets held for sale	41.60	
Provision for diminution in value of investments	393.72	486.28
Provision for doubtful trade receivables (Net)	21.70	12.14
Provision for doubtful advances	20.05	2.63
Bad debts and remissions	75.13	18.08
Liabilities and provisions written back	(847.85)	(794.14)
Amounts written-off	27.91	4.86
Amortization of value of Stock Options	14.33	1.06
MTM loss on derivative	346.49	—
Unrealised Foreign exchange Loss (Net)	386.25	323.35
Profit for the period of temporary cessation of control over subsidiary and treated as 'associate'.	1,317.34	—
Income in respect of investing activities (Net)	(3,352.25)	(2,087.66)
Finance Costs	18,003.10	13,192.88
	36,649.20	28,837.88
Operative profit before working capital changes	63,625.63	104,223.23
<u>Adjustments for :</u>		
Other Long term liabilities	(1,529.12)	1,361.12
Long-term provisions	92.15	254.71
Trade payables	27,671.04	12,229.00
Other current liabilities	4,830.97	(11,839.11)
Short-term provisions	(403.44)	5.92
Long-term loans and advances	(386.32)	1,091.99
Inventories	(10,841.55)	1,555.78
Trade receivables	(20,947.83)	(57,054.82)
Other non current assets	(733.59)	(1,190.46)
Other current assets	(1,644.88)	(737.90)
Short-term loans and advances	1,105.20	(2,991.47)
	(2,787.37)	(57,315.24)
Cash generated from operations	744,704.73	46,907.99
Income-tax paid (Net)	(6,929.17)	(17,949.45)
Net cash from operating activities	737,775.56	28,958.54



Consolidated Cash Flow Statement of Inox Leasing and Finance Limited and its Subsidiary Companies for the year ended 31 st March, 2014

	Amount (Rs. in Lacs)	
	2013-2014	2012-2013
B Cash flow from investing activities		
Purchase of fixed assets (including change in capital work in progress and capital advances)	(42,387.98)	(76,264.96)
Sale of fixed assets	201.68	618.45
Purchase of shares of subsidiary company	(3,122.71)	(501.62)
Purchase of other investments	(103,613.04)	(83,385.64)
Redemption/Sale of Investments	727,754.83	68,109.09
Proceeds from sale of shares through trust	2,921.22	
Inter-corporate and other loans given (Net)	5,661.08	(55.00)
Interest and Dividend received (Net of expenses)	1,265.14	2,679.44
Movement in bank fixed deposits with original maturity of more than three months and margin money deposits (Net)	(181.20)	234.72
Adjustment for receivables on investment account	(980.71)	13.52
Net cash used in investment activities	587,518.31	(88,552.00)
C Cash flow from financing activities		
Proceeds from issue of share capital	236.31	—
Proceeds from Long Term Loans (Net)	(543.53)	35,229.80
Proceeds from Short Term Loans (Net)	8,796.59	17,794.32
Proceeds from Cash Credit/Overdraft(Net)	(2,322.54)	1,415.21
Inter-corporate loans received (Net)	607.98	530.00
Finance costs	(19,885.07)	(13,675.71)
Dividend paid (Including Tax on Dividend)	(3,632.23)	(5,644.90)
Net cash from /(used in) financing activities	(16,742.49)	35,648.72
D Adjustment on accounts of Foreign Currency Translation Reserve	458.42	212.94
E Capital receipts	—	30.00
(Please refer to note no. 5 of Notes to Accounts)		
Net increase/(decrease) in cash and cash equivalent	1309009.80	(23,701.80)
Cash and cash equivalents as at the beginning of the year	5,565.04	29,266.83
Add: Cash received on account of subsidiary acquired during the year	1.49	
Cash and cash equivalents as at the end of the year	1314576.33	5,565.03

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor
Membership No. 16932
Place: Mumbai
Date: 18th August, 2014

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014****1. CORPORATE INFORMATION:-**

The Consolidated Financial Statements ("CFS") relate to Inox Leasing and Finance Limited, its subsidiaries, joint venture of a subsidiary and an 'associate' of a subsidiary company (collectively referred to as the "Group").

The Subsidiary companies considered in the financial statements are:

(A) Subsidiaries of the Company:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March, 2014	As at 31 st March, 2013
Gujarat Fluorochemicals Limited	India	52.54%	52.54%
Inox Leisure Limited (ILL)	India	0.61	0.95
Inox Infrastructure Limited (IIL)	India	NIL	NIL
Inox Wind Limited (IWL)	India	NIL	NIL
Gujarat Fluorochemicals Americas, LLC (GFL Americas)	USA	NIL	NIL
Inox Renewables Limited (IRL)	India	NIL	NIL
GFL Singapore Pte Limited	Singapore	NIL	NIL
Gujarat Fluorochemicals GmbH, Germany (Incorporated on 6th September, 2013)(GFL GmbH)	Germany	NIL	NIL

Gujarat Fluorochemicals Limited ("GFL" or the "Company" or "Parent Company") is a public company engaged in the business of manufacturing and trading of Refrigeration Gases, Anhydrous Hydrochloric Acid, Caustic Soda, Chlorine, Chloromethane, Polytetrafluoroethylene (PTFE), Post-treated Polytetrafluoroethylene (PTPTFE) and earns revenue from carbon credits. The Company caters to both domestic and international markets. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange of India. The Company is a subsidiary of Inox Leasing and Finance Limited.

IIL is engaged in the business of operating and managing multiplexes and cinema theatres. ILL is engaged in the business of real estate and property development. IWL is engaged in the business of manufacture and sale of wind turbine generators (WTGs) and providing erection, procurement and commission services for WTGs. GFL Americas is engaged in the business of manufacture, trading and sale of PT-PTFE compounds. IRL is engaged in the business of generation and sale of wind energy and providing services for erection & commissioning of wind farms. GFL Singapore is engaged in investment activities. Gujarat Fluorochemicals GmbH is engaged in the business of trading, processing, distribution and marketing of polymer compounds especially Polytetrafluoroethylene (PTFE).

(B) Subsidiary of GFL Singapore Pte Limited:-

Name of the Company	Country of Incorporation	Proportion of ownership interest	
		As at 31 st March, 2014	As at 31 st March, 2013
GFL GM Fluorspar SA	Morocco	74%	74%

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

(C) Subsidiary of Inox Wind Limited:-

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

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

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

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

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

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

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

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

(F) Joint Venture of the Company:-

The Company has a Joint Venture interest of 33.77% in Xuancheng HengYuan Chemical Technology Company Ltd., a company incorporated in the People's Republic of China. As on 31st March, 2014 the Company has invested a sum of Rs.1263.89 lacs in the share capital of this Joint Venture. The JVC is engaged in the business of manufacture of anhydrous hydrogen fluoride and allied activities.

The financial statements of this joint venture are drawn up to 31st December, 2013.

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

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

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

(H) Associate of Inox Infrastructure Private Limited:-

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

Amount Rs. lacs

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

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

(I) Changes during the year

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

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

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

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

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



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

2. Basis of Preparation and Principles of Consolidation :-

The CFS are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements", Accounting Standard (AS) 23 "Accounting for Investment in the Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures".

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

The CFS have been prepared on the following basis.

- a) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealised profits are fully eliminated. Unrealised losses resulting from Inter-company transactions are eliminated unless cost cannot be recovered.
- b) Interest in joint ventures is reported using proportionate consolidation method.
- c) The share of profit/loss of associate company is accounted under the 'equity method' as per which the share of profit/loss of the associate company is adjusted to the cost of investment.
- d) Financial statements of foreign subsidiaries have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the Accounting Standard-11 "Effects of Changes in Foreign Exchange Rates".
- e) Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, and is recognized as an asset in the consolidated financial statements. The Goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired. When the cost to the parent of its investment in a subsidiary is less than that the parent's portion of equity of the subsidiary, the difference is treated as capital reserve in the consolidated financial statements.
- f) The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances, except where it is not practicable to do so. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- g) The Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to minority at the date on which investment in subsidiary is made and the minority's share of movement in equity since the date the parent subsidiary relationship comes into existence.

3. Significant Accounting Policies

a) Revenue Recognition

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

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

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

Income from Box Office is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the multiplexes and the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable.

Interest income is recognised on a time proportion basis, except in cases where interest is doubtful of recovery. Dividend income is recognised when the unconditional right to receive the dividend is established.

b) Fixed Assets and Intangible Assets

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



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

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

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

c) Depreciation and Amortization

i) On tangible fixed assets:

In respect of assets revalued, except freehold land, depreciation is provided on straight line method over the remaining useful life of the respective assets as specified by the government approved valuer or the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher. Depreciation on the revalued portion is drawn back from the Revaluation Reserve.

In respect of other assets:

Cost of leasehold land is amortised over the period of the lease. Depreciation on other Fixed Assets, excluding freehold land, is provided on straight line method as under:

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

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

ii) On intangible fixed assets:

Cost of technical know-how is amortized equally over a period of ten years and cost of Software is amortized @ 16.21% p.a. on straight line method. Cost of film distribution rights and negative rights is amortized in proportion to the management's estimate of gross revenue expected to be realized over a period. Cost of movie script acquired is amortized over a period of five year from the date of agreement. The value of mining exploitation permit/licence is amortised over the period of the permit/licence on a straight line basis.

iii) In respect of Foreign subsidiaries :

Depreciation on all fixed assets (except land) is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

d) Impairment of Assets

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

e) Investments

i) In Securities

Long Term Investments are carried at cost. Provision for diminution is made to recognise the decline, other than temporary, in the values of these investments. Current Investments are carried at lower of cost and fair value.

ii) In Investment Property

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



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

f) Inventories

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

g) Employee Benefits

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

h) Borrowing Costs

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

i) Taxes on Income

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

j) Foreign Currency Transactions and Forward Contracts

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate. Gains or losses on settlement of the transactions and restatement of monetary assets and liabilities are recognised in the Statement of Profit and Loss, except as mentioned in para (ii) below. In respect of forward exchange contracts entered, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of such contract. Currency and interest rate swaps are accounted in accordance with the respective contracts. All other derivatives, which are not covered by AS 11 - 'The Effects of Changes in Foreign Exchange Rates', are measured using the mark-to-market principles and the net loss after considering the offsetting effect on the underlying hedge items is charged to the Statement of Profit and Loss. Net gains on the mark-to-market basis are not recognised.

The Central Government has, vide its Notification no. G.S.R. 914(E) dated 29th December, 2011, amended AS 11, to the extent it relates to the recognition of losses or gains arising on restatement of long-term foreign currency monetary items in respect of accounting periods commencing on or after 1st April, 2011.

As stipulated in the Notification, the Group has exercised the option to adopt the following policy irrevocably for accounting periods commencing from 1st April, 2011.

Long term foreign currency monetary items are translated at the exchange rate prevailing on the balance sheet date and the net exchange gain / loss on such conversion and on settlement of the liability, is adjusted to the cost of the asset, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), and depreciated over the balance life of the assets.

k) Accounting For Hedges and Derivatives

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

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



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

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

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

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

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

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

l) Lease

Assets taken on operating lease:

Lease rentals in respect of assets acquired on operating lease are charged to the Statement of Profit and Loss as per the terms of the respective lease agreements.

Assets given on operating lease:

Assets given under operating lease are capitalised and included in the fixed assets. Lease income arising there from is recognised as income in the Statement of Profit and Loss as per the terms of the respective lease agreements.

m) Government Grants:

Government Grants are accounted for when it is reasonably certain that the ultimate collection will be made. The grants in the nature of promoters' contribution are credited to Capital Reserve.

n) Pre-Operative Expenses on Survey and Investigation:

Expenditure on survey and investigation of the mines are charged to expenses in the year in which they are incurred.

o) Treasury Shares

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

p) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

q) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



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

	Amount Rs. in Lacs	
	As at 31st March, 2014	As at 31st March, 2013
4 Share Capital		
4.1 Equity		
Authorized		
11,000,000 Equity Shares of Rs. 10/- Each	1100.00	1100.00
1,500,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	1500.00	1500.00
Total	2600.00	2600.00
Issued, Subscribed and fully paid up capital		
10,618,467 Equity Shares of Rs. 10/- Each	1061.85	1061.85
Total	1061.85	1061.85

4.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Re 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.

During the year the Company has paid interim dividend of Rs. 5 per equity share (previous year Rs. 10 per equity share). Further, final dividend of Rs. 5 per equity share (previous year Rs. 5 per equity share) is proposed to be distributed to the equity shareholders. The total distribution of dividend to the equity shareholders for the year is Rs. 10 per share (previous year Rs. 15 per share).

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

	As on 31-03-2014		As on 31-03-2013	
	Number	% holding	Number	% holding
Mr. Pavan Kumar Jain	1,276,378	12.02	2,474,378	23.30
Mr. Vivek Kumar Jain	1,379,305	12.99	2,374,205	22.36
Mr. Devansh Jain	2,303,218	21.69	1,307,618	12.31
Mrs. Nayantara Jain	1,172,832	11.05	1,172,832	11.05
Mrs. Nandita Jain	1,031,644	9.72	1,031,644	9.72
Mr. Siddharth Jain	2,218,292	20.89	1,018,292	9.59

5 Reserves and surplus

	Amount Rs. in Lacs	
	As at 31st March, 2014	As at 31st March, 2013
Capital Reserves		
As per last Balance Sheet	6655.46	6643.64
Additions during the year (see note below)	—	11.82
	6655.46	6655.46
Reconstruction Reserve		
As per last Balance Sheet	639.52	639.52
Capital Redemption Reserve		
As per last Balance Sheet	59.30	59.30
Securities Premium Account		
As per last Balance Sheet	3889.56	4386.37

5 Reserves and surplus (Contd...)

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

Amount Rs. in Lacs

	As at 31st March, 2014	As at 31st March, 2013
Less: Increase in Minority Interest during the year	—	(944.97)
Add/(Less): Adjustment on account grant of stock options to employees in subsidiaries etc.	9.38	(0.32)
	3898.94	3889.56
Capital Redemption Reserve		
As per last balance sheet	1459.30	1459.30
Revaluation Reserve		
As per last Balance Sheet	3098.09	3274.54
Less: Transfer to statement of profit & loss on account of depreciation	(172.35)	(176.45)
	2925.74	3098.09
Amalgamation Reserve		
As per last Balance Sheet	195.33	210.97
Less: Increase in Minority Interest during the year	—	(14.67)
	195.33	195.33
Statutory Reserve Fund	3936.00	3436.00
As per last Balance Sheet	350.00	500.00
Add: transfer from Profit and Loss Account	4286.00	3936.00
Consolidation Reserve		
As per last Balance Sheet	24555.76	24555.76
General Reserve		
As per last Balance Sheet	132766.91	97721.18
Less: Increase in Minority Interest during the year	—	(204.27)
Add: Transfer from Profit and Loss Account	3175.00	35250.00
	135941.91	132766.71
Reserve on sale of treasury shares		
As per last Balance Sheet	—	—
Addition during the year	(279.04)	—
	(279.04)	—
Hedging Reserve		
As per last Balance Sheet	—	—
Addition during the year	(275.56)	—
	(275.56)	—
Foreign currency translation reserve		
As per last Balance Sheet	921.60	722.22
Add: Movements during the year	493.48	199.38
	1415.08	921.60
Surplus in the Statement of Profit & Loss		
As per last Balance Sheet	3299.82	18564.23
Add: Profit for the year	8411.69	28825.70
Less: Increase in Minority Interest during the year	—	(4179.05)
Add : Recoupment of loss of earlier year from Minority Interest	98.05	—
Less : Appropriations		
Interim Dividend	530.92	1946.75
Proposed Dividend	2355.64	1573.62
Tax on Dividend	653.42	640.69
General Reserve	3175.00	35250.00
Statutory Reserve Fund	350.00	500.00
	4744.58	3299.82
	186163.02	181417.34
Group Share in Joint Ventures	(19.24)	30.21
Total	186143.78	181447.55

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



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

Amount Rs. in Lacs

	As at 31st March, 2014	As at 31st March, 2013
6 Long-term borrowings		
Term Loans		
Secured Loans		
From Banks		
- Rupee Loans	27230.67	15600.03
- Foreign Currency Loans	85350.73	92338.80
	112581.40	107938.83
From Other Parties		
- Rupee Loans	10500.00	6999.99
- Foreign Currency Loans	24828.12	27194.65
	35328.12	34194.64
Total	147909.52	142133.47
Less: Current maturities of Long-term borrowings (Disclosed under Note no. 11: Other current liabilities)	24284.56	22379.53
	123624.96	119753.94

6.1 For nature of securities and terms of repayment please refer to note no. 33

7 Other Long-term liabilities

Security Deposits	495.06	464.40
Retention Money	43.73	28.38
Income received in advance	2446.26	1320.79
Sundry creditors for capital expenditure	2338.11	3900.91
For leasehold land	63.61	76.33
Statutory dues and taxes payable	2.37	1.99
Total	5389.14	5792.80

8 Long-term provisions

Provision for employee benefits		
- For Gratuity	958.51	839.10
- For Leave benefits	355.90	383.84
Total	1314.41	1222.94

9 Short-term borrowings

9.1 (i) Secured Loans

From Banks		
- Cash Credit/Overdraft	7729.71	5359.16
- Rupee Loans	9200.00	4156.41
- Foreign Currency Loans	35732.78	18782.78
	52662.49	28298.35

9.2 (ii) Unsecured Loans

From Banks		
- Cash Credit/Overdraft	0.00	12060.15
- Rupee Loan	17500.00	12500.00
- Foreign Currency Loans	8467.49	15039.53
	25967.49	39599.68

Group Share in Joint Ventures	78629.98	67898.03
Total	2591.31	2307.44
	81221.29	70205.47

9.3 For nature of securities and terms of repayment please refer to note no. 33

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

Amount Rs. in Lacs

	As at 31st March, 2014	As at 31st March, 2013
10 Trade Payables		
Trade Payables		
- dues to Micro and Small Enterprises (see note no. 50)	6.80	7.04
- others	61126.06	38171.04
	<u>61132.86</u>	<u>38178.08</u>
Group Share in Joint Ventures	1816.85	1047.96
	<u>62949.71</u>	<u>39226.04</u>
11 Other Current Liabilities		
Others Liabilities		
Current maturities of long-term debt	24284.56	22379.53
Interest accrued but not due on borrowings	2307.80	483.23
Interest accrued and due on borrowings	129.75	528.73
Creditors for capital expenditure	8317.96	8596.95
Security deposits	592.81	578.55
Income received in advance	1292.71	844.71
Advances from customers	2525.59	1001.86
Unclaimed dividends (see note below)	280.26	285.57
Retention money	326.80	283.15
Statutory dues and taxes payable	3731.85	4676.51
Derivative financial liabilities	622.05	—
Other Payables	954.39	868.59
	<u>45366.53</u>	<u>40527.39</u>
Group Share in Joint Ventures	394.85	348.05
Total	<u>45761.38</u>	<u>40875.44</u>

In respect of unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.

12 Short-term provisions		
Provision for employee benefits		
- For Gratuity	197.54	176.99
- For Leave benefits	508.78	428.59
	<u>706.32</u>	<u>605.58</u>
Provision for Municipal tax - (see note no. 44)	200.20	207.40
Provision for Service tax - (see note no. 44)	1042.44	1033.14
Provision for MVAT - (see note no. 44)	39.61	39.61
Provision for amalgamation expenses	—	500.00
Provision for Proposed Dividend	2355.64	1573.62
Tax on Proposed Dividend	653.42	373.38
Provision for taxation (net of taxes paid)	1030.60	967.46
Total	<u>6028.23</u>	<u>5300.19</u>

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



13 TANGIBLE ASSETS

Amount Rs. in Lacs

Particulars	Gross Block							Depreciation/Amortization					Net Block		
	As at 1 April 2013	Translation Difference	Acquisition (see note 5)	Additions	Deductions	Exchange Differences	Borrowing Costs	As at 31 March 2014	As at 1 April 2013	Translation Difference	For the Year	Deductions	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
(a) Tangible Assets															
Land															
- Freehold Land	3480.15	8.51	30.71	176.21				3695.58					3695.58	3480.15	
- Leasehold Land	5683.54							5683.54	293.37	68.51			361.88	5390.17	
Buildings	42978.53	41.92		1032.51				44052.96	4616.88	2.02	1152.48		5771.39	38361.64	
Lease hold improvements	21637.92	6.10		2666.39	108.26		72.48	24274.63	7553.01	0.62	1691.45	45.63	9199.45	14084.91	
Plant and Equipments	328066.68	46.23		16576.01	425.00	7163.54	247.91	351675.37	50161.98	14.74	15311.13	58.28	65429.57	277904.70	
Furniture and Fixtures	7933.19	2.17		1444.64	44.05		26.01	9361.97	3070.53	0.76	754.92	20.47	3805.74	4862.66	
Vehicles	858.64	2.97		25.34	41.45			845.50	380.21	0.36	73.33	35.56	418.34	478.43	
Office Equipment	5480.70	1.07		877.21	14.03	122.24		6467.19	2092.96	0.48	647.41	6.77	2734.08	3387.74	
Total (a)	416119.35	108.97	30.71	22798.31	632.79	7285.78	346.40	446056.73	68168.95	18.98	19699.23	166.72	87720.44	347950.40	
(b) Share in Joint Venture *	2969.12	481.27		121.61	1.10			3570.90	1078.36	174.80	294.57	1.05	1546.68	1890.76	
Grand Total (a + b)	419088.47	590.24	30.71	22919.93	633.90	7285.78	346.40	449627.63	69247.31	193.78	19993.80	167.77	89267.13	349841.16	
Previous year	311808.64	210.89	-	102302.67	2724.69	6281.59	1180.74	419088.47	53717.52	51.90	16652.6	1174.68	69247.30		

Note:

1. Buildings includes offices given on operating lease

	As at 31-03-2014	As at 31-03-2013
Gross Block	914.52	914.52
Depreciation charge for the year	14.91	14.91
Accumulated Depreciation	120.82	105.91
Net book value	793.70	808.61

2. Free hold land includes share of undivided plot of land in respect of one of its multiplexes.
3. Building includes Rs. 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.
4. During the year Rs. 328.04 lacs has been withdrawn from Revaluation reserve on account of depreciation on revalued portion.
5. Addition on account of Acquisition is in respect of subsidiary acquired during the year by Inox Wind Infrastructure Services Limited as on 13th September, 2013 viz. the date on which parent-subsidiary relationship came in existence - refer note no. 1(D)

14 INTANGIBLE ASSETS

Amount Rs. in Lacs

Particulars	Gross Block							Depreciation/Amortization					Net Block	
	As at 1 April 2013	Translation Difference	Additions	Deductions	Exchange Differences	Borrowing Costs	As at 31 March 2014	As at 1 April 2013	Translation Difference	For the Year	Deductions	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
(a) Intangible Assets														
Technical Know How	4872.44		1852.48		153.69		6878.61	1389.08		684.97			2074.05	3483.36
Software	965.35		210.07				1175.42	678.12		102.65			780.77	287.23
Film Distribution Rights & Prints Cost	24.71			24.71			24.71				24.71			
Mining Rights	1144.61	195.83					1340.44	71.53	12.24	83.77			167.54	1073.08
Negative rights														
Movie Production	155.50						155.50	37.56		31.10			68.66	117.94
Total (a)	7162.61	195.83	2062.55	24.71	153.69	-	9549.97	2201.00	12.24	902.49	24.71	3091.02	6458.95	4961.61
(b) Share in Joint Venture	484.36	78.51					562.87	96.27	15.60	99.18			211.05	388.09
Grand Total (a + b)	7646.97	274.34	2062.55	24.71	153.69	-	10112.84	2297.26	27.84	1001.67	24.71	3302.07	6810.77	5349.70
Previous year	6625.97	21.50	1429.62	430.12	-	-	7646.97	1976.36	3.96	746.69	429.75	2297.26		



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

15 NON CURRENT INVESTMENTS

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

[1] INVESTMENTS IN SECURITIES

A] UNQUOTED

i) Investment in Equity instrument

In Associate companies

Megnasolace City Private Limited
- Equity shares of Rs.10/- each
- paid up Rs. 1.60 per share
(previous year Rs. 1.60 per share)

In Other companies

Kaleidoscope Entertainment Private Limited
Ideas & U Ltd.

Less: Provision for diminution in value of Investment

ii) Investment in Govt. or Trust Securities

National Saving Certificate
(Held in the name of Directors &
Pledged with Government Authorities)

iii) Investment in Mutual Funds

Baroda Pioneer 367 Day FMP - Series 4 - Growth
Birla Sun Life Fixed Term Plan - Series FH - Growth
Birla Sun Life Mutual Fund Fixed Term Plan - Series FI - Growth
BNP Paribas Fixed Term Fund - Series 23D - Growth
DSP Blackrock FMP - Series 47 - 12M - Growth
DSP Blackrock Mutual Fund FMP - Series 48 - 12M - Growth
HDFC Mutual Fund FMP 370D April 2012 (2) - Series XXI - Growth
HDFC FMP 370D May 2012 (2) - Growth
ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative
ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative
IDBI Mutual Fund FMP - Series II 366 Days
- (April 2012) - H - Growth
IDFC Mutual Fund Fixed Maturity Plan
- 366 Days - Series 71 - Growth
IDFC Mutual Fund Fixed Maturity Plan 366
Days Series 73 - Growth
Kotak FMP Series 87-Growth
Religare Mutual Fund FMP Series XIV Plan
E370 Days - Growth
SBI Mutual Fund Debt Fund Series - 366 Days - 2 Growth
Sundaram Mutual Fund Fixed Term Plan
- CS 367 Days - Growth
Taurus Fixed Maturity Plan 374 Days Series - S - Growth
UTI Fixed Term Income Fund series XI-IX
(368 days) - Growth Plan
Kotak Bond (Short Term) - Growth
Religare Short Term Plan - A Growth
UTI Fixed Term Income Plan Sr. XV-II(367 Days)-Growth Plan
Birla Sun life FTP-Sr.GV(368 Days)-Growth
HDFC FMP 370D May 2013(1) Sr.26-Growth
LIC Nomura FMP Sr.63-386 Days-Growth
HDFC FMP 366D May2013(1)Sr.26 Re
HDFC FMP 366D May2013(2)Sr.26 Re
Religare Invesco FMP Sr.XIX PL-A3
Birla Sun Life Fixed Term Plan-Sr.GY(366 Days)-Growth
UTI Fixed term Income Plan Sr. XV-III(366 Days)-Growth
SBI Debt Fund Sr.366 Days-29 Regular
JP Morgan India FMP Sr.21-Regular
Kotak FMP Series 104-Growth

Face Value Rs.	Nos. As at 31st March, 2014	Nos. As at 31st March, 2013	As at 31st March, 2014 Amount (Rs. in Lacs)	As at 31st March, 2013 Amount (Rs. in Lacs)
	50,00,000	50,00,000	3201.47	3201.47
1	5,62,500	5,62,500	60.75	60.75
10	500000	500000	50.00	50.00
			3312.22	3312.22
			110.75	110.75
			3201.47	3201.47
			92.95	66.65
			92.95	66.65
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	50,00,000	0.00	500.00
10	0	1,00,00,000	0.00	1000.00
10	0	99,99,990	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	99,99,990	0.00	1000.00
10	0	99,99,990	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	99,99,990	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	99,99,990	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	1,00,00,000	0.00	1000.00
10	0	49,25,575	0.00	1000.00
10	0	68,08,650	0.00	1000.00
10	2,00,00,000	0	2000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	50,00,000	0	500.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	1,00,00,000	0	1000.00	0.00
10	2,00,00,000	0	2000.00	0.00
10	1,50,00,000	0	1500.00	0.00
10	1,00,00,000	0	1000.00	0.00



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

	Face Value Rs.	Nos. As at 31st March, 2014	Nos. As at 31st March, 2013	As at 31st March, 2014 Amount (Rs. in Lacs)	As at 31st March, 2013 Amount (Rs. in Lacs)
15 NON CURRENT INVESTMENTS (Contd...)					
IDFC Fixed Term Plan Sr.20 Regular	10	1,50,00,000	0	1500.00	0.00
LIC Nomura MF FMP Sr.66-371 Days-Growth Plan	10	1,50,00,000	0	1500.00	0.00
Tata FMP Series 42-Scheme I-Plan	10	2,00,00,000	0	2000.00	0.00
DSP BlackRock FMP S104-12Month-Regular-Growth-Dt.28.	10	1,00,00,000	0	1000.00	0.00
HDFC FMP 370D May 2013 (1) Series 26 - Regular Growth	10	1,00,00,000	0	1000.00	0.00
Religare Invesco FMP - Series XIX - Plan A (367 Days) - Growth	10	50,00,000	0	500.00	0.00
Birla Sun Life Interval Income Fund - Annual Plan VIII - Gr - REGULAR	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Regular Plan	10	1,00,00,000	0	1000.00	0.00
ICICI Prudential FMP Series 68 - 368 Days Plan G Regular Plan Cumulative	10	50,00,000	0	500.00	0.00
HDFC FMP 371D July 2013 (1) Series 26 - Regular - Growth	10	1,00,00,000	0	1000.00	0.00
UTI Fixed Term Income Fund Series XV - IX (366 DAYS) - Growth Plan	10	1,00,00,000	0	1000.00	0.00
TATA FMP Series 42 Scheme 419D-Growth	10		2000000		200.00
DSP BR Bond Fund Growth	10		329571		121.48
ICICI PRU Income Plan -Growth	10		454121		165.43
TATA Income Fund Plan A-Growth	10		1020410		356.42
Templeton India Income Builder Fund Plan A-Growth	10		477622		186.40
				26000.00	21529.73
				26000.00	20500.00
Less : Current portion of Long Term Investments (Disclosed under note no. 18 : Current Investments)				0.00	
iv) Investment in Venture Capital Fund					
Indiareit Fund Scheme III	100000	643	760	642.85	759.57
Kshitij Venture Capital Fund	385	0	2,50,000	962.50	1675.00
(670)				1605.35	2434.57
Less : Current portion of Long Term Investments (Disclosed under note no. 18 : Current Investments)				962.50	0.00
				642.85	2434.57
v) Investment in Bonds					
HUDCO 7.62% Tax Free Bond Oct'11	100000	250	250	250.00	250.00
IRFC 7.55% Tax Free Bond Oct'11	100000	250	250	250.00	250.00
PFC 8.20% Tax Free Bonds	1000	8544	8544	85.44	85.44
REC 7.93% Tax Free Bond	1000	12248	12248	122.48	122.48
PFC 7.19% Tax Free Bonds	1000	10000	10000	100.00	100.00
HUDCO 8.14% Tax Free Bond	1000	20,000	0	200.00	0
IIFCL 8.01% Tax Free Bonds	1000000	20	0	200.04	0
NHAI 8.27% Tax Free Bonds	1000	20,000	0	200.00	0
REC 8.01% Tax Free Bond 2013	1000	30,000	0	300.00	0
				1707.96	807.92
Total Unquoted Investments				5645.23	7540.34
B] QUOTED					
Investment in Equity instrument					
Advanta India Limited	2	2,15,979	48,590	539.17	598.39
Clarus Finance & Securities Limited	10	0	9,07,000	0.00	560.13
EIH Limited	2	1,83,527	4,39,950	401.94	963.28
Garware Wall Ropes Limited	10	28,669	4,41,308	69.69	729.88
Housing Development & Infrastructure Limited	10	0	1,56,556	0.00	1176.02
HEG Limited	10	64,386	1,16,000	276.64	500.91
K S Oil Limited	1	1,92,093	6,21,081	215.74	552.01
Mount Everest Mineral Water Limited	10	21,74,592	21,74,592	2489.35	2489.35
Praj Industries Limited	2	4,97,630	9,93,630	1235.22	2461.04
Prime Focus Limited	10	0	7,72,560	0.00	989.21
Reliance Communication Limited	5	0	56,981	0.00	362.76
Taneja Aerospace & Aviation Limited	5	3,60,159	3,65,559	728.72	738.06
Tantia Construction Limited	10	2,09,895	2,24,774	313.00	332.94
Damania Capital Market Limited	10	124200	124200	37.26	37.26
Eastern Mining Limited	10	10300	10300	3.30	3.30
Konar Organics Limited	10	41100	41100	4.11	4.11
Rajinder Pipes Limited	10	8300	8300	3.32	3.32
Unified Agro Industries (India) Limited	10	1800	1800	0.45	0.45



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

	Face Value Rs.	Nos. As at 31st March, 2014	Nos. As at 31st March, 2013	As at 31st March, 2014 Amount (Rs. in Lacs)		As at 31st March, 2013 Amount (Rs. in Lacs)	
15 NON CURRENT INVESTMENTS (Contd...)							
W S Telesystem Limited	10	8300	8300	3.32		3.32	
Orient Fabritex Limited	10	140000	140000	14.00		14.00	
Linde India Limited	10	200	200	0.21		0.21	
Ahmedabad Gases Limited	10	200	200	0.02		0.02	
Bombay Oxygen Corpn. Limited	10	5	5	0.06		0.06	
				6335.52			12520.03
Less: Provision for diminution in value of Investment				2606.93			6042.02
Net Quoted Investment				3728.59			6478.01
Total Investments				9373.81			14018.35
Aggregate amount of quoted investments				6335.52			12520.03
Market value of quoted investments				3319.82			4841.49
Aggregate amount of unquoted investments				4048.02			6843.17
Aggregate provision for diminution in value of investments				2717.68			6152.77

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

Particulars	Gross Block (at cost)			Depreciation/Amortization			Net Block	
	As at 1-Apr-13	Additions	As at 31-Mar-14	As at 1-Apr-13	For the year	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Leasehold Land	373.43	-	373.43	0.79	0.37	1.17	372.26	372.64
Building	852.62	-	852.62	32.69	37.73	70.42	782.20	819.93
Total	1,226.05	-	1,226.05	33.48	38.10	71.58	1,154.46	1,192.56
Previous Year	271.90	954.14	1,226.04	4.54	28.95	33.49		

Total Non Current Investments [1+2]

10,528.27 15,210.91



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

	As at 31st March, 2014	Amount Rs. in Lacs As at 31st March, 2013
16 Long-term loans and advances (Unsecured, considered good, unless otherwise stated)		
Capital Advances	3196.47	3260.96
Security Deposits		
- Considered Good	9496.20	8506.92
- Considered Doubtful	—	62.32
	9496.20	8569.24
Less: Provision for doubtful deposits	—	62.32
	9496.20	8506.92
Advances recoverable in cash or in kind		
- Considered Good	427.88	479.36
- Considered Doubtful	—	5.00
	427.88	484.36
Less: Provision for doubtful advances	—	5.00
	427.88	479.36
Inter corporate Deposits	100.00	336.95
Prepaid expenses	148.44	163.64
Electricity Charges refund claimed	389.83	389.83
Balances in Excise, Service Tax and VAT Accounts	668.40	394.99
Entertainment Tax Refund Claimed	1453.83	1238.44
Income tax paid (Net of provisions)	11528.55	7661.18
MAT Credit Entitlement	12168.21	8387.62
	39577.81	30819.89
Group Share in Joint Ventures	68.41	68.35
Total	39646.22	30888.24
17 Other non-current assets		
Initial public offer (IPO) expenses	695.32	—
Non-current bank balances (bank balances with original maturity of more than 12 months) - from note no. 21	378.77	590.72
Interest accrued		
- on Investment	19.33	18.99
- on bank fixed deposit	15.19	2.73
- others	138.92	139.75
Total	1247.53	752.19



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

18 CURRENT INVESTMENTS

(Non-trade, at cost, unless otherwise stated)

A1 CURRENT PORTION OF LONG TERM INVESTMENTS

i) Investment in Mutual Funds

	Face Value Rs.	Nos. As at 31st March, 2014	Nos. As at 31st March, 2013	As at 31st March, 2014 Amount (Rs. in Lacs)	As at 31st March, 2013 Amount (Rs. in Lacs)
Baroda Pioneer 367 Day FMP - Series 4 - Growth	10	0	1,00,00,000	0.00	1000.00
Birla Sun Life Fixed Term Plan - Series FH - Growth	10	0	1,00,00,000	0.00	1000.00
Birla Sun Life Mutual Fund Fixed Term Plan - Series FI- Growth	10	0	1,00,00,000	0.00	1000.00
BNP Paribas Fixed Term Fund - Series 23D - Growth	10	0	50,00,000	0.00	500.00
DSP Blackrock FMP - Series 47 - 12M - Growth	10	0	1,00,00,000	0.00	1000.00
DSP Blackrock Mutual Fund FMP - Series 48 - 12M - Growth	10	0	99,99,990	0.00	1000.00
HDFC Mutual Fund FMP 370D April 2012 (2) - Series XXI - Growth	10	0	1,00,00,000	0.00	1000.00
HDFC FMP 370D May 2012 (2) - Growth	10	0	1,00,00,000	0.00	1000.00
ICICI Prudential FMP Series 64 - 367 Days - Plan A - Cumulative	10	0	1,00,00,000	0.00	1000.00
ICICI Prudential FMP Series 64 - 367 Days - Plan C - Cumulative	10	0	1,00,00,000	0.00	1000.00
IDBI Mutual Fund FMP - Series II 366 Days - (April 2012) - H - Growth	10	0	99,99,990	0.00	1000.00
IDFC Mutual Fund Fixed Maturity Plan - 366 Days - Series 71 - Growth	10	0	99,99,990	0.00	1000.00
IDFC Mutual Fund Fixed Maturity Plan 366 Days Series 73 - Growth	10	0	1,00,00,000	0.00	1000.00
Kotak FMP Series 87-Growth	10	0	1,00,00,000	0.00	1000.00
Religare Mutual Fund FMP Series XIV Plan E370 Days - Growth	10	0	1,00,00,000	0.00	1000.00
SBI Mutual Fund Debt Fund Series - 366 Days - 2 Growth	10	0	99,99,990	0.00	1000.00
Sundaram Mutual Fund Fixed Term Plan - CS 367 Days - Growth	10	0	99,99,990	0.00	1000.00
Taurus Fixed Maturity Plan 374 Days Series - S - Growth	10	0	1,00,00,000	0.00	1000.00
UTI Fixed Term Income Fund series XI-IX (368 days) - Growth Plan	10	0	1,00,00,000	0.00	1000.00
Kotak Bond (Short Term) - Growth	10	0	49,25,575	0.00	1000.00
Religare Short Term Plan - A Growth	10	0	68,08,650	0.00	1000.00
Birla Sunlife FTP Series EV-Growth	10	0	2000000	0.00	200.00
Birla Sunlife FTP Series FI-Growth	10	0	1098020	0.00	109.80
Birla Sunlife FTP Series FR-Growth	10	0	2000000	0.00	200.00
Birla Sunlife FTP Series GO 369D-Growth	10	0	2070329	0.00	207.03
DSP BR FMP Series 38-12.5M-Growth	10	0	1015630	0.00	101.56
DSP BR FMP-Series 41-12.5M	10	0	3000000	0.00	309.70
DSP BR FMP Series 48-12M-Growth	10	0	2500000	0.00	250.00
DSP BR FMP Series 57-12M-Growth	10	0	1578610	0.00	157.86
DSP BR FMP Series 59-12M-Growth	10	0	903710	0.00	90.37
DSP BR FMP Series 86-12M-Growth	10	0	2000000	0.00	200.00
HDFC FMP 399D Mar'12 (I) Growth	10	0	2410719	0.00	259.06
HDFC FMP 400D Mar'12 (I) Growth	10	0	2000000	0.00	200.00
ICICI PRUFMP Series 60-18M Plan B-Growth	10	0	2000000	0.00	200.00
ICICI PRU FMP Series 64-367D Plan A-Growth	10	0	1645478	0.00	164.55
ICICI PRU INT Fund Annual INT Plan 1-Growth	10	0	2768899	0.00	327.09
IDFC FMP 13M Series 7- Growth	10	0	1100000	0.00	113.13
IDFC FMP 18M Series 9 - Growth	10	0	2000000	0.00	200.00
IDFC FMP 366D Series 74-Growth	10	0	2000000	0.00	200.00
IDFC YS Interval Fund Series III-Growth	10	0	2002192	0.00	200.22
TATA FMP Series 39 Scheme H-Growth	10	0	1500000	0.00	150.00
TATA FMP Series 40 Scheme F-Growth	10	0	2000000	0.00	200.00
TATA FMP Series 42 Scheme A-Growth	10	0	1000000	0.00	100.00
UTI FIIF Series XIV-II 366D-Growth	10	0	2000000	0.00	200.00
UTI FTIF Series XII-III 366 D-Growth	10	0	901646	0.00	90.16
UTI FTIF Series XII-V-367D-Growth	10	0	2943520	0.00	294.35
UTI FTIF Series XIV-I (366D)-Growth	10	0	2000000	0.00	200.00
UTI FTIF Series XI-VIII (366D) Growth	10	0	1775388	0.00	177.54
UTI Fixed Term Income Plan Sr. XV-II(367 Days)-Growth Plan	10	2,00,00,000	0	2000.00	0.00
Birla Sun life FTP-Sr.GV(368 Days)-Growth	10	1,00,00,000	0	1000.00	0.00
HDFC FMP 370D May 2013(1) Sr.26-Growth	10	1,00,00,000	0	1000.00	0.00
LIC Nomura FMP Sr.63-386 Days-Growth	10	1,00,00,000	0	1000.00	0.00
HDFC FMP 366D May2013(1)Sr.26 Re	10	50,00,000	0	500.00	0.00
HDFC FMP 366D May2013(2)Sr.26 Re	10	1,00,00,000	0	1000.00	0.00
Religare Invesco FMP Sr.XIX PL-A3	10	1,00,00,000	0	1000.00	0.00
Birla Sun Life Fixed Term Plan-Sr.GY(366 Days)-Growth	10	1,00,00,000	0	1000.00	0.00
UTI Fixed term Income Plan Sr. XV-III(366 Days)-Growth	10	1,00,00,000	0	1000.00	0.00
ICICI PRU INT FUND ANNUAL INT PLAN 1-G	10	2768899		327.09	0.00
IDFC YS INTERVAL FUND SERIES III-GROWTH	10	2002192		200.22	0.00
BIRLA SUNLIFE FTP SERIES HQ-GROWTH	10	1000000		100.00	0.00
BIRLA SUNLIFE FTP SERIES HS-GROWTH	10	1211029		121.10	0.00
BIRLA SUNLIFE FTP SERIES JU 369D-GROWTH	10	1250000		125.00	0.00
BIRLA SUNLIFE FTP SERIES KG-GROWTH	10	2263469		226.35	0.00
BIRLA SUNLIFE INT INCOME FUND ANNUAL PLAN VIII-G	10	2184261		218.43	0.00
BSL INTERVAL INCOME FUND ANNUAL PLAN IX-GROWTH	10	2248303		224.83	0.00
DSP BLACK ROCK FMP 105-12M-GROWTH	10	1997894		199.79	0.00
DSP BR FMP SERIES 104-12M-GROWTH	10	4000000		400.00	0.00
DSP BR FMP SERIES 149-12M-GROWTH	10	2188040		218.80	0.00
DSP BR INCOME OPPURTUNITIES FUND-GROWTH	10	1447860		274.59	0.00



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

	Face Value Rs.	Nos. As at 31st March, 2014	Nos. As at 31st March, 2013	As at 31st March, 2014 Amount (Rs. in Lacs)		As at 31st March, 2013 Amount (Rs. in Lacs)	
HDFC FMP 370D JAN'14(1) GROWTH	10	2775266		277.53		0.00	
ICICI PRU FMP SERIES 72-366D PLAN C-G	10	1680476		168.05		0.00	
ICICI PRU FMP SERIES 72-366D PLAN I GROWTH	10	4093046		409.30		0.00	
IDFC FTP SERIES-24 366D-GROWTH	10	2193729		219.37		0.00	
IDFC FTP SERIES 65 GROWTH	10	1899199		189.92		0.00	
TATA FMP SERIES 42 SCHEME G 419D-GROWTH	10	2000000		200.00		0.00	
TATA FMP SERIES 43 PLAN A-GROWTH	10	2000000		200.00		0.00	
TATA FMP SERIES 46 SCHEME I PLAN A GROWTH	10	2837279		283.73		0.00	
TATA FMP SERIES 46 SCHEME P PLAN-A GROWTH	10	1094080		109.41		0.00	
TEMPLETON INDIA SHORT TERM INCOME PLAN-GROWTH	1,000	14109		341.40		0.00	
UTI FTIF SERIES XVII-XIII (369D)-GROWTH	10	2181540		218.15		0.00	
UTI FTIF SERIES XVII-XVI -GROWTH	10	2187220		218.72		0.00	
UTIFTIF SERIES XV-IX 366 DAYS GROWTH	10	4206360		420.64		0.00	
SBI Debt Fund Sr.366 Days-29 Regular	10	2,00,00,000	0	2000.00		0.00	
JP Morgan India FMP Sr.21-Regular	10	1,50,00,000	0	1500.00		0.00	
Kotak FMP Series 104-Growth	10	1,00,00,000	0	1000.00		0.00	
IDFC Fixed Term Plan Sr.20 Regular	10	1,50,00,000	0	1500.00		0.00	
LIC Nomura MF FMP Sr.66-371 Days-Growth Plan	10	1,50,00,000	0	1500.00		0.00	
Tata FMP Series 42-Scheme I-Plan	10	2,00,00,000	0	2000.00		0.00	
DSP BlackRock FMP S104-12Month-Regular-Growth-Dt.28.	10	1,00,00,000	0	1000.00		0.00	
HDFC FMP 370D May 2013 (1) Series 26 - Regular Growth	10	1,00,00,000	0	1000.00		0.00	
Religare Invesco FMP - Series XIX - Plan A (367 Days) - Growth	10	50,00,000	0	500.00		0.00	
Birla Sun Life Interval Income Fund - Annual Plan VIII - Gr - REGULAR	10	1,00,00,000	0	1000.00		0.00	
ICICI Prudential Interval Fund Series VI Annual Interval Plan F - Regular Plan	10	1,00,00,000	0	1000.00		0.00	
ICICI Prudential FMP Series 68 - 368 Days Plan G Regular Plan Cumulative	10	50,00,000	0	500.00		0.00	
HDFC FMP 371D July 2013 (1) Series 26 - Regular - Growth	10	1,00,00,000	0	1000.00		0.00	
UTI Fixed Term Income Fund Series XV - IX (366 DAYS) - Growth Plan	10	1,00,00,000	0	1000.00		0.00	
					31892.42		25602.42
ii) Investment in Venture Capital Fund							
Kshitij Venture Capital Fund	385	2,50,000	0	962.50		0.00	
iii) Investment in Govt. or Trust Securities							
National Saving Certificate (Held in the name of Directors & Pledged with Government Authorities)				18.04		10.54	
B] CURRENT INVESTMENT							
i) Investment in Mutual Funds							
JM High Liquidity Fund Instl. Plan Daily Dividend	10	0	21,33,015	0.00		222.48	
JP Morgan India Liquid Fund-Super Instl. Daily Dividend Plan	10	34,36,570	20,79,225	343.95		208.09	
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	100	0	93,063	0.00		98.40	
DSP Black Rock Liquidity Fund	1000	0	24,824	0.00		248.31	
HDFC Liquid Fund Premium Plan	10	0	87,43,863	0.00		1066.30	
Religare Invesco Liquid Fund - Growth Plan	1000	14,796	0	254.87		0.00	
Franklin Templeton Mutual Fund	1000	75,404	0	1440.00		0.00	
					2038.82		1843.58
Total Investments					34911.78		27456.54
Aggregate amount of unquoted investments					34911.78		27456.54

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

Amount Rs. in Lacs

	As at 31st March, 2014	As at 31st March, 2013
19 Inventories		
(For basis of valuation please refer note no. 3(e))		
Raw materials	17587.39	17997.46
Work-in-progress	17953.80	5852.28
Finished goods	15165.17	19838.35
Traded goods	2190.05	170.85
Stores and spares	4849.68	5299.39
Others		
- Fuel	309.73	446.16
- Packing Material	269.71	337.24
- By products	367.37	356.58
- Food and Beverages	486.71	355.22
- Construction Materials	3015.65	233.70
- Carbon Credits	0.00	57.79
	4449.17	1786.69
	62195.26	50945.02
Group Share in Joint Ventures	752.29	467.72
Total	62947.55	51412.74
20 Trade receivables		
(Unsecured, considered good, unless otherwise stated)		
Considered good		
Outstanding for a period exceeding 6 months	7446.14	3715.07
Others	85001.69	83546.06
	92447.83	87261.13
Considered Doubtful		
Outstanding for a period exceeding 6 months	200.12	142.55
	92647.95	87403.68
Less: Provision for Doubtful Debts	(200.12)	(142.55)
	92447.83	87261.13
Group Share in Joint Ventures	2529.27	1641.38
Total	94977.10	88902.51
21 Cash and bank balances		
21.1 Cash & cash equivalents		
Balances with banks in current accounts	2091.23	3972.43
Bank deposits with original maturity upto 3 months	339.59	119.71
Cash on hand	442.98	592.46
In Liquid funds of Mutual Funds	91.30	369.19
	2965.10	5053.79



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

Amount Rs. in Lacs

	As at 31st March, 2014	As at 31st March, 2013
21.2 Other Bank Balances		
- Unpaid Dividend with banks	260.26	285.57
- Margin Money with banks	547.24	74.68
- Deposit with original maturity for more than 3 months but less than 12 months	2057.24	358.29
- Bank deposits with original maturity of more than 12 months	107.37	81.13
	3117.00	741.47
Less: Amount disclosed under note no. 17 - Other non-current assets	378.77	—
	2738.23	741.47
Group Share in Joint Ventures	185.00	631.79
Total	5763.44	6427.06
22 Short-term loans and advances (Unsecured, considered good, unless otherwise stated)		
Loans and advances to related parties (see note no 46)	0.00	38.92
Advance to suppliers		
- Considered Good	5747.31	4934.04
- Considered Doubtful	84.33	64.28
	5831.64	4998.32
Less: Provision for doubtful advances	84.33	64.28
	5747.31	4934.04
Others		
- Prepaid expenses	498.24	613.25
- Advances recoverable in cash or in kind	632.45	334.65
- Other receivables	1030.10	113.13
- Security deposits	2706.11	1746.48
- Inter-corporate Deposits	1186.95	175.00
- Income Tax paid (Net of provisions)	594.84	—
- Balances in Excise, Service Tax and VAT Accounts	1859.24	3739.71
	14276.33	11695.18
Group Share in Joint Ventures	398.71	327.45
Total	14675.04	12022.63
23 Other current assets		
Asset held for sale	148.17	374.77
Insurance claim lodged	3235.66	985.08
Un amortised premium on forward contract	148.14	405.10
Interest accrued	211.71	104.16
Others	53.57	28.39
	3797.24	1897.50
Group Share in Joint Ventures	0.04	15.21
Total	3797.28	1912.71

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

Amount Rs. in Lacs

	2013-2014	2012-2013
24 Revenue from operations		
Sale of products	261473.12	237313.59
Sale of services	80103.18	67635.07
Other operating revenues	6347.13	13171.97
	347923.43	318120.63
Less: Excise duty	7930.40	8105.59
	339993.03	310015.04
Group Share in Joint Ventures	5220.03	6700.43
Total	345213.06	316715.47
25 Other income		
Interest Income		
- on bank deposits	176.68	166.38
- on Inter corporate deposits	122.16	43.70
- on Income tax refund	399.17	76.75
- on others	485.92	127.74
- on long term investments	8.21	7.16
	1192.14	421.73
Dividend Income		
- on long term investments	46.28	41.47
- on current investments	38.25	133.46
- from joint venture company	—	216.76
	84.53	391.69
Profit on sale of investments (Net)		
- on long term investments (Net of reversal of provision for diminution of Rs. 3828.78 lacs (previous year Nil)	1566.88	623.97
- on current investments	384.75	655.97
	1951.63	1279.94
Provision for doubtful debts written back	4.56	5.60
Liabilities written back	842.75	774.33
Provision for amalgamation expenses written back	227.44	—
Gain on settlement of derivative	37.59	—
Rental income from operating leases	635.88	609.96
Miscellaneous income	131.56	437.59
	5108.07	392.84
Group Share in Joint Ventures	65.89	44.78
Total	5173.96	3965.62
26 Cost of materials consumed		
Raw Materials consumed	133535.18	92120.32
Packing Materials consumed	3991.66	4902.35
Cost of food and Beverages	4028.50	4259.10
	141555.34	101281.77
Group Share in Joint Ventures	5143.84	6010.51
Total	146699.18	107292.28
27 Purchases of Stock-in-Trade		
Purchases of Stock-in-Trade	65.32	2013.96
Total	65.32	2013.96



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

Amount Rs. in Lacs

	2013-2014	2012-2013
28 Changes in inventories		
Opening Stock		
Finished Goods	20009.21	13488.99
Material-in-process	5275.59	4014.67
Erection and commissioning work-in-progress	576.69	0.00
By-products	356.58	240.70
Carbon Credits	57.79	786.35
	<u>26275.86</u>	<u>18530.71</u>
Add: On account of subsidiary acquired during the year	692.61	0.00
	<u>26968.47</u>	<u>18530.71</u>
Less : Closing Stock		
Finished Goods	17388.71	20009.21
Material-in-process	6202.73	5275.59
Erection and commissioning work-in-progress	11751.07	576.69
By-products	367.37	356.58
Carbon Credits	0.00	57.79
	<u>35709.88</u>	<u>26275.86</u>
Excise Duty on Stock of Finished Goods (Net)	(703.09)	77.10
(Increase) / Decrease In Stock	<u>(9444.50)</u>	<u>(7668.05)</u>
29 Employee benefits expense		
Salaries and wages	15265.76	13316.16
Contribution to provident and other funds	767.74	747.21
Expense on ESOP (Net)	9.94	1.06
Gratuity	226.18	268.72
Staff welfare expenses	711.21	518.13
	<u>16980.83</u>	<u>14851.28</u>
Group Share in Joint Ventures	67.96	91.27
Total	<u>17048.79</u>	<u>14942.55</u>
30 Finance costs		
Interest expense	14355.98	10664.06
Interest on deferred credit	247.75	182.05
Other borrowing costs	687.31	953.92
Loss on foreign currency transactions and translation	2268.44	1153.53
	<u>17559.48</u>	<u>12953.56</u>
Group Share in Joint Ventures	211.48	231.02
Total	<u>17770.96</u>	<u>13184.58</u>
31 Depreciation and amortization expense		
Depreciation and amortization on Tangible assets	19085.34	16416.40
Amortization of Intangible assets	902.47	722.62
Depreciation on Investment property	37.73	28.58
Amortization of Investment property	0.37	0.37
	<u>20025.91</u>	<u>17167.68</u>
Less: Amount transfer from Revaluation reserve	328.04	(335.84)
	<u>19,697.87</u>	<u>16832.14</u>
Group Share in Joint Ventures	393.76	273.13
Total	<u>20091.63</u>	<u>17105.27</u>



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

Amount Rs. in Lacs

	2013-2014	2012-2013
32 Other expenses		
Stores and Spare Consumed	4557.55	4228.09
Power and Fuel	35468.62	33991.25
Entertainment tax	9127.07	10204.08
EPC, O & M, Common Infrastructure Facility and Site Development Expenses	28035.01	12499.25
Distributors' share	18807.18	20227.51
Other exhibition cost	506.53	706.84
Share of joint venture partner	60.40	59.92
Amalgamation Expenses	—	568.07
Freight and Octroi	6929.28	4272.94
Insurance	800.42	742.43
Excise Duty, Custom Duty and Sales Tax	1085.53	548.36
Production Labour Charges	1161.68	1036.94
Processing Charges	2095.18	1706.77
Outsourced Personnel Cost	1784.30	1678.53
Property Rent and Conducting Fees	9481.96	9266.62
Common Facility Charges	2601.22	2523.59
Factory Expenses	737.92	1215.46
Repairs to		
- Buildings	440.70	474.57
- Plant & Equipments	2952.37	2165.07
- Others	657.35	505.62
	4050.42	3145.26
Directors' Sitting Fees	17.29	9.00
Commission to Chairman	96.92	609.54
Rent	251.05	191.53
Rates and Taxes	1122.89	1050.09
Service Tax	2024.21	1947.02
Travelling and Conveyance	2652.20	1980.45
Communication expenses	409.00	422.47
Legal and Professional Fees and Expenses	2995.27	3135.16
Lease Rentals and Hire Charges	513.77	1005.13
Loss on retirement /disposal of fixed assets (Net)	97.50	559.59
Net loss on foreign currency translation and transactions	1472.66	8351.63
MTM loss on derivative contracts	346.49	—
Provision for trade receivables	23.94	23.78
Provision for doubtful advances	20.05	—
Provision for diminution in value of investments - Long term (Net)	393.72	486.28
Provision for diminution in value of assets held for disposal	41.60	—
Bad debts and remission net of provision for doubtful debts of Rs. 103.00 Lacs (previous year Rs. Nil)	75.13	18.08
Expenditure on Sustainable Development Plan	41.74	73.71
Commission	476.94	407.02
Royalty	2889.50	1392.26
Miscellaneous Expenses	7210.40	6850.66
	150462.54	137135.32
Group Share in Joint Ventures	242.73	590.61
Total	150705.27	137725.93



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

33. Securities and terms of loans taken:

In respect of loans taken by GFL:

Foreign Currency Term Loan of Rs.21897.93 lacs (previous year Rs.23489.85 lacs) from Axis Bank Limited is secured by way of first charge on all movable and immovable assets of Mahidad (36 MW), Gujarat, and exclusive charge on movable fixed asset of DPTFE plant located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Further, the lender also has a charge/lien over the Receivables and escrow account relating to Mahidad (36 MW). The term loan is repayable in 40 equal quarterly instalments starting from 15th June, 2012 and carries interest @ 3 months LIBOR plus 4.25% p.a. Out of total sanctioned ECB of USD 49 million, ECB of USD 25 million is at the rate of 11.26% p.a. w.e.f. 11th October, 2012, being hedged.

Foreign Currency Term Loan of Rs. 8877.81 lacs (previous year Rs. 8940.24 lacs) from ICICI Bank Limited is secured by way of an exclusive first ranking security interest/ mortgage/hypothecation on movable and immovable fixed assets including cash flow and receivables of project assets, Mahidad (14 MW). Further, the lender also has a charge/lien over the escrow account. The lender has charge/lien on companies investment in mutual fund (2 crore unit of Tata Fixed Maturity plan series 42 Scheme I plan A Growth mutual fund, Folio No. 2661548/08) of Rs. 20 crore only. The term loan is repayable in 20 equal half yearly instalments starting from 20th September, 2013 and carries interest @ 6 months LIBOR plus 4.14% p.a.

Foreign Currency Term Loan of Rs. 4516.50 lacs (previous year Rs.6774.75 lacs) from DBS Bank Limited is secured by first pari-passu charge over moveable fixed assets of the Company at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch except assets pertaining to 18 MW coal based captive power plant, DPTFE & PTPTFE plant. The term loan is repayable in 16 equal quarterly instalments starting from 14th April, 2012 and carries interest @ 8.65% p.a.

Foreign Currency Term Loan of Rs. Nil (previous year Rs. 1400.13 lacs) from BNP Paribas Limited was secured by hypothecation of all movable property of the Company's 18 MW coal based captive power plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. The term loan was repayable in 16 equal quarterly instalments starting from 9th April, 2010 and carried interest @ 7.07% p.a.

Foreign Currency unsecured Term Loan of Rs. Nil (previous year Rs.417.28 lacs) from Citibank NA was secured by first pari-passu charge over Company's fixed assets situated at Survey No.16/3, 26 and 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat (Security was never created). The term loan was repayable in 16 equal quarterly instalments starting from 3rd July, 2009 and was carrying interest @ 6 months LIBOR plus 4.00% p.a.

Working Capital Demand Loans (WC DL) of Rs.2500 lacs (previous year Rs Nil) and over draft facility of Rs.2107.28 lacs (previous year Rs.1559.82 lacs) from HDFC Bank Limited is secured by first pari-passu charge over stock and book debts of the Company's Dahej Plant situated at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. The WC DL loan is for a period of 180 days and carries interest @ 10.00% p.a. Over draft facility carries interest @ 11.40% p.a.

Working Capital Loans in the form of buyers credit of Rs. 767.28 lacs (previous year Rs. 1590.57 lacs), over draft facility of Rs. Nil, (previous year Rs 2870.00 lacs) and FCNR loan facility of Rs.3860.13 lacs (previous year Rs. Nil) from The Royal Bank of Scotland is secured by way of first pari-passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future of the Company's unit at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat. Buyer's credit is repayable in 118 days to 327 days carrying interest ranging @ 4 month LIBOR plus 1.00% to 11 month LIBOR plus 0.90%, and overdraft facility was repayable on demand and was carrying interest @ 9.90% p.a., FCNR loan facility is granted for 214 days tenure at cost of 3 month LIBOR plus 1.65%.

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

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

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

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

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

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

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

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

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



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

Both the tranches are secured by way of:

- Exclusive charge over all the borrower's immovable assets, all present and future movable fixed assets identified under the project assets and Ossiya-1 i.e. 19.5 MW.
 - Exclusive charge over the escrow account to be opened with ICICI Bank Limited, India (Escrow Bank) for project Dangri and Ossiya-1.
 - Exclusive charge on all project documents, rights, titles, permits, approvals in respect of all the assets of the project including power purchase agreement and wheeling agreements and all project documents including all insurance policies relating to project, project book debts, operating cash flows, revenue of whatsoever nature including "Certified Emission Reduction (CER) receivables.
 - First pari-passu with ICICI Bank Limited, Hong Kong over immovable assets and all present and future movable fixed assets identified at project of Gude Panchgani 23.1 MW.
 - First pari-passu charge over the escrow account w.r.t. Gude Panchgani.
2. Foreign currency term loan from ICICI bank Limited (Bahrain):

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

This loan is secured by way of:

- First mortgage/charge/security interest on all of the Company's present and future assets pertaining to the Gude Panchgani project including all movable properties.
- ICICI Bank Limited have a charge/lien over the escrow account (to be opened with ICICI), where the cash flows out of the project (sale proceeds from the power sold to Maharashtra State Electricity Board) are to be deposited by the Company. The security cover is yet to be created.

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

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

This loan is secured by way of:

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

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

Foreign currency Term Loan of Rs.23518.62 lacs (previous year Rs.25780.53 lacs) from International Finance Corporation is secured by hypothecation of all movable and immovable fixed assets including cash flow and receivables of project assets of its Dangri (64 MW) wind farm. Further, the loan is secured by corporate guarantee of Inox Renewables Limited.

The term loan is repayable in 28 instalments starting from 14th October, 2013 and the rate of interest on the loan is six months LIBOR and relevant spread of 4.25 % i.e. 11.44% per annum for the current year.

In respect of loans taken by Inox Wind Limited ('IWL'):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

existing ESOP Scheme of ILL. These stock options were granted in the ratio of 5 options (each option being equal to one share) of ILL for every 8 options (each option being equal to one share) held under ESOP of Fame. These options are now exercisable within one year from the date of vesting. The compensation costs of stock options granted to employees are accounted by ILL using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1 st April, 2013	5,000
Granted during the year	33,156
Lapsed during the year	Nil
Exercised during the year	21,577
Outstanding as on 31 st March, 2014	16,579
Exercisable as on 31 st March, 2013	Nil
Weighted average exercise price of all stock options	Rs. 15

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

Options granted on 12 th August, 2013	1.17 years
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In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no. 29 includes Rs. 14.33 lacs (previous year Rs. 1.06 lacs) being the amortization of employee compensation.

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

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

38. Contingent liabilities :-

Amount (Rs. in Lacs)

Particulars

- Claims against the Group not acknowledged as debt
- Other money for which company is contingently liable
 - Income Tax(including TDS matters)
 - Service Tax
 - Excise duty
 - Custom duty
 - VAT
 - Electricity Duty
 - Municipal Tax
 - Entertainment Tax – including demand of Rs. 1583.83 lacs (previous year Rs. 1040.83 lacs) in respect of two multiplexes pertaining to exemption period and for which the Inox Leisure is contesting the matter by way of appeal before appropriate authorities.
 - Stamp Duty
 - Liability in respect of losses suffered by Rajasthan Rajya Vidyut Prasaran Nigam Limited due to under injections of energy
 - Claims in respect of labour matters

2013-14	2012-13
7071.17	7106.55
8227.38	8722.69
1252.77	1021.65
1411.73	849.66
991.87	1227.33
135.66	0.00
1204.86	1204.86
757.34	621.28
1586.05	1043.05
263.81	263.81
870.00	870.00

Amount is not ascertainable



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

- (c) In the earlier years the Company had received CIT(A) order for the Assessment Year 2008-09 and for the A.Y. 2009-10, wherein the CIT(A) has confirmed the action of the Assessing Officer in respect of
- treatment of Investment activity of the Company in respect of investment in shares as a business activity and
 - the re-computation of the amount of deduction u/s 80IA by applying the regulatory prices in respect of power generated at its captive power units.

The Company has not accepted the orders of the CIT(A) and has preferred appeal before ITAT, Ahmedabad. The said issues were decided in favour of the Company by CIT(A) in earlier years. Consequently, the amount of demands in respect of the above are included in the amount of contingent liabilities in para (A) including for subsequent years where assessment orders are received.

- (d) During the year, the Income Tax authorities have carried out survey proceedings u/s 133A of the Income Tax Act, 1961 at the corporate office of the Parent Company and the corporate office and factory premises of one of the subsidiaries. Both companies have made detailed submissions on various issues raised during the course of survey proceedings and do not expect any material demand in this connection.

- (e) In respect of Inox Leisure Limited ('ILL'):

- ILL has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of Rs. 60.07 lacs and reimbursement of the cost of fit-outs of Rs. 823.27 lacs incurred by ILL and carried forward as capital work-in-progress. The party has made a counter claim of Rs. 6943.44 lacs towards rent for lock in period and other costs which is included in (a) above. At present the matter is pending before the Arbitrator.
- In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against ILL and directed ILL to pay Rs. 116.36 lacs towards rent for the lock in period. Further, the arbitrator has also directed ILL to pay the amount of difference between the rent payable by ILL as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. ILL has challenged the arbitration award before the Hon'ble High Court of Delhi and the same is pending.
- ILL has received a show cause cum demand notice dated 5th December 2005 for custom duty payable by them on import of cinematographic films under Rule 2(2), Rule 7(A) and Rule 9(2) of the Customs Valuation Rule 1988. Nothing has been deposited with the authorities as the amount is not quantified by the authorities. However, on 28th September 2006, ILL has filed an appeal against the Commissioner's Order to the Appellate Tribunal under Section 129-A of The Customs Act, 1962 and the same is pending hearing.
- ILL may be required to charge additional cost of Rs. 389.83 lacs (previous year Rs. 389.83 lacs) towards electricity from 1st June, 2007 to 31st March, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by ILL through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19th January, 2009, for change in category, in favour of the appeal made by the Multiplex Association of India is passed in favour of the electricity supplier. ILL has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances').

39. Commitments:

- Estimated amount of contract remaining to be executed on capital account and not provided for, net of advances, is Rs. 32323.77 lacs (previous year Rs. 21069.42 lacs).
- The exemption from payment of Entertainment Tax in respect of multiplexes of Inox Leisure Limited, which are eligible for such exemption, is subject to fulfilment of the terms and conditions of the respective State Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far, which is liable to be paid if the relevant multiplex ceases operations prior to completing the minimum period of operations in terms of the respective policies of the States – Rs. 17197.99 lacs (previous year Rs. 15730.92 lacs).
- The Company has provided undertakings to various lenders of its subsidiaries, i.e., Inox Wind Limited and Inox Renewables Limited, not to dilute its stake in these companies to below 51%.
- The Company has agreed to provide Equity Shares of Gujarat Fluorochemicals Limited held by it, for an amount equal to Rs 140 crores to Standard Chartered Private Equity (Mauritius) II Limited (SC) in terms of an Amendment Agreement dated 19th December, 2013 executed between Inox India Limited (ILL), Promoters of ILL, the Company and (SC), in case ILL fails to fulfil its obligations under the referred Agreement.

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

40. In respect of Entertainment Tax liability of Inox Leisure Limited ('ILL') and its treatment in these accounts: -
- The Entertainment Tax exemption in respect of some of the Multiplexes of ILL has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs. 520.25 lacs (previous year Rs. 382.07 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the Statement of Profit and Loss. Cumulative amount as on 31st March, 2014 is Rs. 3909.42 lacs (previous year Rs. 3389.17 lacs).
 - In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Honourable High Court of judicature at Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.
 - In respect of Multiplex Cinema Theatre at Raipur, the application for refund entertainment tax of Rs. 92.06 lacs for exemption period 2010-11 for has been rejected. Applications for such refunds for subsequent periods amounting to Rs. 299.41 lacs are also pending before appropriate authority. The matter has been challenged in the High Court of judicature at Chhatisgarh. Pending the decision of the High Court, total amount of Entertainment Tax of Rs. 391.47 lacs (previous year Rs. 285.25 lacs) paid is carried forward as Entertainment Tax Refund Receivable under Schedule 16 – Long Term Loans and Advances and the figures indicated in the (a) above include the figures pertaining to the said Multiplex.
41. IRL has an outstanding balance recoverable for electricity delivered from the 12MW wind farm at Village Sadiya, Jaisalmer for the period from April, 2008 to December, 2008 for Rs.48,230,844. On 27th August, 2008, vide its Order, Central Electricity Regulatory Commission (CERC) directed the electricity distribution company to release the said amounts to the Company.
42. The major components of the net deferred tax assets and liability are as under :

a) Deferred Tax Assets (Net):

S.No. Particulars

Amount (Rs. In Lacs)

	2013-14	2012-13
(A) Deferred Tax Assets		
(i) Expenditure allowable on payment basis	22.44	15.36
(ii) Unabsorbed losses	1606.48	6302.87
(iii) Others	6.58	7.18
(iv) Depreciation	6.31	6.81
Total	1641.81	6332.22
(B) Deferred Tax Liabilities		
(i) Depreciation	—	4667.71
Total	—	4667.71
Net Deferred Tax Assets (A-B)	1641.81	1664.51

Inox Renewables Limited and Inox Renewables (Jaisalmer) Limited have entered into power purchase agreements with the distribution companies for 19 years for sale of power generation and will have certain revenues and sufficient taxable profit after the tax holiday period against which the deferred tax assets shall be adjusted. Provision of deferred tax asset in compliance of the notified Accounting Standard 22 on 'Accounting for Taxes on Income' has been made as these companies have unabsorbed depreciation which can be carried forward infinitely.

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



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b) Deferred Tax Liabilities (Net):

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

43. Disclosure as required by Accounting Standard – AS 19 on “Leases” –

a) In respect of Assets given on Operating Lease :

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

The details of carrying amount of assets given on lease and the future minimum lease payments are as under:

Particulars	Amount (Rs. in Lacs)	
	2013-2014	2012-2013
(i) Gross carrying amount of asset given on operating lease included in Buildings block of fixed assets.	929.38	929.38
(ii) Accumulated Depreciation as at the end of the year	132.31	117.22
(iii) Depreciation for the year	15.09	15.10
(iv) Future minimum lease payments -		
(a) Not later than one year	742.44	697.43
(b) Later than one year and not later than five years	1341.12	2083.70
(c) Later than five years	—	—
(v) Assets given on operating lease are Office Premises. The non-cancellable initial lease tenure is for five to nine years, which can be further extended at the mutual option of both the parties.		

b) In respect of Assets taken on Operating Lease :

The plants taken on operating lease are for an initial non-cancellable period of ten years, which can be further extended at the mutual agreement. The future minimum lease payments under these lease arrangements are as under:-

S. No.	Payable in future	Amount (Rs. in Lacs)	
		2013-14	2012-13
a)	Not later than one year	92.28	83.28
b)	Later than one year and not later than five years	241.74	277.02
c)	Later than five years	116.25	161.25

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

- c) Operating leases for some of the multiplexes of Inox Leisure Limited Group ("ILL Group")

ILL is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs.10761.54 lacs (previous year Rs. 9263.36 lacs) are included in 'Property Rent and Conducting Fees' charged in the Statement of Profit and Loss.

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

S. No.	Payable in future	Amount Rs. in Lacs	
		2013-14	2012-13
a)	Not later than one year	10494.89	9555.49
b)	Later than one year and not later than five years	42023.43	38906.33
c)	Later than five years	106575.07	99840.68

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

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

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



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

45. In respect of ILL, the arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of Inox Leisure Limited ('ILL') has been received in favour of ILL and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of Rs. 18.24 lacs (previous year Rs. 18.24 lacs). Total amount of interest receivable upto 31st March, 2014 is Rs. 148.06 lacs (previous year Rs. 129.82 lacs). The said award has been challenged before the District Court and the matter is pending.

46. Related Party Disclosures :

(i) Names of Related Parties

(A) Where control exists:

Subsidiary Company- Gujarat Fluorochemicals Limited

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

Joint Venture

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

Swanston Multiplex Cinema Private Limited (SMCPL) – joint venture of a subsidiary

Swarnim Gujarat Fluorspar Private Limited (Incorporated on 19th June, 2012)

Associate of a subsidiary

Megnasolace City Private Limited

Key Management Personnel (KMP)

Mr. P K Jain (Managing Director)

Mr. V K Jain (Managing Director of GFL)

Mr. Deepak Asher (Whole Time Director)

Mr. D K Sachdeva (Whole Time Director of GFL)

Mr. J S Bedi (Whole Time Director of GFL)

Mr. G Arumugam (Whole Time Director of GFL) upto 22nd June, 2012

Mr. Alok Tandon – Manager of Inox Leisure Limited

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

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

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

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

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

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

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

Relatives of Key Management Personnel

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

Mr. Devansh Jain (Son of Mr. Jain) – classified as KMP w.e.f. 1st November, 2012 on becoming a whole-time director in IWL.

Mr. Cody Kaufmann (Son of Mr. David Kaufmann)

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

Devansh Gases Private Limited

Refron Valves Limited

Devansh Trading and Finance Private Limited

Rajni Farms Private Limited

Inox India Limited

Sidhapavan Trading and Finance Pvt. Ltd.

Inox Air Products Limited

Siddho Mal Investments Private Limited

Inox Chemicals Private Limited



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

(ii) Particulars of transactions

Amount Rs. in Lacs

Particulars	Subsidiary and Sub-subsidiary Company		Joint Ventures		Key Management Personnel (KMP)		Relatives of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
A) Transactions during the year												
Sales of Goods												
Inox Air Products Limited									1.36	7.44	1.36	7.44
Inox India Limited									2.12	0.00	2.12	0.00
Others									0.05	0.05	0.05	0.05
Total									3.53	7.49	3.53	7.49
Purchase of Goods												
Inox Air Products Limited									310.16	243.16	310.16	243.16
Inox India Limited									549.43	1704.44	549.43	1704.44
XHCT Co. Ltd			207.08	567.81							207.08	567.81
Total			207.08	567.81					859.59	1947.60	1066.67	2515.41
Purchase of Assets												
Inox India Limited									525.00	0.00	525.00	0.00
Total									525.00	0.00	525.00	0.00
Inter corporate deposit received back												
Inox Leisure Limited	0.00	600.00									0.00	600.00
Devansh Trading & Finance Private Limited									0.00	600.00	0.00	600.00
Siddhapavan Trading & Finance Private Limited									0.00	500.00	0.00	500.00
Total	0.00	600.00							0.00	1100.00	0.00	1700.00
Inter corporate deposit received												
Devansh Trading & Finance Private Limited									0.00	600.00	0.00	600.00
Siddhapavan Trading & Finance Private Limited									0.00	500.00	0.00	500.00
Total									0.00	1100.00	0.00	1100.00
Equity shares Subscribed												
Swarnim Gujarat Fluorspar Pvt.Ltd			0.00	1.25							0.00	1.25
Total			0.00	1.25							0.00	1.25
Interest Paid/Interest paid on Debentures												
Devansh Trading & Finance Private Limited									0.00	59.48	0.00	59.48
Inox Chemicals Private Limited									0.00	16.88	0.00	16.88
Siddhapavan Trading & Finance Private Limited									0.00	52.38	0.00	52.38
Siddho Mal Investments Private Limited									0.00	16.88	0.00	16.88
Total									0.00	145.62	0.00	145.62
Dividend Received												
XHCT Co. Ltd			0.00	216.76							0.00	216.76
Total			0.00	216.76							0.00	216.76
Equity shares of Inox Wind Ltd issued												
Devansh Trading & Finance Private Limited									0.00	250.00	0.00	250.00
Inox Chemicals Private Limited									0.00	250.00	0.00	250.00
Siddhapavan Trading & Finance Private Limited									0.00	250.00	0.00	250.00
Siddho Mal Investments Private Limited									0.00	250.00	0.00	250.00
Total									0.00	1000.00	0.00	1000.00
Purchase of Investments												
Mr. V K Jain					0.01	0.00					0.01	0.00
Mr. D K Jain							0.01	0.00			0.01	0.00
Mr. P K Jain					0.01	0.00					0.01	0.00
Mr. Devansh Jain							0.01	0.00			0.01	0.00
Total					0.02	0.00	0.02	0.00			0.04	0.00
Expenses (Repairs)												
Refron Valves Limited									1.79	0.90	1.79	0.90
Inox Air Products Limited									0.40	0.00	0.40	0.00
Total									2.19	0.90	2.19	0.90
Reimbursement of expenses (paid)												
Inox Air Products Limited									4.05	6.46	4.05	6.46
Gujarat Fluorochemicals Limited	0.58	0.55									0.58	0.55
SMCPL			0.00	2.18							0.00	2.18
Devansh Gases Private Limited									7.32	0.00	7.32	0.00
Total	0.58	0.55	0.00	2.18					11.37	6.46	11.95	9.19
Inter-Corporate deposit paid												
Inox Leisure Limited	0.00	1100.00									0.00	1100.00
	0.00	1100.00									0.00	1100.00



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

Amount Rs. in Lacs

Particulars	Subsidiary and Sub-Subsidiary Company		Joint Ventures		Key Management Personnel (KMP)		Relatives of key Management Personnel		Enterprises over which KMP or his relative has significant influence		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Interest received												
Inox Leisure Limited	121.00	17.17									121.00	17.17
Reimbursement of expenses (received)												
Inox India Limited									5.08	5.50	5.08	5.50
Gujarat Fluorochemicals Limited	4.11	0.95									4.11	0.95
SMCPL			0.04	3.50							0.04	3.50
Swarnim Gujarat Fluorspar Pvt.Ltd			0.61	51.01							0.61	51.01
Total	4.11	0.95	0.65	54.51					5.08	5.50	9.84	60.96
Project hiring charges received												
SMCPL			0.00	5.06							0.00	5.06
Total			0.00	5.06							0.00	5.06
Rent Received												
Inox Air Products Limited									144.90	144.90	144.90	144.90
Others									0.72	0.72	0.72	0.72
Gujarat Fluorochemicals Limited	60.00	60.00									60.00	60.00
Total	60.00	60.00							145.62	145.62	205.62	205.62
Rent paid												
Inox Air Products Limited									1.65	0.60	1.65	0.60
Devansh Gases Private Limited									24.00	19.50	24.00	19.50
Rajni Farms Pvt. Limited									12.00	12.00	12.00	12.00
Others					1.20	1.20					1.20	1.20
Total					1.20	1.20			37.65	32.10	38.85	32.70
O&M Charges & Lease Rents paid												
Inox Air Products Limited									208.76	202.56	208.76	202.56
Total									208.76	202.56	208.76	202.56
Remuneration paid												
Mr. Deepak Asher					21.79	17.59					21.79	17.59
Mr. V K Jain					478.46	574.19					478.46	574.19
Mr. Devansh Jain					120.64	47.88					120.64	47.88
Others					302.09	283.39	0.00	3.14			302.09	286.53
Total					922.98	923.05	0.00	3.14			922.98	926.19
Commission to Director/Manager												
Mr. D K Jain-Director									96.92	609.54	96.92	609.54
Mr.David Kaufmann-Manager					5.66	6.83					5.66	6.83
Total					5.66	6.83	96.92	609.54			102.58	616.37
Sitting Fees paid												
Mr. D K Jain									1.60	1.20	1.60	1.20
Mr. P K Jain					1.25	0.35					1.25	0.35
Total					1.25	0.35	1.60	1.20			2.85	1.55
Professional fees												
Mr.David Kaufmann-Manager					57.89	54.91					57.89	54.91
Mr.Cody Kaufmann							0.00	37.42			0.00	37.42
Total					57.89	54.91	0.00	37.42			57.89	92.33
B) Amounts outstanding												
Amount payable												
Mr. Deepak Asher					1.85	1.85					1.85	1.85
Mr. V K Jain					272.93	348.69					272.93	348.69
Mr. D K Jain							66.97	421.19			66.97	421.19
Inox India Limited					71.72	37.50			149.75	82.10	149.75	82.10
Mr. Devansh Jain					27.43	16.45					71.72	37.50
Others	0.00	0.33	59.17	74.00					75.17	46.17	161.77	136.95
Total	0.00	0.33	59.17	74.00	373.93	404.49	66.97	421.19	224.92	128.27	724.99	1028.28
Inter-corporate deposits paid												
Inox Leisure Limited	1100.00	1100.00									1100.00	1100.00
Total	1100.00	1100.00									1100.00	1100.00
Trade Receivables												
Others									0.02	0.00	0.02	0.00
Total									0.02	0.00	0.02	0.00
Loans & Advances												
Swarnim Gujarat Fluorspar Pvt.Ltd			51.62	51.01							51.62	51.01
Others	0.09	0.00							60.00	60.00	0.09	0.00
Rajni Farms Pvt. Limited												
Total	0.09	0.00	51.62	51.01					60.00	60.00	111.71	111.01



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

47. Outstanding derivatives and other un-hedged foreign currency exposure as at Balance Sheet date:

a) Derivative outstanding as at Balance Sheet date:

(Figures in Lacs)

S. No	Nature of Contract	Foreign Currency	Buy/Sell	2013-2014	2012-2013	Purpose
a)	Forward Contracts	EURO	Sell	-	100.00	Hedging of Receivable
b)	Forward Contracts	USD	Buy	-	210.58	Hedging of Loan and Interest Rate of Loan
c)	Currency and Interest Rate Swap	USD	Buy	-	55.79	Hedging of Loan and Interest Rate of Loan
d)	Currency and Interest Rate Swap	USD	Buy	937.21	415.59	Hedging of Loan and Interest Rate of Loan
e)	Forward Contracts	USD	Buy	145.05	-	Hedging of Loan
f)	Forward Contracts	EURO	Buy	43.09	-	Hedging of Loan
g)	Forward Contracts	USD	Buy	3.63	-	Hedging of trade payables
h)	Forward Contracts	EURO	Buy	26.69	-	Hedging of trade payables

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

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

48. Segment Information

A) Information about Primary (Business) Segments.

Amount Rs. in Lacs

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
[I] Segment Revenue		
i. Chemicals	118518.36	168250.35
ii. Wind Energy Business	156818.93	106032.76
iii. Power	17324.15	8143.13
iv. Theatrical Exhibition	76257.66	76848.47
v. Others, Un-allocable and Corporate	4175.73	3272.83
Total Segment Revenue	373094.83	362547.54
Less: Inter Segment Revenue		
- Wind Energy Business	22707.81	41866.45
Total External Revenue	350387.02	320681.09



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

Amount Rs. in Lacs

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
[II] Segment Result		
i. Chemicals	11483.75	63634.54
ii. Wind Energy Business	13127.74	13596.54
iii. Power	11652.46	4749.12
iv. Theatrical Exhibition	6468.99	5540.41
Total Segment Result	42732.94	87520.61
Add/(Less): Un-allocable Income /(Expenses)(Net)	2135.47	1066.50
Less : Finance Costs	17770.96	13184.58
Total Profit Before Tax	27097.45	75402.53
Less : Taxation (Net)	3864.56	19474.15
Net Profit After Tax	23232.89	55928.38
[III] Other Information		
a] Segment Assets		
i. Chemicals	280594.82	293446.52
ii. Wind Energy Business	116697.66	79782.14
iii. Power	155947.71	128948.23
iv. Theatrical Exhibition	81747.45	77329.12
v. Others, Un-allocable and Corporate	86113.54	72009.55
Total	721101.18	651515.56
b] Segment Liabilities		
i. Chemicals	22016.11	18640.31
ii. Wind Energy Business	49852.34	26761.10
iii. Power	1905.65	2485.78
iv. Theatrical Exhibition	18516.76	17785.19
v. Others, Un-allocable and Corporate	259235.64	236823.02
Total	351526.50	302495.40
c] Capital Expenditure (Including Capital Advances)		
i. Chemicals	15228.42	21545.47
ii. Wind Energy Business	4401.51	3512.58
iii. Power	12778.45	41148.04
iv. Theatrical Exhibition	9979.60	9066.44
v. Others, Un-allocable and Corporate	0.00	12.77
Total	42387.98	75285.30
d] Depreciation & Amortization		
i. Chemicals	10328.71	10048.65
ii. Wind Energy Business	1436.91	1069.92
iii. Power	3806.19	1617.32
iv. Theatrical Exhibition	4454.99	4312.63
v. Others, Un-allocable and Corporate	64.83	56.75
Total	20091.63	17105.27
e] Non-cash expenses (other than depreciation)		
i. Chemicals	21.85	18.06
ii. Wind Energy Business	0.00	0.00
ii. Power	0.00	0.00
iv. Theatrical Exhibition	0.00	14.07
iii. Others, Un-allocable and Corporate	393.72	486.28
Total	415.57	518.41

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

Particulars	Amount Rs. in Lacs	
	2013-2014	2012-2013
Domestic	291064.58	219244.90
Overseas	54781.35	98307.48
Total	345845.93	317552.38

C) Notes

- 1) The Group operates in following business segments:
 - a. Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic-Chlorine, Chloromethane, PTFE, PT-PTFE and revenue from Carbon Credits.
 - b. Power - Comprising of Power Generation.
 - c. Theatrical Exhibition – Operating & managing multiplexes and cinema theatres.
 - d. Wind Energy Business – Manufacture of Wind Turbine Generators (WTG), Erection Procurement & Commissioning services, Operations & Maintenance services, Common Infrastructure Facility Services and Site Development for WTG.
- 2) Inter-segment revenue comprises of:
 - a. Wind Turbine Generators manufactured by Wind Energy business segment (including Erection and Commissioning services) and capitalized as fixed assets in other segments and is priced at estimated market value.
 - b. Operations & Maintenance services provided by Wind Energy business segment to other segments and is priced at estimated market value.
- 3) Chemicals business is operated in two geographical markets, in domestic and overseas market. The main manufacturing facilities of chemicals business in India are common for India and overseas market and hence it is not possible to directly attribute or allocate on a reasonable basis the expenses, assets and liabilities to these geographical segments. In respect of power segment, the entire production is indigenously sold. All multiplexes/theatres are located in India. The entire revenue of WTG segment is from domestic market. The disclosures regarding geographical segments are made accordingly.
- 4) The above segment information includes the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

49. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 754.15 lacs (previous year Rs. 680.25 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and Rs.16.06 lacs (previous year Rs. 16.52 lacs) is included in pre-operative expenses.
- b) Defined Benefit Plans: In respect of Gratuity and Leave Encashment – as per Actuarial valuation.

Particulars	Amount Rs. in Lacs			
	Gratuity 2013-2014	Gratuity 2012-2013	Leave Encashment 2013-2014	Leave Encashment 2012-2013
1. Change in Benefit Obligation				
Liability at the beginning of the year	1016.09	736.06	475.01	329.80
Addition on Amalgamation	—	73.84	—	37.92
Interest Cost	78.37	69.53	34.09	29.98
Current Service Cost	289.68	258.05	276.82	237.43
Recognised Past Service Cost	0.00	0.09	0.00	0.00
Benefit paid	(86.33)	(45.54)	(94.73)	(61.40)
Actuarial (Gain)/Loss	(141.78)	(76.03)	(172.00)	(98.71)
Add : Short term leave liability			262.54	201.15
Total Liability	1,156.04	1,016.08	781.73	676.17



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

Amount Rs. in Lacs

Particulars	Gratuity	Gratuity	Leave	Leave
	2013-2014	2012-2013	Encashment 2013-2014	Encashment 2012-2013
2. Expenses recognized in the Profit and Loss Account				
Current Service Cost	289.68	258.05	274.86	235.11
Interest Cost	78.37	69.31	34.09	29.98
Recognised Past Service Cost	0.00	0.09	0.00	0.00
Actuarial (Gain)/Loss	(141.78)	(80.45)	(172.00)	(98.71)
Expenses recognized in the Profit and Loss Account	226.28	247.00	136.95	166.37
On account of short term leave liability			61.40	24.10
Total for Leave Liability			198.17	189.03
3. Actuarial Assumptions				
Discount Rate	9.04 to 9.19 %	7 to 8.63 %	9.04 to 9.19 %	7 to 8.63 %
Salary Escalation Rate	7% to 8 %	7% to 10%	7% to 8 %	7% to 10%
Retirement Age	58 years to 60 Years			
Withdrawal Rates	5% to 10%	5% to 10%	5% to 10%	5% to 10%
Mortality-Current Year	IALM (2006-08) Ultimate mortality table			
Mortality-Previous Year	LIC (1994-96) Published table of rates			

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

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

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

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

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

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

Particulars	2013-14	2012-2013
a) Amount used as the numerator - Profit after taxation (Rs. in lacs)	8411.69	28823.57
b) Equity shares outstanding at the beginning & end of the year – (Nos.)	10618467	10618467
c) Nominal value of each share – (Re)	10	10
d) Basic and Diluted Earnings per share (Rs.)	79.22	271.45

As per our report of even date attached
for **S.C. BANDI & CO.**
Chartered Accountants

On behalf of the Board of Directors

S.C.BANDI
Proprietor
Membership No. 16932
Place: Mumbai
Date: 18th August, 2014

VIJAY SAXENA
Company Secretary

D. K. JAIN
Chairman

P.K. JAIN
Managing Director

**Statement pursuant to exemption under Section 212 (8) of the Companies Act, 1956
relating to subsidiary companies of Inox Leasing and Finance Limited
for the Financial Year 2013-2014**

Amount Rs. in Lacs

S. No.	Particulars	Name of Subsidiary Company (including subsidiaries of subsidiaries)											
		Gujarat Fluorochemicals Limited	Inox Infra-structure Limited	Gujarat Fluorochemicals Americas LLC, U.S.A.*	Gujarat Fluorochemicals Singapore Pte. Limited*	GFL GM Fluorspar SA*	Gujarat Fluorochemicals GmbH#	Inox Wind Limited	Inox Renewables Limited	Inox Leisure Limited	Inox Wind Infra-structure Services Limited	Inox Renewables (Jaisalmer) Limited	Marut Shakti Energy India Limited
a)	Capital	1098.50	5,000.00	1,012.28	1,435.37	1,349.96	21.82	20,000.00	305.00	9,614.62	5.00	10,605.00	61.11
b)	Reserves	251370.78	323.33	295.34	216.45	(662.13)	60.45	23,770.59	40,718.35	29,475.50	(990.34)	1,233.73	(35.63)
c)	Total Assets	365288.31	5,331.49	3,657.56	1,657.08	1,384.27	2,949.18	137,341.67	149,806.32	85,808.89	35,843.88	38,586.78	891.48
d)	Total Liabilities	112819.03	8.16	2,349.94	5.27	696.43	2,866.91	93,571.08	108,782.97	46,718.77	36,829.22	26,748.05	866.00
e)	Investments (other than investment in subsidiary)	26594.01	5,310.65	-	-	-	-	4,500.00	-	371.18	0.20	1,440.00	-
f)	Turnover	120599.53	-	4,764.47	18.38	-	2,063.30	139,685.39	11,575.13	86,882.91	17,714.33	5,893.90	-
g)	Profit/(Loss) before taxation	9784.44	5.46	(131.60)	10.32	(253.05)	93.44	14,649.56	1,457.07	5,219.33	(1,869.20)	707.60	(57.91)
h)	Provision for taxation	2367.93	7.29	(42.18)	3.63	-	29.56	157.49	289.13	1,525.73	(605.58)	338.42	3.12
i)	Profit/(Loss) after taxation	7441.80	(1.84)	(89.42)	6.69	(253.05)	63.88	14,492.07	1,167.94	3,693.60	(1,263.62)	369.18	(61.02)
j)	Proposed dividend	3844.75 (350%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Exchange rate as on 31st March, 2014 : 1 USD = Rs. 59.89# Exchange rate as on 31st March, 2014 : 1 EUR = Rs. 82.46



INOX LEASING AND FINANCE LIMITED

INOX LEASING AND FINANCE LIMITED

Regd. Office: 69, Jolly Maker Chambers 2, Nariman Point, Mumbai – 400021.
CIN: U65910MH1995PLC085703 . Web site: www.ilfl.co.in. E mail id: info@ilfl.co.in.

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME AND ADDRESS OF THE SHAREHOLDER

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

No. of Shares held.....

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, 26th September, 2014 at 10.00 a.m. at 69, Jolly Maker Chambers II, Nariman Point Mumbai – 400 021.**

Signature of the Shareholder or Proxy

(TEAR HERE)

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PROXY

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

I/We

ofbeing a member/members of

INOX LEASING AND FINANCE LIMITED hereby appoint.....

of

or failing him.....

of

as my/our proxy to vote for me/us and on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on **Friday, 26th September, 2014** and at any adjournment thereof.

Signed this day of..... 2014.

Affix
Re 1/-
Revenue
Stamp

NOTE: The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding of the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK-POST

To,

If undelivered please return to :

***INOX LEASING AND
FINANCE LIMITED***

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