

# **INOX LEISURE LIMITED**

## **CONSOLIDATED AUDITED ANNUAL ACCOUNTS**

**2014-2015**

## **Independent Auditor's Report to the members of Inox Leisure Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Inox Leisure Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a jointly controlled company, comprising the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Independent Auditor's Report to the members of Inox Leisure Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2015 (continued)**

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence by the other auditor in terms of their report referred in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the state of affairs of the Group, and a jointly controlled company as at 31st March, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

**Independent Auditor's Report to the members of Inox Leisure Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2015 (continued)**

**Other Matters**

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 8039.40 lacs as at 31st March, 2015, total revenues of Rs. 6333.05 lacs and net cash outflows amounting to Rs. 263.02 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on audit and on the consideration of the report of the other auditor on separate financial statements, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**Independent Auditor's Report to the members of Inox Leisure Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2015 (continued)**

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and a jointly controlled company, none of the directors of any companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements of the Group and its jointly controlled company – Refer Note 9 and 35 to the consolidated financial statements;
  - ii. The Group and the jointly controlled company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and jointly controlled company.

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

M Y Kulkarni  
Partner  
Membership No. 035524

Place: Pune  
Date: 25<sup>th</sup> May, 2015

**Annexure to Independent Auditor's Report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31<sup>st</sup> March 2015 – 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 (Auditors Report) Order, 2015 ("the Order"), as stated in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements", based on the comments in the auditor's report of the Holding Company, subsidiary companies and a jointly controlled company, except in the case of one subsidiary company where the Order is not applicable, we state as under:

1. The Holding Company and its subsidiary company have maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management of the Holding Company and its subsidiary company at reasonable intervals and no material discrepancies have been noticed on such verification. The jointly controlled company does not have any fixed assets.
2. The inventories were physically verified by the management of the Holding Company and its subsidiary company at reasonable intervals during the year. The procedures of physical verification followed by them are reasonable and adequate in relation to the size of the respective companies and their nature of business. The Holding Company and its subsidiary company have maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records. The jointly controlled company does not have any inventories.
3. The Holding Company, its subsidiary company and jointly controlled company have not granted any loans, secured or unsecured, to other parties outside the Group and covered in the register maintained under section 189 of the Companies Act.
4. The Holding Company, its subsidiary company and jointly controlled company have an adequate internal control procedures commensurate with the respective size of the each company and nature of their business for purchase of inventory and fixed assets and for the sale of goods and services, as applicable, and no major weakness has been noticed in the internal control systems in respect of these areas.
5. The Holding Company, its subsidiary company and jointly controlled company have not accepted any deposits within the meaning of sections 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 Group.
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 Holding Company, its subsidiary company and jointly controlled company.

7. The Holding Company, its subsidiary company and jointly controlled company are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, wealth-tax, service tax, duty of customs, value added tax, cess, entertainment tax and other material statutory dues applicable to it, except that in case of a subsidiary company, there have been delays in initial months of the financial year in respect of provident fund, employee's state insurance, income-tax, service tax, value added tax, entertainment tax, show tax, advertisement tax, labour cess and professional tax. No payments were due in respect of duty of excise. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they become payable.

Particulars of dues of income-tax, service tax, duty of customs and value added tax which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
a) In the case of the Holding Company			
Service-tax (Finance Act, 1994)	Levy of service tax on certain income for period 2002-03 to 2007-08	90.13	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
Service-tax (Finance Act, 1994)	Service tax on renting of immovable properties for the period August 2008 to September 2011	1042.44	Supreme Court of India
Service-tax (Finance Act, 1994)	Service tax on renting of film distributors payments for the period July 2012 to September 2013	2651.92	Commissioner of Service Tax
Customs Act, 1962	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
Customs Act, 1962	Custom duty for the period 2005-06	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, Nhava Sheva
Maharashtra Value Added Tax Act, 2002	Levy of MVAT on Copy Right for the period 2006-07 to 2007-08	39.38	Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Assessment dues for the year 2008-09	237.06	Deputy Commissioner of Sales Tax
Income Tax Act, 1961	Penalty u/s 271(1)(c) for the year 2009-10	19.48	Commission of Income-tax (Appeals) - Vadodara

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
b) In the case of Swanston Multiplex Cinemas Private Limited – jointly controlled company			
Maharashtra Value Added Tax Act, 2002	Value Added Tax for the year 2005-06	73.12	The Deputy Commissioner of Sales Tax (Appeals), Mazgaon, Mumbai
Maharashtra Value Added Tax Act, 2002	Value Added Tax for the year 2008-09	56.49	The Deputy Commissioner of Sales Tax (Appeals), Mazgaon, Mumbai
Income-tax Act, 1961	Assessment dues for assessment year 2005-06	11.20	Income-tax Appellate Tribunal, Mumbai

There are no dues of sales tax, wealth tax, duty of excise or cess, which have not been deposited on account of disputes.

The amount required to be transferred to Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time by the Holding Company. There are no dues in respect of Investor Education & Protection Fund by the subsidiary company and jointly controlled company.

8. The Holding Company and its subsidiary company do not have accumulated losses on standalone basis. In case of jointly controlled company, the accumulated losses at the end of the financial year are more than fifty per cent of its net worth on standalone basis. The Holding Company and jointly controlled company have not incurred cash losses during the current year on standalone basis and the subsidiary company has incurred cash losses during the current year on standalone basis. The Holding Company and its subsidiary company have not incurred cash losses in the immediately preceding financial year on standalone basis and the jointly controlled company had incurred cash losses in the immediately preceding financial year on standalone basis. On a consolidated basis, the Holding Company, its subsidiary company and jointly controlled company do not have accumulated losses and have not incurred cash losses during the current year.
9. The Holding Company and its subsidiary company have not defaulted in repayment of dues to banks and they did not have any borrowings from financial institutions or by way of debentures. The jointly controlled company did not have any borrowings from bank or financial institutions or by way of debentures.
10. The Holding Company, its subsidiary company and jointly controlled company have not given any guarantee for loans taken by others from banks and financial institutions.
11. In our opinion, the term loans availed during the year by the Holding Company were applied for the purposes for which it were raised. The subsidiary company and jointly controlled company have not availed any term loans during the year.



12. No fraud on or by the Holding Company, its subsidiary company and jointly controlled company has been noticed or reported during the year. However, after the end of the year the Company has detected a fraud perpetrated by an employee of the Company in respect of travelling expenses, as detailed in note no. 39 to the financial statements. Further, as explained in the said note, pending completion of the investigation of the matter, the amount involved is not yet ascertained.

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

M Y Kulkarni  
Partner  
Membership No. 035524

Place: Pune  
Date: 25<sup>th</sup> May, 2015

**INOX LEISURE LIMITED**  
**Consolidated Balance Sheet as at 31st March 2015**

(Rs. in lacs)

Particulars	Note No.	As at 31st Mar 2015
<b>I EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' Funds</b>		
(a) Share Capital	4	9,616.28
(b) Reserves and Surplus	5	61,269.79
(c) Interest in Inox Benefit Trust, at cost	30	(3,266.98)
		<b>67,619.09</b>
<b>2 Non-Current Liabilities</b>		
(a) Long-term borrowings	6	20,050.56
(b) Deferred tax liabilities (net)	7	2,432.47
(c) Other long term liabilities	8	432.90
(d) Long-term provisions	9	613.40
		<b>23,529.33</b>
<b>3 Current Liabilities</b>		
(a) Short term borrowings	10	1,469.91
(b) Trade payables	11	8,926.07
(c) Other current liabilities	12	9,055.91
(d) Short-term provisions	9	1,550.03
		<b>21,001.92</b>
<b>TOTAL</b>		<b>1,12,150.34</b>
<b>II ASSETS</b>		
<b>1 Goodwill on consolidation</b>		
		16,520.98
<b>2 Non-Current Assets</b>		
(a) Fixed assets		
(i) Tangible assets	13	61,309.43
(ii) Intangible assets	13	393.61
(iii) Capital work-in-progress	14	5,107.66
		66,810.70
(b) Non-current investments	15	70.63
(c) Long term loans and advances	16	18,130.23
(d) Other non-current assets	17	396.25
		<b>85,407.81</b>
<b>3 Current Assets</b>		
(a) Current investments	15	641.37
(b) Inventories	18	759.11
(c) Trade receivables	19	6,231.88
(d) Cash and bank balances	20	1,344.32
(e) Short-term loans and advances	21	1,068.06
(f) Other current assets	22	176.81
		<b>10,221.55</b>
<b>TOTAL</b>		<b>1,12,150.34</b>
The accompanying notes are an integral part of the financial statements.		

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

**M. Y. Kulkarni**  
Partner

Place : Pune  
Dated : 25th May 2015

**For Inox Leisure Limited**

**Pavan Jain**  
Director

**Deepak Asher**  
Director

**Upen Shah**  
Chief Financial Officer

**Miket Bahuva**  
Company Secretary

Place : Mumbai  
Dated : 25th May 2015

**INOX LEISURE LIMITED****Consolidated statement of Profit and Loss for the year ended 31st March 2015**

(Rs. In lacs)

<b>Particulars</b>	<b>Note No.</b>	<b>Year ended 31st Mar 2015</b>
<b>INCOME</b>		
Revenue from operations	23	1,01,681.29
Other Income	24	826.51
<b>Total revenue</b>		<b>1,02,507.80</b>
<b>EXPENSES</b>		
Entertainment tax		12,145.12
Exhibition cost	25	24,932.44
Cost of food and beverages	26	4,954.91
Employee benefits expense	27	6,581.56
Finance costs	28	3,861.00
Depreciation & amortization	13 / 32 (a)	7,583.64
Other expenses	29	40,790.12
<b>Total expenses</b>		<b>1,00,848.79</b>
<b>Profit before exceptional items and tax</b>		<b>1,659.01</b>
Less: Exceptional items	31	60.00
<b>Profit before tax</b>		<b>1,599.01</b>
<b>Tax expenses</b>		
Current tax		839.00
MAT credit entitlement		-
Deferred tax	32(b)	(332.61)
Taxation pertaining to earlier years	34(b)	(911.19)
		(404.80)
<b>Profit for the year</b>		<b>2,003.81</b>
Earnings per equity share of Rs. 10 each (Rs.)	47	
Basic		2.18
Diluted		2.18
The accompanying notes are an integral part of the financial statements.		

As per our report of even date attached

**For Patankar and Associates**

Chartered Accountants

**For Inox Leisure Limited****M. Y. Kulkarni**

Partner

**Pavan Jain**

Director

**Deepak Asher**

Director

**Upen Shah**

Chief Financial Officer

**Miket Bahuva**

Company Secretary

Place : Pune

Dated : 25th May 2015

Place : Mumbai

Dated : 25th May 2015

**INOX LEISURE LIMITED****Consolidated Cash Flow statement for the year ended 31st March 2015**

(Rs. In lacs)

Particulars	Year ended 31st Mar 2015
<b>A Cash flow from operating activities</b>	
Profit before tax	1,599.01
Adjustments for :	
Depreciation and amortization	7,583.64
Loss on retirement/disposal of fixed assets (net)	4.89
Provision for diminution in value of assets held for disposal	17.03
Deposits and advances written off	40.57
Provision for doubtful debts	26.20
Provision for doubtful deposits and advances	311.88
Liabilities and provisions no longer required, written back	(245.50)
Amortization of value of stock options	1.36
Interest income	(188.77)
Gain on sale of current investments	(376.57)
Finance cost	3,861.00
Operating profit before working capital changes	12,634.74
Changes in working capital	
Trade payables	335.43
Long-term provisions	140.19
Short-term provisions	(49.28)
Other current liabilities	(3,493.63)
Other long term liabilities	15.79
Other non-current assets	(21.53)
Other current assets	(0.95)
Trade receivables	(2,339.63)
Inventories	180.02
Long-term loans and advances	(2,584.91)
Short-term loans and advances	293.54
Cash generated from operation	5,109.78
Direct taxes paid (net)	(592.63)
<b>Net cash generated from operating activities</b>	4,517.15
<b>B Cash flow from investing activities</b>	
Purchase of fixed assets (including change in capital work-in-progress, capital advances and pre-operative expenses)	(9,390.71)
Sale of fixed assets	93.05
Acquisition of intangible assets	(112.88)
Investment in subsidiary companies	(18,390.38)
Purchase of other non-current investments	(14.20)
Redemption of other non-current investments	16.11
Purchase of current investments	(29,988.50)
Sale/redemption of current investments	30,018.05
Proceeds from sale of treasury shares (see note no. 30)	27,033.18
Movement in bank fixed deposits with original maturity of more than 3 months (net)	171.66
Interest received	275.19
<b>Net cash used in investing activities</b>	(289.43)

**INOX LEISURE LIMITED****Consolidated Cash Flow Statement for the year ended 31st March 2015 - continued**

<b>Particulars</b>	<b>Year ended 31st Mar 2015</b>
<b>C Cash flow from financing activities</b>	
Shares issued under ESOP	2.49
Repayment of Inter-corporate deposit	(1,100.00)
Proceeds from long term loans	2,618.00
Repayment of long term loans	(2,220.46)
Proceeds from short term borrowings (net)	(92.11)
Finance cost	(4,213.13)
<b>Net cash used in financing activities</b>	<b>(5,005.21)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(777.49)</b>
Cash and cash equivalents at the beginning of the year	1,475.77
Add : Cash and cash equivalents on acquisition of subsidiaries - see note no. 1(B)	321.64
<b>Cash and cash equivalents at the end of the year</b>	<b>1,019.92</b>
Components of cash and cash equivalents are as per note no. 20.	

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

As per our report of even date attached

**For Patankar and Associates**

Chartered Accountants

**For Inox Leisure Limited**

**M. Y. Kulkarni**

Partner

**Pavan Jain**

Director

**Deepak Asher**

Director

**Upen Shah**

Chief Financial Officer

**Miket Bahuva**

Company Secretary

Place : Pune

Dated : 25th May 2015

Place : Mumbai

Dated : 25th May 2015

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 1. Corporate Information

Inox Leisure Limited (“ILL” or the “Company” or “Parent Company”) is a public Company engaged in the business of operating & managing multiplexes and cinema theatres in India. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India. The Company is a subsidiary of Gujarat Fluorochemicals Limited.

The Consolidated Financial Statements (“CFS”) relate to ILL, its subsidiaries and a joint venture of the Company (collectively referred to as the “Group”).

(A) Subsidiary companies and joint ventures considered in these consolidated financial statements are:

Subsidiaries:-

Name of the Company	Country of incorporation	Proportion of ownership interest as at 31 <sup>st</sup> March 2015
Satyam Cineplexes Limited	India	100%
Shouri Properties Private Limited	India	93.75%

Joint Venture: ILL has a Joint Venture interest of 50% in Swanston Multiplex Cinemas Private Limited (‘SMCPL’), a company incorporated in India. As at 31<sup>st</sup> March, 2015 the Company has invested a sum of Rs.279.52 lacs in the share capital of SMCPL. SMCPL was engaged in the business of operating a multiplex.

### (B) Changes during the year:-

i) During the year, the Company has acquired 100% of the equity shares in Satyam Cineplexes Limited (“SCL”) and consequently SCL has become a wholly owned subsidiary of the Company with effect from 8 August 2014. SCL is engaged in the business of operating & managing multiplexes in India.

At the Meeting of Board of Directors of the Company held on 25 September 2014, the Board has approved the Scheme of Amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 and relevant Sections of the Companies Act 2013, to the extent applicable, for amalgamation of SCL with the Company, subject to the approval of the Scheme by Stock Exchanges, Shareholders and Creditors of the respective Companies, Hon’ble High Courts of Judicature at Delhi and Gujarat, and subject to approval of any other statutory authorities as may be required. Once sanctioned, the Scheme will be effective from the appointed date i.e. 8<sup>th</sup> August 2014. Presently, the petition for approval of the Scheme is pending before the Hon’ble High Court of Judicature at Delhi. The effect to the said Scheme will be given after obtaining the necessary approvals.

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 1. Corporate Information - continued

- ii) During the year, the Company has acquired 93.75% of the equity shares in Shouri Properties Private Limited ("SPPL") and consequently SPPL has become a subsidiary of the Company with effect from 24 November 2014. SPPL holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.

(C) Additional information as required under Schedule III of the Companies act, 2013:

(Rs. In lacs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent – Inox Leisure Limited</b>	100.70%	68091.05	123.59%	2476.46
<b>Indian Subsidiaries</b>				
Satyam Cineplexes Limited	2.76%	1868.40	(-)22.61%	(453.06)
Shouri Properties Pvt. Ltd	(-) 0.06%	(40.93)	(-) 0.70%	(14.08)
<b>Joint Venture -Swanston Multiplex Cinemas Pvt. Ltd</b>	(-) 0.01%	(4.83)	0.19%	3.96
Consolidation eliminations/adjustments	(-) 3.39%	(-) 2294.60	(-) 0.47%	(-) 9.47
<b>Grand total</b>	<b>100.00%</b>	<b>67619.09</b>	<b>100.00%</b>	<b>2003.81</b>
Minority Interest in all subsidiaries	Nil	Nil	Nil	Nil

### 2. Basis of Preparation and Principles of Consolidation :-

The CFS are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" and Accounting Standard (AS) 27 "Financial Reporting of Interest in Joint Ventures", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The CFS do not have figures for the previous year since in the previous year there were no subsidiaries and consequently there were no consolidated financial statements for the previous years.

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.



## **Inox Leisure Limited**

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### **2. Basis of Preparation and Principles of Consolidation - continued**

- b) Interest in joint venture is reported using proportionate consolidation method.
- c) 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.
- d) 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.
- e) 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. The losses applicable to the minority, to the extent they exceed the minority interest in the equity of the subsidiary, are adjusted against the majority interest, until the minority's share of losses so absorbed by the majority has been recovered.

### **3. Significant Accounting Policies**

- a) Revenue Recognition:  
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 multiplex premises 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. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser. Dividend income is recognised when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest-bearing securities is recognised on time proportion basis.

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

#### 3. Significant Accounting Policies - continued

##### b) Fixed Assets:

Fixed assets are carried at cost, as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies, and any expenses attributable to bring the assets to its working condition for its intended use. 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 1 April 2011, consequent to the amendment of para 46A of AS 11: The Effects of Changes in Foreign Exchange Rates, cost of depreciable capital assets include foreign exchange differences arising on translation of long term foreign currency monetary items.

##### c) Depreciation and amortization:

Consequent to Schedule II of the Companies Act, 2013 becoming effective from 1<sup>st</sup> April 2014, the depreciation/amortization is provided as under:

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

- I. On leasehold improvements, electrical installations & 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 II part C of the Companies Act, 2013, whichever is shorter.
- II. On other fixed assets, on the basis of useful life as per Schedule II part C of the Companies Act, 2013

On intangible assets - cost of software is amortized over a period of three years in case of operating software and six years in case of other software. Cost of movie script acquired and cost of web-site developed is amortized over a period of five year.

Upto 31<sup>st</sup> March 2014, depreciation/amortization was provided as under:

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

- I. On leasehold improvements, electrical installations & 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.
- II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- III. Individual items of fixed assets, costing upto Rs 5,000, were fully depreciated in the first year. Based on technical opinion, windmill was considered as a continuous process plant and depreciation was provided at the rate applicable thereto.

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

#### 3. Significant Accounting Policies - continued

On intangible assets - cost of film distribution rights and negative rights was amortized in proportion to the management's estimate of gross revenue expected to be realized over a period. Cost of movie script acquired was amortized over a period of five year from the date of agreement. Cost of software was amortized on straight line basis @ 16.21% p.a.

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

d) Investments :

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

e) Inventories :

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

f) 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 related services are rendered. Contribution towards provident fund 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 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.

g) Taxes on Income :

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

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 3. Significant Accounting Policies - continued

#### h) Borrowing Cost :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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.

#### i) Leases :

Lease rentals in respect of assets acquired on operating lease are charged-off to the statement of profit and loss as per the terms of the respective lease agreements.

#### j) Foreign Currency Transactions:

(i) Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. Gains or losses on settlement of the transactions are recognized in the statement of profit and loss. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate, and the difference arising out of such conversion is recognized in the statement of profit and loss, except as mentioned in para (ii) below.

(ii) The Central Government has, vide its notification no. G.S.R. 914(E) dated 29th December, 2011, amended AS 11-'The Effects of Changes in Foreign Exchange Rates', notified under the Companies (Accounting Standards) Rules, 2006, 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 1<sup>st</sup> April 2011. As stipulated in the Notification, the Group has exercised the option to adopt the following policy irrevocably:

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) Treasury shares:

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (refer note 30), equity shares of the Company have been issued to Inox Benefit Trust (the Trust) against the equity shares of Fame held by the Company. These shares are recognised as Interest in Inox Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by Inox Benefit Trust are classified and are presented as a deduction from Shareholders' Funds. 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.

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 3. Significant Accounting Policies - continued

#### l) Provisions and contingent Liabilities :

A provision is recognized when the Group 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.

#### m) 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.

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015****4 : Share Capital****31st Mar 2015****Authorised Capital**

14,00,50,000 equity shares of Rs. 10/- each	14,005.00
10,000 preference shares of Rs 10/- each	1.00
	<u>14,006</u>

**Issued, subscribed and fully paid up shares**

9,64,57,754 equity shares of Rs. 10/- each	9,645.78
Less: 2,95,001 equity shares of Rs. 10/- each, issued to ESOP Trust but not allotted to employees (see note no. 33)	29.50

<b>Adjusted Issued, subscribed and paid-up Capital</b>	<u>9,616.28</u>
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a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	31st Mar 2015	
	Nos.	Amount
At the beginning of the year	9,61,46,174	9,614.62
Add: Shares issued during the year under ESOP	16,579	1.66
	<u>9,61,62,753</u>	<u>9,616.28</u>
Less: Interest in Inox Benefit Trust - shares of Company held by the Trust (see note no. 30)	43,50,092	435.01
	<u>9,18,12,661</u>	<u>9,181.27</u>

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 / ultimate holding company

	(Rs. In lacs)	
	31st Mar 2015	
	Nos.	Amount
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75

d) Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

3,45,62,206 shares of Rs. 10 each, fully paid-up, issued to the shareholders of erstwhile Fame India Limited, pursuant to the Scheme of Amalgamation, during the year ended 31st March 2014.

e) Details of shareholders holding more than 5% equity shares in the Company

	(Rs. In lacs)	
	31st Mar 2015	
	Nos.	%
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%
Inox Benefit Trust	43,50,092	4.51%

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, see note no. 33

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>5 : Reserves &amp; Surplus</b>	<b>31st Mar 2015</b>
<b>Capital redemption reserve</b>	
Balance as per last Balance Sheet	0.10
<b>Securities Premium Account</b>	
Balance as per last Balance Sheet	25,766.91
Add: Arising out of grant of options to employees	-
Balance as at the end of the year	<u>25,766.91</u>
Less: Premium on shares issued to ESOP Trust but not allotted to employees	14.75
Net balance at the end of the year	<u>25,752.16</u>
<b>Employee Stock Options Outstanding</b>	
Balance as per last Balance Sheet	6.32
Add/(Less): On account of options granted/lapsed/exercised and amortisation	(6.32)
Balance as at the end of the year	<u>-</u>
<b>Amalgamation Reserve</b>	
Balance as per last Balance Sheet	750.66
<b>General Reserve</b>	
Balance as per last Balance Sheet	5,400.00
<b>Other Reserve</b>	
<b>Reserve on sale of Treasury Shares (see note no. 30)</b>	
Balance as per last Balance Sheet	(458.34)
Profit/(loss) on sale of treasury shares during the year	<u>15,331.27</u>
Balance as at the end of the year	<u>14,872.93</u>
<b>Surplus in the Statement of Profit and Loss</b>	
Surplus as per last Balance Sheet	13,002.69
Less: Adjustment on account of carrying amount of fixed assets as at 1st April 2014 (see note no. 32(a))	(512.56)
Add: Profit for the year	<u>2,003.81</u>
Balance as at the end of the year	<u>14,493.94</u>
<b>Total</b>	<u><u>61,269.79</u></u>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

<b>6 : Long-term borrowings</b>	<b>31st Mar 2015</b>
Term loans from banks (secured)	6,400.12
Loans & advances from related parties (unsecured)	
Inter-corporate deposits	
- from holding company	16,249.00
- from ultimate holding company	-
	<u>16,249.00</u>
Total borrowings	22,649.12
Less: Current maturities disclosed under the note no. 12 "Other current liabilities"	(2,598.56)
<b>Total</b>	<u><u>20,050.56</u></u>

**Nature of Security and terms of repayment for secured borrowings:**

Term loans from Axis Bank amounting to Rs. 6,400.11 lacs carries interest @ bank base rate + 1.25 % p.a which presently is 11.40%. 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 lacs)	Repayment terms
Term Loan 1	2,997.11	Repayable in 16 equal quarterly instalments of Rs.374.64 lacs
Term Loan 2	100.00	Repayable in 10 equal quarterly instalments of Rs.50.00 lacs each
Term Loan 3	3,303.00	Repayable in 16 equal quarterly instalments of Rs.250.00 lacs

**Terms of repayment for unsecured borrowings:**

The inter-corporate deposits are repayable in 3 to 8 years from the date of the respective deposits and carry interest in the range of 10% to 11%.

<b>7 : Deferred tax liabilities (net)</b>	<b>31st Mar 2015</b>
<u>Deferred Tax Liabilities</u>	
On account of difference between book and tax depreciation	3,196.77
Total liabilities	<u>3,196.77</u>
<u>Deferred Tax Assets</u>	
Expenditure allowable on payment basis under Income-tax Act	687.80
Amalgamation expenses	50.53
Provision for doubtful debts and advances	25.97
Total assets	<u>764.30</u>
Net Deferred Tax Liabilities	<u><u>2,432.47</u></u>



**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015****8 : Other Long-term liabilities****31st Mar 2015**

Security deposits received	129.64
Retention money	45.70
Creditors for capital expenditure	257.56

<b>Total</b>	<u>432.90</u>
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**9 : Provisions**

	<u>Long-term</u>	<u>Short-term</u>
	<u>31st Mar 2015</u>	<u>31st Mar 2015</u>

for Gratuity	436.52	72.16
for Leave benefits	176.88	76.81
for Municipal tax - see note no. 46(a)	-	183.00
for MVAT - see note no. 46(b)	-	39.38
for Service tax - see note no. 46(c)	-	1,042.44
for Taxation (net of payments)	-	85.20
	<u>613.40</u>	<u>1,498.99</u>
Share of Joint Venture	-	51.04
<b>Total</b>	<u>613.40</u>	<u>1,550.03</u>

**10 : Short terms borrowings****31st Mar 2015**

Loans repayable on demand from banks (secured)	
- Bank overdraft	1,410.06
Other Loans and advances (unsecured)	
- Inter corporate deposits	<u>59.85</u>
<b>Total</b>	<u>1,469.91</u>

a) 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.

b) During the year, the Company had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 9.30% to 10.25% and maximum balance outstanding during the year was Rs. 32,000 lacs (previous year Rs. Nil).

c) Inter-corporate deposits are repayable on demand and carry interest @ 12%

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

<b>11 : Trade payables</b>	<b>31st Mar 2015</b>
Trade payables	
- Dues to Micro, Medium and Small Enterprises (see note no. 41)	1.80
- Others	<u>8,906.22</u>
	8,908.02
Share of Joint Venture	<u>18.05</u>
<b>Total</b>	<b><u>8,926.07</u></b>

<b>12 : Other current liabilities</b>	<b>31st Mar 2015</b>
Current maturities of long-term debt (from note no.6)	2,598.56
Interest accrued and due on borrowings	119.80
Interest accrued but not due on long term liabilities	4.40
Income Received in advance	742.02
Unclaimed dividend (see note below)	2.15
Advances from customers	551.81
Statutory dues and taxes payable	916.06
Creditors for capital expenditure	3,209.91
Payable towards purchase of shares of Satyam Cineplexes Ltd	425.22
Retention money	264.97
Security deposits	202.49
Other payables	<u>15.97</u>
	9,053.36
Share of Joint Venture	<u>2.55</u>
<b>Total</b>	<b><u>9,055.91</u></b>

Note: In respect of amounts mentioned under unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due

**INOX LEISURE LIMITED**
**Notes to the consolidated financial statements for the year ended 31st March 2015**
**13 : Fixed Assets**

(Rs. in lacs)

PARTICULARS	GROSS BLOCK							DEPRECIATION/AMORTIZATION					NET BLOCK	
	As at	On	Additions	Other Adjustments		Deductions	As at	As at	On	Adjustments	For the year	Deductions	As at	As at
	1 Apr 2014	Acquisition		Exchange	Borrowing		1 Apr 2014	Acquisition	31 Mar 2015				31 Mar 2015	31 Mar 2015
		(see note)	Fluctuation	Costs										
<b>a) Tangible Assets</b>														
Land (Freehold)	2,669.66	-	-	-	-	-	2,669.66	-	-	-	-	-	-	2,669.66
Land (Leasehold)	367.58	-	-	-	-	-	367.58	51.77	-	-	7.06	-	58.83	308.75
Buildings (*)	13,542.06	2,291.68	380.97	-	-	59.07	16,155.64	1,844.66	307.81	-	297.48	16.38	2,433.57	13,722.07
Leasehold improvements	24,220.73	-	1,395.67	-	39.58	39.27	25,616.71	9,191.68	-	-	1,745.41	32.68	10,904.41	14,712.30
Plant & Equipment	29,920.05	2,381.20	2,673.90	141.55	36.72	100.49	35,052.93	8,714.47	1,034.93	406.38	3,174.16	60.43	13,269.51	21,783.42
Furniture & Fixtures	7,916.56	876.61	970.99	-	16.99	34.12	9,747.03	3,358.03	349.24	69.51	1,265.67	28.80	5,013.65	4,733.38
Vehicles	149.49	18.67	27.92	-	-	18.00	178.08	45.68	5.37	-	26.83	14.80	63.08	115.00
Office Equipments	4,714.35	1,746.58	526.93	29.77	-	11.09	7,006.54	2,002.87	509.66	279.06	961.06	10.96	3,741.69	3,264.85
<b>Sub-total</b>	<b>83,500.48</b>	<b>7,314.74</b>	<b>5,976.38</b>	<b>171.32</b>	<b>93.29</b>	<b>262.04</b>	<b>96,794.17</b>	<b>25,209.16</b>	<b>2,207.01</b>	<b>754.95</b>	<b>7,477.67</b>	<b>164.05</b>	<b>35,484.74</b>	<b>61,309.43</b>
<b>b) Intangible Assets</b>														
Software	709.62	118.94	80.38	-	-	-	908.94	475.85	46.44	21.61	71.85	-	615.75	293.19
Negative rights	2.66	-	-	-	-	2.66	-	2.66	-	-	-	2.66	-	-
Web site	-	-	47.70	-	-	-	47.70	-	-	-	1.70	-	1.70	46.00
Movie Script	155.50	-	-	-	-	-	155.50	68.66	-	-	32.42	-	101.08	54.42
<b>Sub-total</b>	<b>867.78</b>	<b>118.94</b>	<b>128.08</b>	<b>-</b>	<b>-</b>	<b>2.66</b>	<b>1,112.14</b>	<b>547.17</b>	<b>46.44</b>	<b>21.61</b>	<b>105.97</b>	<b>2.66</b>	<b>718.53</b>	<b>393.61</b>
<b>Total</b>	<b>84,368.26</b>	<b>7,433.68</b>	<b>6,104.46</b>	<b>171.32</b>	<b>93.29</b>	<b>264.70</b>	<b>97,906.31</b>	<b>25,756.33</b>	<b>2,253.45</b>	<b>776.56</b>	<b>7,583.64</b>	<b>166.71</b>	<b>36,203.27</b>	<b>61,703.04</b>

Notes:

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

(b) For adjustment during the year in accumulated depreciation - see note no. 32(a)

(c) Amount on acquisitions is in respect of subsidiaries acquired during the year

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. In lacs)
<b>14: Capital work-in-progress</b>	<b>31st Mar 2015</b>
Capital work-in-progress	3,911.50
Pre-operative expenditure pending allocation	1,196.16
<b>Total</b>	<b><u>5,107.66</u></b>
Pre-operative expenditure pending allocation	
Opening Balance	1,014.72
Add: Expenses incurred during the year	
Salaries and wages	297.81
Contribution to Provident and other funds	17.42
Staff Welfare	3.37
Legal & Professional fees and expenses	403.94
Travelling & Conveyance	376.49
Insurance (net)	1.42
Power & Fuel	45.95
Communication Expenses	5.28
House keeping expenses	10.92
Outsourced Personnel Cost	24.49
Security expenses	69.12
Miscellaneous Expenses	74.72
Borrowing costs	123.99
	<u>1,454.92</u>
Less: Pre-Operative Income earned during the year	
Miscellaneous Income	12.15
	<u>2,457.49</u>
Less: Capitalised during the year	1,261.32
<b>Closing balance</b>	<b><u>1,196.17</u></b>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

(Rs. in lacs)  
**31st Mar 2015**

**15 (a) : Non-Current Investments**

(Non-trade, at cost, unquoted)

Investments in Government Securities

National Savings Certificates

110.11

(Held in the name of Directors/Ex-Director/Employees and certificates worth Rs.

110.11 lacs are pledged with Government Authorities)

Less: Current portion disclosed in note no. 15(b)

(39.48)

70.63

**Total**

70.63

**15 (b): Current Investments**

a) Investment in mutual funds (in fully paid up units of Rs. 1,000 each)

(Non-trade, unquoted, at lower of cost and fair value)

39,945 units of Taurus Liquid Fund - Growth Plan

601.89

b) Current portion of Non-current Investment from note no. 15(a)

39.48

**Total**

641.37

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>16 : Long-term loans and advances</b>	<b>31st Mar 2015</b>
(unsecured, considered good, unless otherwise stated)	
Capital Advances	55.03
Security Deposits	
- Considered Good	10,475.57
- Considered Doubtful	311.88
	<u>10,787.45</u>
Advances recoverable in cash or in kind	622.25
Entertainment Tax refund claimed	2,998.37
Income Tax paid (net of provision)	430.88
MAT credit entitlement	3,142.11
Electricity charges refund claimed - see note no. 35(i)	389.83
	<u>18,425.92</u>
Less: Provision for doubtful deposits	311.88
	<u>18,114.04</u>
Share of Joint Venture	16.19
<b>Total</b>	<u><u>18,130.23</u></u>
<b>17 : Other non-current assets</b>	<b>31st Mar 2015</b>
Non-current bank balances (from note no. 20)	220.10
Interest accrued:	
on long term investments	12.59
on bank fixed deposits	6.40
others	157.16
<b>Total</b>	<u><u>396.25</u></u>
<b>18 : Inventories</b>	<b>31st Mar 2015</b>
(valued at lower of cost and net realizable value)	
Food & beverages	503.63
Stores, spares & fuel	255.48
<b>Total</b>	<u><u>759.11</u></u>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>19 : Trade receivables</b>	<b>31st Mar 2015</b>
(unsecured, considered good, unless otherwise stated)	
Considered good	
Outstanding for a period exceeding six months	1,811.83
Others	4,420.05
	<u>6,231.88</u>
Considered doubtful	
Outstanding for a period exceeding six months	76.42
	<u>6,308.30</u>
Less: Provision for doubtful trade receivables	76.42
<b>Total</b>	<u><u>6,231.88</u></u>

<b>20 : Cash &amp; bank balances</b>	<b>31st Mar 2015</b>
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Cash and cash equivalents	
Balances with banks	
In current accounts	729.06
Cheques on hand	29.72
Cash on Hand	210.52
	<u>969.30</u>
Share of Joint Venture	50.62
Total cash and cash equivalents	<u>1,019.92</u>
Other bank balances	
in Unpaid dividend accounts	2.15
Deposits with original maturity for more than 3 months but less than 12 months	298.61
Deposits with original maturity for more than 12 months	243.74
Total other bank balances	<u>544.50</u>
Total cash and bank balances	1,564.42
Less: Amount disclosed under note no. 17 "Other non-current assets"	(220.10)
<b>Total</b>	<u><u>1,344.32</u></u>

**Other bank balances include margin money deposits given as security as under:**

Deposits with original maturity for more than 3 months but less than 12 months	28.06
Deposits with original maturity for more than 12 months	243.74
	<u>271.80</u>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>21 : Short-term loans &amp; advances</b> (unsecured, considered good)	<b>31st Mar 2015</b>
Prepaid expenses	223.10
Security Deposits	30.96
Balance in cenvat credit account	27.26
Advances recoverable in cash or in kind	256.30
Advances to suppliers	530.44
<b>Total</b>	<u>1,068.06</u>
<b>22 : Other current assets</b>	<b>31st Mar 2015</b>
Assets held for disposal	131.14
Interest accrued	
on bank fixed deposits	5.93
on long term investments	19.51
others	20.23
<b>Total</b>	<u>176.81</u>



**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>23 : Revenue from operations</b>	<b>2014-2015</b>
a) Sale of services	
Box Office revenue	67,307.82
Conducting fees	1,696.56
Advertising income	8,149.03
Management fees	205.58
Parking charges	126.88
	<u>77,485.87</u>
b) Sale of products	
Food & beverages	19,103.02
Sale of power	6.81
	<u>19,109.83</u>
c) Refund of entertainment tax for earlier years (see note no. 36(c))	616.74
d) Other operating revenue	4,468.85
<b>Total</b>	<u><u>1,01,681.29</u></u>
<b>24 : Other Income</b>	<b>2014-2015</b>
Interest	
On bank fixed deposits	51.04
On long- term investments	10.85
On income tax refunds	31.70
On inter-corporate deposits	16.67
Other interest	78.51
	<u>188.77</u>
Gain on sale of current investments	376.57
Liabilities and provisions, no longer required, written back	237.26
Bad debts recovered	8.43
Miscellaneous Income	0.28
	<u>811.31</u>
Share of Joint Venture	15.20
<b>Total</b>	<u><u>826.51</u></u>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>25 : Exhibition cost</b>	<b>2014-2015</b>
Distributors' share	24,148.37
Other exhibition cost	732.90
Share of joint venture investors (see note below)	51.17
<b>Total</b>	<b><u>24,932.44</u></b>

The Company has entered into joint venture agreements for management of multiplex operations for few multiplexes / single screen theatres. These joint venture investors do not have any control over these operations.

<b>26 : Cost of food and beverages</b>	<b>2014-2015</b>
Opening Stock	486.71
Add : On acquisition	44.87
Add: Purchases	<u>4,926.96</u>
	5,458.54
Less: Closing stock	<u>503.63</u>
Cost of food and beverages	<u>4,954.91</u>

<b>27 : Employee benefits expense</b>	<b>2014-2015</b>
Salaries and wages	5,732.50
Contribution to Provident and other funds	416.60
Expense on ESOP (net)	1.36
Gratuity	166.85
Staff welfare expenses	264.25
<b>Total</b>	<b><u>6,581.56</u></b>

<b>28 : Finance costs</b>	<b>2014-2015</b>
Interest on borrowings	2,374.08
Discounting charges on commercial paper	1,181.96
Interest on deferred credit	182.54
Other interest	61.14
Other borrowing cost	61.28
<b>Total</b>	<b><u>3,861.00</u></b>

**INOX LEISURE LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2015**

	(Rs. in lacs)
<b>29 : Other expenses</b>	<b>2014-2015</b>
Outsourced personnel cost	2,616.23
Power & fuel	7,253.04
Water charges	171.58
Property rent and conducting fees	13,426.91
Common facility charges	4,151.29
Rates & taxes	718.25
Service tax	3,049.90
Travelling & conveyance	611.44
Communication expenses	323.70
Printing & stationery	379.16
Advertising & sales promotion	984.13
House keeping expenses	1,642.55
Security expenses	1,635.43
Repairs & maintenance - buildings	191.78
Repairs & maintenance - plant and equipment	1,318.89
Repairs & maintenance - others	341.32
Legal & professional fees & expenses	705.28
Directors' sitting fees	14.40
Insurance	135.70
Amalgamation expenses	12.43
Loss of retirement/disposal of fixed assets (net)	4.89
Provision for dimunition in value of assets held for disposal	17.03
Deposits and advances written off	40.57
Provision for doubtful debts	23.06
Provision for doubtful deposits	311.88
Net loss on foreign currency transactions and translation	2.35
Corporate Social Responsibility (CSR) expenditure	45.31
Miscellaneous expenses	651.42
	<hr/>
	40,779.92
Share of Joint Venture	10.20
<b>Total</b>	<hr/> <b>40,790.12</b> <hr/>

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 30. Treasury Shares

- a. Pursuant to the Composite Scheme of Amalgamation ("Scheme") of Company's subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with the Company, which was operative from 1 April 2012, the Company had allotted 3,45,62,206 equity shares to the shareholders of the transferor companies on 10 July 2013, including 2,44,31,570 equity shares to Inox Benefit Trust ("Trust") towards shares held by Company in Fame. These shares ("Treasury Shares") are held by the Trust exclusively for the benefit of the Company.

In terms of Accounting Standard (AS31) 'Financial Instruments' (which is not yet mandatory), internationally generally accepted accounting practices and for more appropriate presentation of the financial statements, the Company's interest in the Trust (at cost), being akin to Treasury Shares, in accordance with their substance and economic reality, is deducted from Shareholders' Fund. Any profit or loss arising from sale of Treasury Shares by the Trust is being recorded separately as 'Reserve on sale of Treasury Shares' under Reserves and Surplus, being transactions relating to the capital of the Company. Accordingly, the profit of Rs. 15331.27 lacs on sale of 1,55,81,478 Treasury Shares during the year is directly recognised in 'Reserve on sale of Treasury Shares' under Reserves and Surplus.

- b. On allotment of above 3,45,62,206 equity shares of the Company, Gujarat Fluorochemicals Limited ("GFL") ceased to be the holding company on 10 July 2013. Subsequently, the shareholders of the Company have passed a resolution at the Annual General Meeting held on 23 August 2013 amending the Articles of Association of the Company 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 the Company. Accordingly, the Company has again become a subsidiary of GFL with effect from this date.

### 31. Exceptional items:

During the year, the Company has given following donations aggregating to Rs. 60.00 lacs and the same has been shown as an exceptional item:

- i. Rs. 50.00 lacs to an electoral trust
- ii. Rs. 7.00 lacs to Maharashtra Navnirman Kamgar Sena, which in the opinion of management is affiliated with Maharashtra Navnirman Sena, a political party.
- iii. Rs. 3.00 lacs to Maharashtra Samarth Kamgar Sanghatana, which in the opinion of management is affiliated with Nationalistic Congress Party, a political party.

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

#### 32. Change in the estimate of useful life of fixed assets

- a) Group has adopted the useful lives of various fixed assets as specified in Schedule II of the Companies Act, 2013, with effect from April 1, 2014, as against the useful lives adopted earlier as per Schedule XIV to the Companies Act, 1956. The carrying amount of fixed assets, where the remaining useful life as at 1<sup>st</sup> April 2014 as per Schedule II is Nil, aggregating to Rs. 512.56 lacs (net of deferred tax credit of Rs. 264.00 lacs), is recognized in the opening balance of retained earnings. Further, the carrying amount of fixed assets as at 1<sup>st</sup> April 2014 is being depreciated over the revised remaining useful life of the assets. Consequently, depreciation charge for the year is higher by Rs. 1851.60 lacs.
- b) In accordance with Accounting Standard (AS) 22: Taxes on Income, the deferred tax liability on account of timing difference in depreciation, to the extent reversing during the tax holiday period, is not recognized. Consequent to the above change in the estimated useful life of fixed assets, such timing difference reversing during the tax holiday period is recomputed and there is increase in the deferred tax liability of Rs.22.76 lacs and the same is included in the amount of deferred tax credit in the Statement of Profit and Loss.

#### 33. Employees' Stock Option Plan

During the year ended 31<sup>st</sup> March 2006, the Company had issued 500,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of Rs. 75 lacs to the Trust for subscription of these shares at the beginning of the plan.

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 500,000 equity shares allotted to the Trust, 188,420 shares have been transferred to employees up to 31<sup>st</sup> March 2014. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

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

On 29 <sup>th</sup> January 2007 (First Grant)	244,120 shares
On 27 <sup>th</sup> October 2009 (Second Grant)	33,332 shares
On 12 <sup>th</sup> August 2013 (Third Grant)	33,156 shares

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

The vesting period for options granted under 1<sup>st</sup> & 2<sup>nd</sup> lot was between one to four years from the date of the grant. Option granted under 3<sup>rd</sup> lot is as per the terms of the Scheme of Amalgamation (referred to in Note no. 30). As per the Scheme, the stock options granted by erstwhile Fame India Limited ("Fame") to its employees automatically stood cancelled. The Company has issued stock options to the eligible employees of Fame under the existing ESOP Scheme of the Company. These stock options were granted in the ratio of 5 options (each option being equal to one share) of Company for every 8 options (each option being equal to one share) held under ESOP of Fame. All options were exercisable within one year from the date of vesting. The compensation costs of stock options granted to employees were accounted by the Company using the intrinsic value method.

The summary of stock options is as under:

Outstanding on 1 <sup>st</sup> April 2014	16,579
Granted during the year	Nil
Lapsed during the year	Nil
Exercised during the year	16,579
Outstanding as on 31 <sup>st</sup> March 2015	Nil
Exercisable as on 31 <sup>st</sup> March 2014	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.

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 27 includes Rs. 1.36 lacs being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been higher by Rs. 0.97 lacs, profit before tax lower by Rs. 0.97 lacs and the basic and diluted earnings per share would have been lower by 0.001 each.

#### 34. In respect of taxation matters

- a) The Company's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted by various appellate authorities and also in the proceedings before the appellate authorities and Hon'ble High Court of Judicature at Gujarat. The matter is presently pending before the Hon'ble Supreme Court. Provision for current tax is made on this basis to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

b) Particulars of prior period taxation charged in the Statement of Profit and Loss

(Rs. in lacs)	
Particulars	2014-15
Income-tax	(325.78)
Deferred tax	--
MAT Credit entitlement	(585.41)
Net charge / (credit)	(911.19)

In view of the appellate orders in respect of Company's own cases and other judicial pronouncements received during the year, the tax liability for earlier years is recomputed and consequential reduction in tax liability and increase in MAT credit entitlement, aggregating to Rs. 852.51 lacs is recognized in the statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015.

### 35. Contingent Liabilities:

- a. Claims against the Company not acknowledged as debt – Rs. 7235.70 lacs, comprising of:
- i. The Company 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 the Company 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 the amount above. At present the matter is pending before the Arbitrator.
  - ii. In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay Rs 116.36 lacs towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company 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. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.
  - iii. Other claims by owners of the multiplex premises which are under negotiations with the respective parties.
- b. Property Tax demands – Rs. 569.72 lacs
- The Company has disputed the quantum of property tax levied in case of one multiplex and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. The Company has received revised demands during the year which also is contested by the Company. Estimated provision for the same is made by the Company – see note no. 46. The amount of demand not provided for is Rs. 569.72 lacs

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

- c. Entertainment Tax demands – Rs. 2448.10 lacs. This includes:
  - i. Demand of Rs. 1941.22 lacs in respect of some multiplexes pertaining to exemption period and the Company is contesting the matter by way of appeal before appropriate authorities.
  - ii. Demand of Rs. 477.34 in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the Company is contesting the matter by way of appeal before appropriate authorities.
  
- d. Service Tax matters – Rs. 7170.09 lacs. This includes:
  - i. Amount of Rs. 5577.97 lacs for which the Company has received notices from Commissionerate of Service tax regarding levy of service tax on film distributor's share paid by the Company. The Company is in the process of filing replies to these show cause notices.
  - ii. Amount of Rs. 1502.00 lacs for which the Company has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises. The Company is in the process of filing replies to these show cause notices.
  - iii. Amount of Rs. 90.13 lacs in respect of service tax on payment of architect fee to foreign architects by the Company and receipt of pouring and signing fee. Out of a total demand of 104.33 lacs, the Company has already paid a sum of 14.20 lacs and stayed the recovery of the balance demand. The Company has filed an appeal before Customs Excise and Service Tax Appellate Tribunal ("CESTAT") and the matter is pending.
  
- e. Stamp duty demand – Rs. 263.81 lacs  
Authority has raised the demand for non-payment of stamp duty in respect of Leave & License Agreement in respect of one multiplex holding the same as lease transaction. Stay has been granted and the matter is pending before the Board of Revenue.
  
- f. Custom duty demands – Rs. 4.36 lacs  
In addition to above, the Company has received a notice in respect of custom duty payable on import of cinematographic films. The amount of duty is not quantified by the authorities and the company has filed an appeal before the Appellate Tribunal under and the same is pending hearing.
  
- g. VAT demand – Rs. 261.87 lacs. This includes,  
Demand of Rs. 237.06 lacs pursuant to reassessment order for the year 2008-09. The Company is in the process of filing an appeal against the said reassessment order.
  
- h. Income-tax matters – Rs. 19.48 lacs.  
This includes demand of Rs. 19.48 lacs towards penalty levied for assessment year 2010-11 which is being contested by the Company before appellate authority.



## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

- i. The Company may be required to charge additional cost of Rs. 389.83 lacs towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company 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 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances')
- j. Group's share in the contingent liability of Joint Venture – Income-tax demand – Rs 5.60 lacs.

In respect of above matters, no provision is considered necessary as the Group expects favourable outcome. Further, it is not possible for the Group to estimate the timing of further cash outflows, if any, in respect of these matters.

36. In respect of Entertainment-tax exemption claimed by the Group and its treatment in these accounts:

- a. The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of Rs 923.57 lacs being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31<sup>st</sup> March 2015 is Rs. 4575.19 lacs.
- b. 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 Hon'ble 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 Hon'ble Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.
- c. In respect of two multiplexes being operated by the Company in Uttar Pradesh: In view of the revised eligibility norms notified during the year, these multiplexes have now become eligible for exemption from payment of entertainment tax, w.e.f. the date of commencement of commercial operations. Accordingly, the amount of Rs. 616.74 lacs, being entertainment tax paid in respect of these two multiplexes in earlier years, is credited to the statement of Profit and Loss.

## Inox Leisure Limited

### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

37. The arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of Rs. 18.24. Total amount of interest receivable upto 31st March, 2015 is Rs.166.30 lacs. The said award has been challenged before the District Court and the matter is pending.

38. Commitments:

a. Capital commitments:

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - Rs. 1791.88 lacs

b. Other commitments:

The exemption from payment of Entertainment Tax in respect of multiplexes of the Company, which are eligible for such exemption, is subject to fulfillment of the terms and conditions of the respective State Government policies issued in this regard. The amount of Entertainment Tax exemption availed so far by the Company, 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. 15889.77 lacs.

39. The Company has, in May 2015, detected a fraud perpetrated by one of its employees, in respect of travel bills from travel agencies who were otherwise booking air tickets for bona-fide travel undertaken by employees and other persons for and on behalf of the Company. Following a confession statement given by the employee concerned, the Company has filed a First Information Report (FIR) with the Police Station on 5 May 2015 and terminated the services of the employee with immediate effect. At present the matter is under further investigation by the Company as well as Police. Pending completion of such investigation, it is not possible to assess the quantum of the fraud, the period thereof, as well as its impact, if any, on the accounts of the company. Necessary entries in the books of accounts in this regard will be made on completion of the investigation and after assessing the impact, if any, of the same on the accounts of the Company.

40. Foreign currency exposures not hedged as at Balance Sheet date:

Particulars	31 Mar 2015 (USD in lacs)
Creditors for capital goods	39.03
Interest outstanding on above	0.07

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

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

Particulars	(Rs. In lacs)
	2014-2015
Principal amount due to suppliers under MSMED Act at the year end	1.80
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.24
Payment made to suppliers (other than interest) beyond the appointed day during the year	19.99
Interest paid to suppliers under MSMED Act during the year	0.00
Interest due & payable to suppliers under MSMED Act for payments already made	0.44
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	4.75

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

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

- a. Operating leases for premises (offices and residential accommodations for employees) - Generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals of Rs. 11.27 lacs are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.
- b. The Company is operating some of the multiplexes under Operating Lease / Business Conducting Arrangement. These arrangements are for a period of 9-25 years with a minimum lock-in period of 3-10 years and the agreement provides for escalation in rentals after pre-determined periods. Property Rent and Conducting Fees of Rs. 13415.64 lacs are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.

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

Particulars	(Rs. in lacs)
	2014-15
Not later than one year	13299.98
Later than one year and not later than five years	46059.49
Later than five years	115983.71
Total	175343.18

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 43. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 366.20 lacs is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and Rs. 17.35 lacs is included in pre-operative expenses.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

(Rs. In lacs)

Particulars	Gratuity	Leave Encashment
	2014-2015	2014-2015
<b>1. Change in Benefit Obligation</b>		
Liability at the beginning of the year	344.01	143.10
Addition on acquisition during the year	45.21	21.89
Interest Cost	31.91	12.41
Current Service Cost	125.47	126.91
Benefit paid	(47.40)	(41.86)
Actuarial (Gain)/Loss	9.48	(52.02)
Liability at the end of the year	508.68	210.43
Add: Short term leave liability	-	43.26
Total liability	508.68	253.69
<b>2. Expenses recognized in the statement of profit and loss</b>		
Current Service Cost	125.47	126.91
Interest Cost	31.91	12.41
Actuarial (Gain)/Loss	9.48	(52.02)
Expenses recognized in the statement of profit and loss	166.85	87.30
<b>3. Actuarial Assumptions</b>		
Discount Rate	7.77%	
Salary Escalation Rate	7%	
Retirement Age	58 years	
Withdrawal Rates	10%	
Mortality	2013-14: IALM (2006-08) Ultimate Mortality Table	
<b>4. Other disclosure</b>		2014-15
Gratuity		
Present value of defined benefit obligation		508.68
Experience adjustment on plan liabilities – (gain)/loss		(27.40)
Leave Benefits		
Present value of defined benefit obligation		210.43
Experience adjustment on plan liabilities – (gain)/loss		(70.26)

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

## **Inox Leisure Limited**

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 44. Segment Information

The Group operates in a single business segment viz. theatrical exhibition. All activities of the Group are in India and hence there are no geographical segments.

### 45. Related Party Disclosure:

#### (i) Where Control Exists

- a. Gujarat Fluorochemicals Limited – Holding Company
- b. Inox Leasing & Finance Limited – Ultimate Holding Company

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

##### Fellow Subsidiaries

- a. Inox Wind Limited – subsidiary of Gujarat Fluorochemicals Limited

##### Key Management Personnel (KMP)

- a. Mr. Pavan Kumar Jain – Director
- b. Mr. Alok Tandon - Manager

##### Relatives of KMP

- a. Mr. Vivek Kumar Jain – brother of Mr. Pavan Kumar Jain
- b. Mr. Siddharth Jain – son of Mr. Pavan Kumar Jain

##### Enterprises over which KMP, or his relative, has significant influence

- a. Inox India Ltd

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 45. Related Party Disclosure - continued

(iii) Particulars of transactions:

(Rs. in lacs)					
Particulars	Holding company / ultimate holding company	Key management personnel (KMP) / relatives of KMP	Fellow subsidiaries	Enterprises over which KMP, or his relative, has significant influence	Total
A) Transactions during the year					
1. Interest paid					
Gujarat Fluorochemicals Limited	1624.90	-	-	-	1624.90
Inox Leasing & Finance Limited	108.58	-	-	-	108.58
Total	1733.48	-	-	-	1733.48
2. Remuneration paid					
Mr. Alok Tandon	-	97.65	-	-	97.65
3. Sales and services					
Gujarat Fluorochemicals Limited	4.86	-	-	-	4.86
Inox Wind Limited	-	-	79.16	-	79.16
Inox India Limited	-	-	-	2.58	2.58
Total	4.86	-	79.16	2.58	86.60
4. Inter-corporate deposits repaid					
Inox Leasing & Finance Limited	1100.00				1100.00
5. Sitting fees paid to director					
Mr. Pavan Kumar Jain		1.20			1.20
Mr. Vivek Kumar Jain		1.80			1.80
Mr. Siddharth Jain		1.60			1.60
Total		4.60			4.60
6. Rent Paid					
Gujarat Fluorochemicals Limited	30.46				30.46
B) Amounts outstanding					
1. Inter-corporate deposit payable					
Gujarat Fluorochemicals Limited	16249.00				16249.00
2. Trade receivable					
Inox Wind Limited			43.20		43.20
Inox India Limited				0.37	0.37
Total			43.20	0.37	43.57
3. Trade payable					
Gujarat Fluorochemicals Limited	5.78				5.78

## Inox Leisure Limited

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

### 46. Particulars in respect of provision for expenses

		(Rs. In lacs)
Particulars	2014-2015	
a) In respect of municipal taxes payable for one of its multiplexes		
Opening Balance	200.20	
Provided during the year	52.80	
Paid during the year	70.00	
Closing balance	183.00	
b) Towards MVAT		
Opening Balance	39.61	
Paid during the year	0.23	
Closing balance	39.38	
c) For service tax on renting of immovable properties		
Opening Balance	1042.44	
Provided during the year	Nil	
Paid/adjusted during the year	Nil	
Closing balance	1042.44	

### 47. Calculation of Earnings per share :

Particulars	2014-2015
Profit after tax as per statement of profit and loss (Rs. in lacs)	2003.81
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	91809663
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	91809663
Basic Earnings per share of Rs. 10/- each (Rs.)	2.18
Diluted Earnings per share of Rs. 10/- each (Rs.)	2.18

Note: The shares of the Company held by Inox Benefit Trust (see note no. 30) are excluded while computing the weighted average number of shares.

### 48. Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) is Rs. 62.44 lacs.

(b) Amount spent during the year on:

		(Rs. in lacs)		
Sr.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any fixed assets	Nil	Nil	Nil
(ii)	On purposes other than (i) above Donations	45.31	Nil	45.31

## **Inox Leisure Limited**

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2015

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

For Inox Leisure Limited

M Y Kulkarni  
Partner

Pavan Jain  
Director

Deepak Asher  
Director

Upen Shah  
Chief Finance Officer

Miket Bahuva  
Company Secretary

Place: Pune  
Dated: 25<sup>th</sup> May, 2015

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2015