

**SHOURI PROPERTIES
PRIVATE LIMITED**

16th

ANNUAL REPORT

2016 - 2017

Independent Auditor's Report to the members of Shouri Properties Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Shouri Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017(continued)

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of cashflow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017 (continued)

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – refer Note 8 to the Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company did not hold or dealt in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

Place: Pune
Date: 27 April 2017

S S Agrawal
Partner
Membership No. 049051

Annexure I to Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. The Company does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loan, investments, guarantees and security to persons specified in section 185. The Company has complied with the provisions of section 186 of the Act in respect of investment made and there are no loans given or guarantee or security provided.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax and service tax. No payments were due in respect of provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2017 for a period of more than six months from the date they become payable.

There are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of disputes.

8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.

Annexure I to Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017 (continued)

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

Place: Pune
Date: 27 April 2017

S S Agrawal
Partner
Membership No. 049051

Annexure II to Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shouri Properties Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure II to Independent auditor's report to the members of Shouri Properties Private Limited on the Ind AS financial statements for the year ended 31 March 2017 (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W

Place: Pune
Date: 27 April 2017

S S Agrawal
Partner
Membership No. 049051

Shouri Properties Private Limited
Balance Sheet as at 31 March 2017

(Amounts in Rs.)

Particulars	Notes	As at	As at	As at
		31 March 2017	31 March 2016	1 April 2015
A ASSETS				
1 Non-current assets				
(a) Financial Assets				
(i) Loans	6	4,397,511	3,056,157	2,823,216
(b) Income tax assets (net)	7	-	6,856,311	4,432,965
(c) Other non-current assets	8	6,803,414	5,876,500	6,544,144
Total Non-current assets		11,200,975	15,789,068	13,800,435
2 Current assets				
(a) Financial Assets				
(i) Other Investments	9	3,006,314	-	-
(ii) Trade receivables	10	1,174,648	-	-
(iii) Cash and cash equivalents	11	882,236	1,499,317	3,271,016
(b) Other current assets	8	1,337,114	1,903,417	1,296,132
Total current assets		6,400,422	3,402,844	4,567,188
Total assets (1+2)		17,601,397	19,191,912	18,367,583
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital	12	14,100,000	14,100,000	1,600,000
(b) Other Equity	13	(6,629,501)	(7,144,561)	(5,693,281)
Total equity		7,470,497	6,955,440	(4,093,281)
LIABILITIES				
2 Non-current liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities	14	4,397,511	3,056,157	2,823,216
(b) Other non-current liabilities	15	4,596,490	3,669,516	4,337,210
Total Non-current liabilities		8,994,011	6,725,733	7,160,546
3 Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	-	-	5,985,210
(ii) Trade payables	17	510,759	5,078,066	2,999,845
(iii) Other financial liabilities	14	-	-	5,410,813
(b) Other current liabilities	18	501,006	432,683	904,322
(c) Current tax liabilities (net)	7	125,074	-	-
Total current liabilities		1,136,839	5,510,699	15,300,320
Total Equity and Liabilities (1+2+3)		17,601,397	19,191,912	18,367,583

The accompanying notes are an integral part of the financial statements.

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

For and on behalf of the Board of Directors
of Shouri Properties Private Limited

S. S. Agrawal
Partner

Alok Tandon
Director

Upen Shah
Director

Place: Pune
Date: 27 April 2017

Place: Mumbai
Date: 27 April 2017

Shouri Properties Private Limited

Statement of Profit and Loss for the year ended 31 March 2017

(Amounts in Rs.)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations	19	31,735,412	35,802,878
Other income	20	827,325	232,921
Total Income		32,562,737	36,035,799
Expenses			
Finance costs	21	267,343	1,770,615
Other expenses	22	31,639,010	35,716,461
Total expenses		31,906,353	37,487,076
Profit/(loss) before tax		656,384	(1,451,277)
Tax expense:	23		
Current tax		125,074	-
Taxation pertaining to earlier years		16,253	-
Profit/(loss) for the year		515,057	(1,451,277)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive income for the year)		515,057	(1,451,277)
Earnings per equity share :			
1) Basic	28	₹ 0.37	₹ -2.12
2) Diluted	28	₹ 0.37	₹ -2.12

The accompanying notes are an integral part of the financial statements.

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

**For and on behalf of the Board of Directors
of Shouri Properties Private Limited**

S. S. Agrawal
Partner

Alok Tandon
Director

Upen Shah
Director

Place: Pune
Date: 27 April 2017

Place: Mumbai
Date: 27 April 2017

Shouri Properties Private Limited

Statement of Changes in Equity for the year ended 31 March 2017

A. Equity Share Capital

(Amounts in Rs.)

Balance at the beginning of the year	Changes in equity share capital during the year	Balance as at end of the year
14,100,000	-	14,100,000

B. Other Equity

(Amounts in Rs.)

Particulars	Retained Earnings	Total
Balance at 1 April 2015	(5,693,283)	(5,693,283)
Profit for the year	(1,451,277)	(1,451,277)
Total comprehensive income for the year	(1,451,277)	(1,451,277)
Balance at 31 March 2016	(7,144,560)	(7,144,560)
Profit for the year	515,057	515,057
Total comprehensive income for the year	515,057	515,057
Balance at 31 March 2017	(6,629,503)	(6,629,503)

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

**For and on behalf of the Board of Directors
of Shouri Properties Private Limited**

S. S. Agrawal

Partner

Alok Tandon

Director

Upen Shah

Director

Place: Pune

Date: 27 April 2017

Place: Mumbai

Date: 27 April 2017

Shouri Properties Private Limited

Statement of Cash flows for the year ended 31 March 2017

(Amounts in Rs.)

Particulars	Year ended	
	31 March 2017	31 March 2016
Cash flows from operating activities		
Profit/(Loss) for the year after tax	515,057	(1,451,277)
Adjustments for:		
Income tax expense	141,327	-
Finance costs	267,343	1,034,711
Net gain on financial assets measured at FVTPL	(6,354)	-
Interest income recognized in profit or loss	(809,639)	(232,921)
	107,734	(649,487)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(1,174,668)	-
(Increase)/decrease in loans	(1,074,021)	-
(Increase)/decrease in other assets	(360,541)	60,339
Increase/(decrease) in trade payables	(4,567,237)	2,078,161
Increase / (Decrease) in other financial liabilities	1,074,021	-
Increase / (Decrease) in other liabilities	995,237	(1,139,333)
Cash (used in)/generated from operations	(4,999,475)	349,680
Income taxes (paid)/ refund - net	6,840,138	(2,423,406)
Net cash generated/(used in) by operating activities	1,840,663	(2,073,726)
Cash flows from investing activities		
Interest received	542,296	-
Purchase of current investments - Mutual Fund	(3,000,000)	-
Net cash used in by investing activities	(2,457,704)	-
Cash flows from financing activities		
Proceeds from fresh issue of equity share capital	-	12,500,000
Repayment of short term borrowings	-	(5,985,280)
Finance costs	-	(6,212,663)
Net cash generated from financing activities	-	302,057
Net decrease in cash and cash equivalents	(617,061)	(1,771,669)
Cash and cash equivalents at the beginning of the year	1,499,347	3,271,016
Cash and cash equivalents at the end of the year	882,286	1,499,347

Notes:

- The above statement of cash flow has been prepared under the Indirect method.
- Components of cash and cash equivalents are as per note no. 11.
- The accompanying notes are an integral part of the financial statements.

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

For and on behalf of the Board of Directors
of Shouri Properties Private Limited

S. S. Agrawal
Partner

Alok Tandon
Director

Upen Shah
Director

Place: Pune
Date: 27 April 2017

Place: Mumbai
Date: 27 April 2017

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

1 General Information

Shouri Properties Private Limited ('SPPL' or the 'Company') holds a license to operate a multiplex cinema theatre. The Company has taken one multiplex premises on lease and sub-leased the same for operating a multiplex cinema theatre. The Company is a subsidiary of Inox Leisure Limited which is a subsidiary of Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited.

Address of the corporate Office: 5th Floor, Viraj Towers, Western Express Highway, Andheri (East) 400093

2 Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

2.3 Basis of Preparation and Presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2015 being the 'date of transition to Ind AS'.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

These financial statements were authorized for issue by the Company's Board of Directors on 27 April 2017.

3 Significant Accounting Policies

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of taxes.

Conducting fees, in the nature of lease receipts under operating lease, is recognized as income in accordance with the lease agreement. Interest income is recognized on time proportion basis.

3.2 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transaction of the Company comprise of only operating leases since the terms of the lease do not transfer substantially all the risks and rewards of ownership to the Company in all cases.

3.2.1 The Company as lessee

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. In other cases, the rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

3.2.2 The Company as lessor

Rental income from operating leases is generally recognized on a straight-line basis over the term of the relevant lease unless such payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. Initial direct costs incurred in

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Ind AS statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Presentation of current and deferred tax:

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.5 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.6 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction costs are recognized in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

b) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI.

This category does not apply to any of the financial assets of the Company.

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

The Company has not designated any financial liability as at FVTPL. Further the Company does not have any commitments to provide a loan at a below market interest rate.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

d) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.7 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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Notes to the financial statements for the year ended 31 March 2017

3.8 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendment is applicable to the Company from April 1 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

4 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

However, this principle is subject to the certain mandatory exceptions and optional exemptions allowed by Ind AS 101 First-time Adoption of Indian Accounting Standards and availed by the Company as detailed below.

I. Optional exemptions from retrospective application:

a) Discounting of security deposits

As per the requirements of Ind AS 109, security deposits given by the Company are required to be carried at amortized cost at the time of initial recognition. However, as permitted by Ind AS 101, the assessment of modified time value of money element is made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

II. Mandatory exceptions from retrospective application

a) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1 2015 (the transition date).

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

5 Critical accounting judgements and key sources of estimation uncertainty

In application of Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

5.1 Following are the critical judgements that have the most significant effects on the amounts recognized in these financial statement:

- In respect of assets taken on operating lease

The Company has taken a multiplex on leased and sub-leased the same. The lease terms provide for periodic increase in the amount of lease payments. Considering the terms of the agreements and the rate of increase in lease payments, it is assessed that the payment/receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the Company recognizes the lease payments/payments as per the respective terms of the leases in such cases.

5.2 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

Shouri Properties Private Limited
Notes to the financial statements for the year ended 31 March 2017

6: Loans (unsecured, considered good)

(Amounts in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Non-current			
Security Deposits	4,397,561	3,056,197	2,823,276
Total	4,397,561	3,056,197	2,823,276

7: Income tax assets and tax liabilities

(Amounts in Rs.)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Current	Non current	Current	Non current	Current	Non current
Tax assets (Net)						
Income tax paid (net of provisions)		-		6,856,371	-	4,432,965
Total		-		6,856,371	-	4,432,965
Tax liabilities (Net)						
Provision for Income tax (net of payments)	125,074				-	-
Total	125,074	-	-	-	-	-

Shouri Properties Private Limited
Notes to the financial statements for the year ended 31 March 2017

8: Other non-current and current assets

(Amounts in Rs.)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Deferred lease rent expense	4,596,490	3,669,576	4,337,270
Service tax - disputed amount paid	2,206,924	2,206,924	2,206,924
Total	6,803,414	5,876,500	6,544,194

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Balances with government authorities - Service tax	698,683	815,413	712,314
Deferred lease rent expense	460,183	333,847	-
Prepayments - others	178,248	754,227	583,818
Total	1,337,114	1,903,487	1,296,132

9: Other investments

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Unquoted investments (all fully paid)			
Financial assets carried at FVTPL			
Investments in mutual funds			
ICICI Prudential Liquid Plan-Growth-Regular Plan -12,518.312 (31 March 2016: Nil, 1 April 2015: Nil) (face value Rs. 100)	3,006,354	-	-
Total	3,006,354	-	-

Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	3,006,354	-	-
Aggregate amount of impairment in value of investments	-	-	-

Category-wise other investments – as per Ind AS 109 classification

As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
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Financial assets carried at FVTPL

Mandatorily measured at FVTPL - Mutual

Funds

3,006,354	-	-
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3,006,354	-	-
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10: Trade receivables

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current			
Unsecured, considered good	1,174,668	-	-
Net trade receivable	1,174,668	-	-

11: Cash and cash equivalents

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks	882,286	73,179	287,408
Cheques in hand	-	1,414,713	2,972,153
Cash on hand	-	11,455	11,455
Total	882,286	1,499,347	3,271,016

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

12: Share Capital

(Amounts in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Authorized Capital			
1,600,000 equity shares (As at 31 March 2016: 1,600,000, As at 1 April 2015 :1,100,000) equity shares of Rs. 10/- each	16,000,000	16,000,000	11,000,000
Issued, Subscribed and Fully Paid up			
14,10,000 equity shares (As at 31 March 2016: 14,10,000, As at 1 April 2015 :160,000) of Rs. 10/- each	14,100,000	14,100,000	1,600,000
	14,100,000	14,100,000	1,600,000

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Nos.	Rupees	Nos.	Rupees
At the beginning of the year	1,410,000	14,100,000	160,000	1,600,000
Shares issued during the year	-	-	1,250,000	12,500,000
At the end of the year	1,410,000	14,100,000	1,410,000	14,100,000

b) Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to 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 the remaining assets of the Company, in proportion to their shareholding.

c) Equity shares held by holding company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Nos.	Rupees	Nos.	Rupees	Nos.	Rupees
Inox Leisure Limited - holding company w.e.f. 24 November 2014	1,400,000	14,000,000	1,400,000	14,000,000	150,000	1,500,000

d) The details of shareholders holding more than 5% shares set out below :-

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Nos	% of holding	Nos	% of holding	Nos	% of holding
Inox Leisure Limited	1,400,000	99.29%	1,400,000	99.29%	150,000	93.75%

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

13: Other Equity

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Retained Earnings	(6,629,503)	(7,144,560)	(5,693,283)
	(6,629,503)	(7,144,560)	(5,693,283)

Retained earnings

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	(7,144,560)	(5,693,283)
Profit/(loss) for the year	515,057	(1,451,277)
Balance at end of year	(6,629,503)	(7,144,560)

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013 and subject to levy of dividend distribution tax, if any.

14: Other financial liabilities

(measured at amortized cost)

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-Current			
Security deposit	4,397,561	3,056,197	2,823,276
	4,397,561	3,056,197	2,823,276
Current			
Interest accrued	-	-	5,410,873
	-	-	5,410,873
Total	4,397,561	3,056,197	8,234,149

15: Other non-current liabilities

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred rent income	4,596,490	3,669,576	4,337,270
Total	4,596,490	3,669,576	4,337,270

16: Current Borrowings

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured			
Inter-corporate deposits	-	-	5,985,280
Total	-	-	5,985,280

(i) Inter-corporate deposits

The above Inter-corporate deposit was repayable on demand and carried interest @ 12%.

17: Trade Payables

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables			
- Dues to micro, small and medium	-	-	-
- Dues to others	510,769	5,078,006	2,999,845
Total	510,769	5,078,006	2,999,845

18: Other Current Liabilities

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred rent Income	460,183	333,847	-
Statutory dues			
- taxes payable (other than income taxes)	40,823	98,836	904,322
Total	501,006	432,683	904,322

Shouri Properties Private Limited
Notes to the financial statements for the year ended 31 March 2017

19: Revenue from operations

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of services:		
Conducting fees received	31,735,412	35,802,878
Total	31,735,412	35,802,878

20: Other Income

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A) Interest Income		
Interest income calculated using the effective interest method:	-	-
On security deposits	267,343	232,921
	267,343	232,921
Other interest income		
Interest on income tax refund	542,296	-
	809,639	232,921
B) Other non-operating income		
Miscellaneous Income	11,332	-
C) Net gain on financial assets measured at FVTPL		
Mutual funds	6,354	-
Total	827,325	232,921

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

21: Finance costs

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a) Interest on financial liabilities carried at amortized cost		
- on loans	-	801,790
- security deposits	267,343	232,921
	267,343	1,034,711
b) Other borrowing costs	-	735,904
Total	267,343	1,770,615

22: Other expenses

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Rent	31,408,742	35,442,302
Rates and taxes	3,700	-
Service Tax	160,007	88,700
Legal and other professional costs	64,600	154,918
Miscellaneous expenses	1,961	30,541
Total	31,639,010	35,716,461

Legal and other professional costs includes:	Year ended 31 March 2017	Year ended 31 March 2016
a) Payments to auditors:		
- Statutory audit fees	25,000	25,000
- Tax audit fees	25,000	25,000
- Certification fees	10,000	10,000
Total	60,000	60,000

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

23. Income tax recognized in profit or loss

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current tax		
In respect of the current year	125,074	-
In respect of earlier years	16,253	-
Total income tax expense recognized in the current year	141,327	-

a. The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit before tax	656,384	(1,451,277)
Income tax expense calculated at 30.90% (2015-2016: 30.90%)	202,823	-
Effect of unrecognized tax losses and credits utilized during the year	(202,823)	
MAT liability	125,074	
	125,074	-
In respect of earlier years	16,253	-
Income tax expense recognized in profit or loss	141,327	-

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax law.

b. The Company has following unused tax losses and unused tax credit under the Income-tax Act for which no deferred tax asset has been recognized:

Nature of tax loss or tax credit	Financial Year	Gross amount as at 31 March 2017 (Rs.)	Expiry date
Business loss	2014-15	1,461,170	31 March
Business loss	2015-16	1,376,477	31 March
MAT credit entitlement	2016-17	125,024	31 March

Shouri Properties Private Limited
Notes to the financial statements for the year ended 31 March 2017

24: Financial Instruments

(i) Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the entity on annual basis.

(ii) Categories of financial instruments

(Amounts in Rs.)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured at FVTPL:			
(i) Debt-oriented mutual funds	3,006,354	-	-
Measured at amortized cost			
(a) Cash and bank balances	882,286	1,499,347	3,271,016
(b) Trade Receivables	1,174,668	-	-
Financial liabilities			
Measured at amortized cost (including trade payables)	4,908,330	8,134,203	17,219,274

At the end of the year, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk for such financial assets.

(iii) Financial risk management objectives

The Company's principal financial liabilities comprise of mainly security deposits taken which is back to back given to lessor. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Company also holds FVTPL investments.

Considering the nature of business and financial assets and liabilities of the Company, they are not exposed to any foreign currency and interest risk. The Company has dealings with only one party i.e. the parent company to which it has let out space on rent. Therefore, the Company does not envisage any credit risk on trade receivables which will result in financial loss to the company. The credit risk on mutual funds is limited because the counterparties are mutual fund companies with high credit ratings assigned by international credit rating agencies. The entity does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

(iv) Liquidity risk management

Ultimate responsibility for Company's liquidity risk management rests with the board of directors and its holding company. The Company generally manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and if needed, financial support of holding company.

The following tables details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017

(Amounts in Rs.)

Particulars	Payable in 1 year	Payable after 1 year	Total contracted cash flows	Carrying amount
Financial Liabilities				
Accounts payable	510,769	-	510,769	510,769
Other financial liabilities	-	4,397,561	4,397,561	4,397,561
Total	510,769	4,397,561	4,908,330	4,908,330

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2016

(Amounts in Rs.)

Particulars	Payable in 1 year	Payable after 1 year	Total contracted cash flows	Carrying amount
Financial Liabilities				
Accounts payable	5,078,006	-	5,078,006	5,078,006
Other financial liabilities	-	3,056,197	3,056,197	3,056,197
Total	5,078,006	3,056,197	8,134,203	8,134,203

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2015

(Amounts in Rs.)

Particulars	Payable in 1 year	Payable after 1 year	Total contracted cash flows	Carrying amount
Financial Liabilities				
Accounts payable	2,999,845	-	2,999,845	2,999,845
Borrowings & interest thereon	5,985,280	-	5,985,280	5,985,280
Other financial liabilities	5,410,873	2,823,276	8,234,149	8,234,149
Total	14,395,998	2,823,276	17,219,274	17,219,274

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets and financial support from the holding company.

(v) Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's financial asset and liability that are measured at fair value

(Amounts in Rs.)

Financial Assets	Fair Value as at			Fair Value hierarchy
	31 March 2017	31 March 2016	1 April 2015	
Investments in Mutual Funds (Note 10)	3,006,354	-	-	Level 1

Valuation technique(s) and key input(s): Quoted bid prices in an active market.

Financial instrument measured at Amortized Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statement are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.

Shouri Properties Private Limited**Notes to the financial statements for the year ended 31 March 2017****25: Related Party Transactions**

(i) Where Control Exists

- a. Inox Leisure Limited (ILL) - Holding company w.e.f. 24 November 2014
- b. Gujarat Fluorochemicals Limited - holding company of ILL
- c. Inox Leasing & Finance Limited - Ultimate holding company

25.1. Transactions with related parties

During the year, Company entered into following transactions with related parties:

(Amounts in Rs.)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Inox Leisure Limited (ILL)		
(a) Transactions during the year		
Conducting fees received	31,349,300	35,469,031
Shares allotted	-	12,500,000
Counter-guarantee given for bank guarantee taken by the Company	55,458,963	33,669,004
Reimbursement of BG commission	1,494,651	-
Deposit Received	2,513,383	-

The following balances were outstanding at the end of the year:

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Inox Leisure Limited (ILL)			
Trade Receivable	1,174,668	-	-
Deposit Received	10,420,783	7,907,400	7,907,400
Counter-guarantee given by ILL	164,317,854	108,858,891	75,189,884

Note : The above amounts are exclusive of applicable service tax.

Shouri Properties Private Limited**Notes to the financial statements for the year ended 31 March 2017****26: Operating Lease Arrangements****The Company as a lessee**

The Company has taken a multiplex cinema theatre on operating lease. As per the leave and license agreement, the license fee comprises of fixed license fee and variable license fee which is computed on the basis of annual net sales/turnover of the multiplex. The agreement is for a period of 18 years with a lock-in period of 5 years. The amount of license fee of Rs.31,022,630/- is paid during the year (previous year Rs. 35,108,455/-) and charged as expenditure in the Statement of Profit and Loss.

The future minimum license fees payable under this arrangement are as under:

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than 1 year	18,823,572	18,823,572	16,368,318
Later than 1 year and not later than 5 years	83,764,908	80,941,368	78,117,799
Later than 5 years	160,567,452	182,214,564	203,861,573
Total	263,155,932	281,979,504	298,347,690

The Company as a lessor

The above multiplex premises are sub leased on operating lease. As per the conducting agreement, the conducting fee comprises of fixed conducting fee and variable conducting fees which is computed on the basis of annual net sales/turnover of the multiplex. The agreement is for a period of 18 years with a lock-in period of 10 years. The amount of license fee of Rs. 31,349,300/- is received during the year (previous year Rs. 35,469,031/-) and included in Note no.19 in the Statement of Profit and Loss.

The future minimum conducting fees receivable under this arrangement are as under:

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than 1 year	18,823,572	18,823,572	16,368,318
Later than 1 year and not later than 5 years	83,764,908	80,941,368	78,117,799
Later than 5 years	160,567,452	182,214,564	203,861,573
Total	263,155,932	281,979,504	298,347,690

Shouri Properties Private Limited**Notes to the financial statements for the year ended 31 March 2017****27: Commitments**

The Company holds a license to operate a multiplex cinema theatre which is eligible for exemption from payment of entertainment tax, subject to fulfillment of the terms and conditions of the State Government Policy. The amount of Entertainment Tax exemption availed so far under the said license, which is liable to be paid if the multiplex ceases operations prior to completing the minimum period of operations in terms of the policy is as under.

(Amounts in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Commitments as per note above	143,433,036	131,233,644	110,375,514

28: Earnings per share

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Profit/(Loss) after tax as per statement of Profit & Loss (in Rs.)	515,057	(1,451,277)
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	1,410,000	685,956
Basic and Diluted earning/(loss) per share of Rs 10 each	0.37	(2.12)

29: Segment Information

The Company operates in a single business segment viz. leasing of multiplex cinema theatre. All activities of the Company are at one location and hence there are no geographical segments.

There is only one customer i.e. Inox Leisure Limited (holding company). Hence, entire revenue is contributed by the holding company.

30: Transactions in Specified Bank Notes (SBNs)

(Amounts in Rs.)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
(+) Permitted receipts	-	-	-

(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

31.1. Effect of Ind AS adoption on the balance sheet as at 31 March 2016 and 1 April 2015

(Amounts in Rs.)

	Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
A	ASSETS							
1	Non-current assets							
	(a) Financial assets							
	(i) Loans	(i)	7,907,400	(4,851,203)	3,056,197	7,907,400	(5,084,124)	2,823,276
	(b) Income tax assets (net)		6,856,371	-	6,856,371	4,432,965	-	4,432,965
	(c) Other non-current assets	(i)	2,206,924	3,669,576	5,876,500	2,206,924	4,337,270	6,544,194
	Total Non - Current Assets		16,970,695	(1,181,627)	15,789,068	14,547,289	(746,854)	13,800,435
2	Current assets							
	(a) Financial assets							
	(i) Other investments		-	-	-	-	-	-
	(ii) Trade receivables		-	-	-	-	-	-
	(iii) Cash and cash equivalents		1,499,347	-	1,499,347	3,271,016	-	3,271,016
	(b) Other current assets	(i)	1,569,640	333,847	1,903,487	1,296,132	-	1,296,132
	Total Current Assets		3,068,987	333,847	3,402,834	4,567,148	-	4,567,148
	Total Assets (1+2)		20,039,682	(847,780)	19,191,902	19,114,437	(746,854)	18,367,583
B	EQUITY AND LIABILITIES							
1	Equity							
	(a) Equity share capital		14,100,000	-	14,100,000	1,600,000	-	1,600,000
	(b) Other equity		(7,144,560)	-	(7,144,560)	(5,693,283)	-	(5,693,283)
	Total equity		6,955,440	-	6,955,440	(4,093,283)	-	(4,093,283)
	LIABILITIES							
2	Non-current liabilities							
	(a) Financial liabilities							
	(i) Other financial liabilities	(ii)	7,907,400	(4,851,203)	3,056,197	7,907,400	(5,084,124)	2,823,276
	(b) Other non-current liabilities	(ii)	-	3,669,576	3,669,576	-	4,337,270	4,337,270
	Total Non - current liabilities		7,907,400	(1,181,627)	6,725,773	7,907,400	(746,854)	7,160,546
3	Current liabilities							
	(a) Financial liabilities							
	(i) Borrowings		-	-	-	5,985,280	-	5,985,280
	(ii) Trade payables		5,078,006	-	5,078,006	2,999,845	-	2,999,845
	(iii) Other financial liabilities		-	-	-	5,410,873	-	5,410,873
	(b) Other current liabilities	(ii)	98,836	333,847	432,683	904,322	-	904,322
	(c) Current tax liabilities (net)		-	-	-	-	-	-
	Total current liabilities		5,176,842	333,847	5,510,689	15,300,320	-	15,300,320
	Total Equity and Liabilities (1+2+3)		20,039,682	(847,780)	19,191,902	19,114,437	(746,854)	18,367,583

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31 March 2017

31.2 Reconciliation of profit or loss for the year ended 31 March 2016

(Amounts in Rs.)

Particulars	Notes	Year ended 31 March 2016		
		(Latest period presented under previous)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	(ii)	35,469,031	333,847	35,802,878
Other Income	(i)	-	232,921	232,921
Total Income (I)		35,469,031	566,768	36,035,799
Expenses				-
Finance costs	(ii)	1,537,694	232,921	1,770,615
Other expenses	(i)	35,382,614	333,847	35,716,461
Total expenses (II)		36,920,308	566,768	37,487,076
Profit before exceptional items and tax (I - II = III)		(1,451,277)	-	(1,451,277)
Exceptional items (IV)		-		-
Profit before tax (III-IV = V)		(1,451,277)	-	(1,451,277)
Tax expense: (VI)		-	-	-
Profit for the year (V - VI = VII)		(1,451,277)	-	(1,451,277)
Other comprehensive income (VIII)		-	-	-
Total Comprehensive income for the year (VII +VIII = IX) (Comprising profit and other comprehensive income for the year)		(1,451,277)	-	(1,451,277)

Shouri Properties Private Limited**Notes to the financial statements for the year ended 31 March 2017****31.3 Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016**

(Amounts in Rs.)

Particulars	Notes	Year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities		(2,073,726)	-	(2,073,726)
Net cash flows from investing activities		-	-	-
Net cash flows from financing activities		302,057	-	302,057
Net increase (decrease) in cash and cash equivalents		(1,771,669)	-	(1,771,669)
Cash and cash equivalents at beginning of period		3,271,016	-	3,271,016
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-	-
Cash and cash equivalents at end of period		1,499,347	-	1,499,347

31: First time Ind AS adoption reconciliations

31.4 Equity reconciliation

(Amounts in Rs.)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Total equity / shareholders' funds under previous GAAP		6,955,440	(4,093,283)
Adjustments:			
Impact of discounting of security deposits taken (net)	(ii)	(847,780)	(746,854)
Impact of discounting of security deposits given (net)	(i)	847,780	746,854
Total adjustment to equity		-	-
Total equity under Ind AS		6,955,440	(4,093,283)

31.5 Profit reconciliation

(Amounts in Rs.)

Particulars	Notes	Year ended 31 March 2016
Net profit under previous GAAP		(1,451,277)
Impact of discounting of security deposits taken (net)		100,926
Impact of discounting of security deposits given (net)		(100,926)
Net profit under Ind AS		(1,451,277)

Notes:

(i) Security Deposits given - Under the previous GAAP, interest free lease security deposits paid (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, these security deposits are required to be recognised at amortised cost. Accordingly, the Company has discounted these security deposits under Ind AS. Difference between the discounted value and the transaction value of the security deposit has been recognised as 'Deferred lease rent expense'. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest income under 'other income'. Further, the deferred lease rent expense is recognised in the Statement of Profit and Loss under 'other expense' over the respective lease terms on a straight-line basis. Refer to table below for the line items and the amounts adjusted.

(ii) Security Deposits received - Under the previous GAAP, interest free lease security deposits received (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, such financial liabilities are required to be recognised at amortised cost. Accordingly, the Company has discounted these security deposits under Ind AS. Difference between the discounted value and the transaction value of the security deposit has been recognised as 'Deferred lease rent income'. The discounted value of the security deposits is increased over the period of lease term by recognizing the notional interest expenses under 'finance cost'. Further, the deferred lease rent income is recognised in the Statement of Profit and Loss under 'other operating income' over the respective lease terms on a straight-line basis.