

INOX LEISURE LIMITED

AUDITED ANNUAL ACCOUNTS

2014-2015

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Inox Leisure Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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. 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 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 standalone 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 financial statements are free from material misstatement.

Independent Auditor's Report to the members of Inox Leisure Limited on the Standalone Financial Statements for the year ended 31st March 2015 (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

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, we give in the Annexure 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone 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 Standalone Financial Statements for the year ended 31st March 2015 (continued)

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 9 and 36 to the financial statements;
 - ii. The 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 Company.

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

M Y Kulkarni
Partner
Membership No.35524

Place: Pune
Date: 25th May, 2015

Annexure to Independent Auditor's Report to the members of Inox Leisure Limited on the standalone financial statements for the year ended 31st 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"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. The inventories were physically verified by the management at reasonable intervals during the year. The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act. The party is regular in repayment of principal and payment of interest and there are no overdue amounts.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. The Company has 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 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.
7. The Company is 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. 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 31st 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 it relates	Amount (Rs. in lacs)	Forum where dispute is pending
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

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.

8. The Company does not have accumulated losses. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to banks and the Company did not have any borrowings from financial institutions or by way of debentures.
10. The Company has not given any guarantee for loans taken by others from banks and financial institutions.

11. In our opinion, the term loan availed during the year by the Company was applied for the purpose for which it was raised.
12. No fraud on or by the 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. 40 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. 35524

Place: Pune
Date: 25th May, 2015

INOX LEISURE LIMITED
Standalone Balance Sheet as at 31st March 2015

(Rs. in lacs)

Particulars	Note No.	As at 31st Mar 2015	As at 31st Mar 2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	4	9,616.28	9,614.62
(b) Reserves and Surplus	5	61,741.75	44,444.39
(c) Interest in Inox Benefit Trust, at cost	30 (a)	(3,266.98)	(14,968.89)
		68,091.05	39,090.12
2 Non-Current Liabilities			
(a) Long-term borrowings	6	20,050.56	21,482.99
(b) Deferred tax liabilities (net)	7	2,308.87	2,900.30
(c) Other long term liabilities	8	415.23	2,400.92
(d) Long-term provisions	9	541.17	413.43
		23,315.83	27,197.64
3 Current Liabilities			
(a) Short term borrowings	10	1,410.06	887.69
(b) Trade payables	11	7,729.96	7,204.69
(c) Other current liabilities	12	8,769.05	9,322.33
(d) Short-term provisions	9	1,490.82	2,106.42
		19,399.89	19,521.13
TOTAL		1,10,806.77	85,808.89
II ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	13	55,973.81	58,291.32
(ii) Intangible assets	13	317.25	320.61
(iii) Capital work-in-progress	14	5,027.43	4,854.29
		61,318.49	63,466.22
(b) Non-current investments	15	18,884.99	98.27
(c) Long term loans and advances	16	16,352.86	14,432.88
(d) Other non-current assets	17	349.89	225.13
		96,906.23	78,222.50
2 Current Assets			
(a) Current investments	15	641.37	272.91
(b) Inventories	18	689.43	858.93
(c) Trade receivables	19	5,652.64	3,341.83
(d) Cash and bank balances	20	1,217.64	1,655.97
(e) Short-term loans and advances	21	5,524.38	1,276.21
(f) Other current assets	22	175.08	180.54
		13,900.54	7,586.39
TOTAL		1,10,806.77	85,808.89
The accompanying notes are an integral part of the financial statements.			

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

(Rs. in lacs)

Particulars	Note No.	Year ended 31st Mar 2015	Year ended 31st Mar 2014
INCOME			
Revenue from operations	23	95,368.59	86,882.91
Other Income	24	1,104.55	894.78
Total Revenue		96,473.14	87,777.69
EXPENSES			
Entertainment tax		11,396.39	10,607.05
Exhibition cost	25	23,090.18	22,348.92
Cost of food and beverages	26	4,609.50	4,664.18
Employee benefits expense	27	6,025.21	4,956.70
Finance costs	28	3,842.99	2,763.37
Depreciation & amortization	13 / 33	7,146.09	5,068.90
Other expenses	29	38,176.74	32,110.24
Total expenses		94,287.10	82,519.36
Profit before exceptional items and tax		2,186.04	5,258.33
Less: Exceptional items	32	50.52	39.00
Profit before tax		2,135.52	5,219.33
Tax expenses			
Current tax	35(a)	839.00	1,062.00
MAT credit entitlement		-	-75.00
Deferred tax	33(b)	-327.43	528.18
Taxation pertaining to earlier years	35(b)	-852.51	10.55
		-340.94	1,525.73
Profit for the year		2,476.46	3,693.60
Earnings per equity share of Rs. 10 each (Rs.)	55		
Basic		2.70	4.85
Diluted		2.70	4.85

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

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

(Rs. In lacs)

Particulars	Year ended 31st Mar 2015	Year ended 31st Mar 2014
A Cash flow from operating activities		
Profit before tax	2,135.52	5,219.33
Adjustments for :		
Depreciation and amortization	7,146.09	5,068.90
Loss on retirement/disposal of fixed assets (net)	4.10	83.48
Provision for diminution in value of assets held for disposal	17.03	41.60
Bad debts and remissions	-	58.28
Deposits and advances written off	40.57	0.34
Provision for doubtful debts	23.06	20.22
Provision for doubtful deposits	311.88	-
Liabilities and provisions, no longer required, written back	(219.99)	(733.33)
Provision for diminution in value of investment / (written back)	(9.48)	39.00
Amortization of value of Stock Options	1.36	14.34
Interest income	(499.28)	(105.28)
Gain on sale of current investments	(376.57)	(53.43)
Finance cost	3,842.99	2,763.37
Operating profit before working capital changes	12,417.28	12,416.82
Changes in working capital		
Trade payables	525.27	1,594.19
Long-term provisions	127.74	23.27
Short-term provisions	13.11	(479.57)
Other current liabilities	44.42	2,702.33
Other long term liabilities	94.87	(1,547.56)
Trade receivables	(2,333.87)	246.45
Inventories	169.51	(312.46)
Long-term loans and advances	(2,169.81)	(1,095.45)
Short-term loans and advances	331.93	(77.29)
Cash generated from operations	9,220.45	13,470.73
Direct taxes paid (net)	(734.64)	(924.71)
Net cash generated from operating activities	8,485.81	12,546.02
B Cash flow from investing activities		
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(9,020.27)	(9,801.62)
Sale of fixed assets	92.43	13.77
Acquisition of intangible assets	(112.88)	(177.98)
Investment in subsidiary companies	(18,390.38)	-
Share application money paid to joint venture/received back	15.00	(15.00)
Purchase of other non-current investments	(14.20)	(39.30)
Redemption of other non-current investments	16.11	5.50
Purchase of current investments	(29,988.50)	(5,050.00)
Sale/redemption of current investments (net)	30,018.05	4,848.56
Proceeds from sale of treasury shares - see note no. 30(a)	27,033.18	2,921.22
Inter-corporate deposit given	(4,580.11)	-
Inter-corporate deposit received back	-	175.00
Movement in bank fixed deposits with original maturity of more than 3 months (net)	(237.26)	57.81
Interest received	474.46	144.52
Net cash used in investing activities	(4,694.37)	(6,917.52)

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

(Rs. In lacs)

Particulars	Year ended	Year ended
	31st Mar 2015	31st Mar 2014
C Cash flow from financing activities		
Shares issued under ESOP	2.49	3.24
Repayment of Inter-corporate deposit	(1,100.00)	(2,921.00)
Proceeds from long term loans	2,618.00	3,825.00
Repayment of long term loans	(2,198.56)	(3,444.36)
Proceeds from short term borrowings (net)	522.37	(1,341.65)
Finance cost	(4,199.83)	(2,397.39)
Net cash used in financing activities	(4,355.53)	(6,276.16)
Net decrease in cash and cash equivalents	(564.09)	(647.66)
Cash and cash equivalents at the beginning of the year	1,457.33	2,104.99
Cash and cash equivalents at the end of the year	893.24	1,457.33
Components of cash and cash equivalents are as per note no. 20		

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

1. Corporate Information

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

2. Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

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 Company's Multiplexes and the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable. 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.

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.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

3. Significant Accounting Policies - continued

c) Depreciation and amortization:

Consequent to Schedule II of the Companies Act, 2013 becoming effective from 1st 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 31st 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.

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 Company's asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

3. Significant Accounting Policies - continued

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. Company's 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 Company's gross total income is subject to the deduction during the tax holiday period. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period specified for utilization of such credit.

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.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

3. Significant Accounting Policies - continued

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 1st April 2011. As stipulated in the Notification, the Company 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.

l) Provisions and contingent Liabilities :

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

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

3. Significant Accounting Policies – continued

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 standalone financial statements for the year ended 31st March 2015

(Rs. In lacs)

4 : Share Capital	31st Mar 2015	31st Mar 2014
Authorised Capital		
14,00,50,000 equity shares of Rs. 10/- each	14,005.00	14,005.00
10,000 preference shares of Rs 10/- each	1.00	1.00
	<u>14,006.00</u>	<u>14,006.00</u>
Issued, subscribed and fully paid up shares		
9,64,57,754 equity shares of Rs. 10/- each	9,645.78	9,645.78
Less: 2,95,001 (previous year 3,11,580) Equity Shares of Rs. 10/- each, issued to ESOP Trust but not allotted to employees (see note no. 34)	29.50	31.16
Adjusted Issued, subscribed and paid-up Capital	<u>9,616.28</u>	<u>9,614.62</u>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period	31st Mar 2015		31st Mar 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	9,61,46,174	9,614.62	6,15,62,391	6,156.24
Add:				
a) Shares issued pursuant to Amalgamation of Fame India Limited	-	-	3,45,62,206	3,456.22
b) Issued during the year under ESOP	16,579	1.66	21,577	2.16
	<u>9,61,62,753</u>	<u>9,616.28</u>	<u>9,61,46,174</u>	<u>9,614.62</u>
Less: Interest in Inox Benefit Trust - shares of Company held by the Trust (see note no. 33)	43,50,092	435.01	1,99,31,570	1,993.16
	<u>9,18,12,661</u>	<u>9,181.27</u>	<u>7,62,14,604</u>	<u>7,621.46</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	31st Mar 2015		31st Mar 2014	
	Nos.	Amount	Nos.	Amount
Gujarat Fluorochemicals Limited (holding company) - see note no. 30(b)	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	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	31st Mar 2015		31st Mar 2014	
	Nos.	%	Nos.	%
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%
Inox Benefit Trust	43,50,092	4.51%	1,99,31,570	20.66%
Reliance Capital Limited	Nil	Nil	77,30,595	8.01%

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. 34

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

(Rs. in lacs)

5 : Reserves & Surplus	31st Mar 2015	31st Mar 2014
Capital redemption reserve		
Balance as per last Balance Sheet	0.10	0.10
Securities Premium Account		
Balance as per last Balance Sheet	25,766.91	25,751.56
Add: Arising out of grant of options to employees	-	15.35
Balance as at the end of the year	<u>25,766.91</u>	<u>25,766.91</u>
Less: Premium on shares issued to ESOP Trust but not allotted to employees	14.75	23.26
Net balance at the end of the year	<u>25,752.16</u>	<u>25,743.65</u>
Employee Stock Options Outstanding		
Balance as per last Balance Sheet	6.32	1.72
Add/(Less): On account of options granted/lapsed/exercised and amortisation of value of stock options (net)	(6.32)	4.60
Balance as at the end of the year	<u>-</u>	<u>6.32</u>
Amalgamation Reserve		
Balance as per last Balance Sheet	750.66	750.66
General Reserve		
Balance as per last Balance Sheet	5,400.00	5,400.00
Other Reserve		
Reserve on sale of Treasury Shares (see note no. 30(a))		
Balance as per last Balance Sheet	(458.34)	-
Profit/(loss) on sale of treasury shares during the year	<u>15,331.27</u>	<u>(458.34)</u>
Balance as at the end of the year	<u>14,872.93</u>	<u>(458.34)</u>
Surplus in the Statement of Profit and Loss		
Surplus as per last Balance Sheet	13,002.00	9,308.40
Less : Adjustment on account of carrying amount of fixed assets as at 1st April 2014 (see note no. 33(a))	(512.56)	-
Add: Profit for the year	<u>2,476.46</u>	<u>3,693.60</u>
Balance as at the end of the year	<u>14,965.90</u>	<u>13,002.00</u>
Total	<u>61,741.75</u>	<u>44,444.39</u>

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

(Rs. in lacs)

6 : Long-term borrowings	31st Mar 2015	31st Mar 2014
Term loans from banks (secured)	6,400.12	5,980.67
Loans & advances from related parties (unsecured)		
Inter-corporate deposits		
- from holding company	16,249.00	16,249.00
- from ultimate holding company	-	1,100.00
	<u>16,249.00</u>	<u>17,349.00</u>
Total borrowings	22,649.12	23,329.67
Less: Current maturities disclosed under the note no. 12 "Other current liabilities"	(2598.56)	(1846.68)
Total	<u>20,050.56</u>	<u>21,482.99</u>

Nature of Security and terms of repayment for secured borrowings:

Term loans from Axis Bank amounting to Rs. 6,400.11 lacs (previous year Rs. 5,980.67 lac) 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 each beginning from 30th June 2013
Term Loan 2	100.00	Repayable in 10 equal quarterly instalments of Rs.50.00 lacs each beginning from 1st April 2013
Term Loan 3	3,303.00	Repayable in 16 equal quarterly instalments of Rs.250.00 lacs each beginning from 1st October 2014

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%.

7 : Deferred tax liabilities (net)	31st Mar 2015	31st Mar 2014
<u>Deferred tax liabilities</u>		
On account of difference between book and tax depreciation	3,047.09	3,601.75
Total liabilities	<u>3,047.09</u>	<u>3,601.75</u>
<u>Deferred tax assets</u>		
Expenditure allowable on payment basis under Income-tax Act	661.72	613.84
Amalgamation expenses	50.53	69.47
Provision for doubtful debts and advances	25.97	18.14
Total assets	<u>738.22</u>	<u>701.45</u>
Net deferred tax liabilities	<u>2,308.87</u>	<u>2,900.30</u>

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

(Rs. in lacs)

8 : Other Long-term liabilities	31st Mar 2015	31st Mar 2014
Security deposits received	111.98	19.08
Retention money	45.70	43.73
Creditors for capital expenditure	257.55	2,338.11
Total	415.23	2,400.92

9 : Provisions	Long-term		Short-term	
	31st Mar 2015	31st Mar 2014	31st Mar 2015	31st Mar 2014
for Gratuity	388.27	294.77	66.94	49.24
for Leave benefits	152.90	118.66	73.86	61.02
for Municipal tax - see note no. 52(a)	-	-	183.00	200.20
for MVAT - see note no. 52(c)	-	-	39.38	39.61
for Service tax - see note no. 52(d)	-	-	1,042.44	1,042.44
for Taxation (net of payments)	-	-	85.20	713.91
Total	541.17	413.43	1,490.82	2,106.42

10 : Short terms borrowings	31st Mar 2015	31st Mar 2014
Loans repayable on demand from banks (secured)		
- Bank overdraft	1,410.06	887.69
Total	1,410.06	887.69

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).

11 : Trade payables	31st Mar 2015	31st Mar 2014
Trade payables		
- Dues to Micro and Small Enterprises (see note no. 54)	1.80	5.71
- Others	7,728.16	7,198.98
Total	7,729.96	7,204.69

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

(Rs. in lacs)

12 : Other current liabilities	31st Mar 2015	31st Mar 2014
Current maturities of long-term debt (from note no.6)	2,598.56	1,846.68
Interest accrued and due on borrowings	65.70	422.55
Interest accrued but not due on long term liabilities	4.40	27.60
Income received in advance	681.85	776.84
Unclaimed dividend (see note below)	2.15	3.74
Advances from customers	518.57	514.11
Statutory dues and taxes payable	807.54	697.82
Creditors for capital expenditure	3,205.31	4,403.27
Payable towards purchase of shares of Satyam Cineplexes Ltd	425.22	-
Retention money	246.75	326.80
Security deposits	198.99	290.87
Other payables	14.01	12.05
Total	8,769.05	9,322.33

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 date.

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

PARTICULARS	(Rs. In lacs)												
	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK		
	As at 1 Apr 2014	Additions	Other Adjustments		Deductions	As at 31 Mar 2015	As at 1 Apr 2014	For the year	Adjustments	Deductions	As at 31 Mar 2015	As at 31 Mar 2015	As at 31 Mar 2014
		Exchange Fluctuations	Borrowing Costs										
a) Tangible Assets													
Land (Freehold)	2,669.66	-	-	-	-	2,669.66	-	-	-	-	2,669.66	2,669.66	
Land (Leasehold)	367.58	-	-	-	-	367.58	51.77	7.06	-	58.83	308.75	315.81	
Buildings (*)	13,542.06	95.98	-	-	59.07	13,578.97	1,844.66	222.63	-	16.37	2,050.92	11,697.40	
Leasehold improvements	24,220.73	1,395.67	-	39.57	39.26	25,616.71	9,191.68	1,745.41	-	32.68	10,904.41	15,029.05	
Plant & Equipment	29,920.05	2,443.98	141.54	36.72	100.49	32,441.80	8,714.47	2,995.01	406.38	60.48	12,055.38	21,205.58	
Furniture & Fixtures	7,916.56	873.18	-	16.98	34.12	8,772.60	3,358.03	1,186.44	69.51	28.80	4,585.18	4,558.53	
Vehicles	149.49	27.91	-	-	14.14	163.26	45.68	25.26	-	12.34	58.60	103.81	
Office Equipments	4,714.35	484.16	29.76	-	11.08	5,217.19	2,002.87	869.66	279.06	10.95	3,140.64	2,711.48	
Sub-total	83,500.48	5,320.88	171.30	93.27	258.16	88,827.77	25,209.16	7,051.47	754.95	161.62	32,853.96	58,291.32	
b) Intangible Assets													
Software	709.62	65.17	-	-	-	774.79	475.85	60.51	21.61	-	557.97	233.77	
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	32.41	-	-	101.07	86.84	
Sub-total	867.78	112.87	-	-	2.66	977.99	547.17	94.62	21.61	2.66	660.74	320.61	
Total	84,368.26	5,433.75	171.30	93.27	260.82	89,805.76	25,756.33	7,146.09	776.56	164.28	33,514.70	58,611.93	
Previous year	76,070.73	7,661.70	692.47	148.48	205.12	84,368.26	20,795.29	5,068.90	-	107.86	25,756.33		

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. 33(a)

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

	(Rs. in lacs)	
14: Capital work-in-progress	31st Mar 2015	31st Mar 2014
Capital work-in-progress	3,911.50	4,096.92
Pre-operative expenditure pending allocation	1,115.93	757.37
Total	5,027.43	4,854.29
Pre-operative expenditure pending allocation		
Opening Balance	757.37	784.67
Add: Expenses incurred during the year		
Salaries and wages	295.92	274.89
Contribution to Provident and other funds	17.42	16.70
Staff Welfare	3.37	5.48
Legal & Professional fees and expenses	387.18	360.03
Travelling & Conveyance	353.22	344.79
Insurance (net)	1.42	0.57
Power & Fuel	44.55	47.18
Communication Expenses	5.25	3.46
House keeping expenses	6.94	19.43
Outsourced Personnel Cost	24.49	22.44
Security expenses	69.12	74.85
Miscellaneous Expenses	71.27	16.47
Borrowings costs	123.99	171.62
	1,404.14	1,357.91
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	12.15	5.45
	2,149.36	2,137.13
Less: Capitalised during the year	1,033.43	1,379.76
Closing balance	1,115.93	757.37

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

(Rs. in lacs)

15 (a) : Non-current investments	31st Mar 2015	31st Mar 2014
(Non-trade, at cost, unquoted, unless otherwise stated)		
a) Investment in subsidiaries (trade investments)		
(in fully paid up equity shares of Rs. 10 each)		
45,95,533 (previous year Nil) equity shares of Satyam Cinemas Private Limited	18,800.59	-
1,50,000 (previous year Nil) equity shares of Snouri Properties Private Limited	15.00	-
b) Investments in joint venture		
10,15,000 equity shares of Swanston Multiplex Cinemas Private Limited	279.52	279.52
Add: Share application money	-	15.00
Less: Provision diminution in value of the investment	<u>(279.52)</u>	<u>(289.00)</u>
	-	5.52
c) Investments in government securities		
National Savings Certificates	108.88	110.79
(Held in the name of directors/ex-director/employees and certificates worth Rs.108.88 lacs (previous year Rs. 110.79 lacs) are pledged with Government authorities)		
Less: Current Portion disclosed in note no. 15(b)	<u>(39.48)</u>	<u>(18.04)</u>
	69.40	92.75
Total	<u>18,884.99</u>	<u>98.27</u>
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 (Previous year Nil) units of Taurus Liquid Fund -Growth Plan III (Previous year Nil) units of Keigore Invesco Liquid Fund - Growth Plan	601.89	-
	-	254.87
b) Current portion of non-current Investment - from note no. 15(a)	39.48	18.04
Total	<u>641.37</u>	<u>272.91</u>

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

		(Rs. in lacs)
16 : Long-term loans and advances	31st Mar 2015	31st Mar 2014
(unsecured, considered good, unless otherwise stated)		
Capital Advances	55.03	71.87
Security Deposits		
- Considered Good	9,171.52	8,753.51
- Considered Doubtful	311.88	-
	<u>9,483.40</u>	<u>8,753.51</u>
Advances recoverable in cash or in kind	565.18	384.85
Balance in cenvat credit account	-	287.32
Entertainment Tax refund claimed	2,920.81	1,414.47
Income Tax paid (net of provision)	294.27	441.22
MAT credit entitlement	2,956.22	2,689.81
Electricity charges refund claimed - see note no. 36(i)	389.83	389.83
	<u>16,664.74</u>	<u>14,432.88</u>
Less: Provision for doubtful deposits	311.88	-
Total	<u>16,352.86</u>	<u>14,432.88</u>
17 : Other non-current assets	31st Mar 2015	31st Mar 2014
Non-current bank balances (from note no. 20)	173.73	62.22
Interest accrued:		
on long term investments	12.60	19.33
on bank fixed deposits	6.40	4.66
others	157.16	138.92
Total	<u>349.89</u>	<u>225.13</u>
18 : Inventories	31st Mar 2015	31st Mar 2014
(valued at lower of cost and net realizable value)		
Food & beverages	468.77	486.71
Stores, spares & fuel	220.66	372.22
Total	<u>689.43</u>	<u>858.93</u>

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

	(Rs. in lacs)	
	31st Mar 2015	31st Mar 2014
19 : Trade receivables		
(unsecured, considered good, unless otherwise stated)		
Considered Good		
Outstanding for a period exceeding six months	1,416.03	786.40
Others	4,236.61	2,555.43
	<u>5,652.64</u>	<u>3,341.83</u>
Considered Doubtful		
Outstanding for a period exceeding six months	76.42	53.36
	<u>5,729.06</u>	<u>3,395.19</u>
Less: Provision for doubtful trade receivables	76.42	53.36
Total	<u>5,652.64</u>	<u>3,341.83</u>
20 : Cash & bank balances	31st Mar 2015	31st Mar 2014
Cash and Cash equivalents		
Balances with banks		
In current accounts	702.54	909.67
Deposit accounts with original maturity of less than 3 months	-	124.56
	<u>702.54</u>	<u>1,034.23</u>
Cash on Hand	190.70	423.10
Total cash and cash equivalents	<u>893.24</u>	<u>1,457.33</u>
Other bank balances		
in Unpaid dividend accounts	2.15	3.74
Deposits with original maturity for more than 3 months but less than 12 months	298.61	150.85
Deposits with original maturity for more than 12 months	197.37	106.27
Total other bank balances	<u>498.13</u>	<u>260.86</u>
Total cash and bank balances	1,391.37	1,718.19
Less: Amount disclosed under note no. 17 "Other non-current assets"	(173.73)	(62.22)
Total	<u>1,217.64</u>	<u>1,655.97</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	25.99
Deposits with original maturity for more than 12 months	197.37	106.27
	<u>225.43</u>	<u>132.26</u>

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

		(Rs. in lacs)
21 : Short-term loans & advances	31st Mar 2015	31st Mar 2014
(unsecured, considered good, unless otherwise stated)		
(a) Loans and advances to related parties- see note no. 49		
Inter-corporate deposits to a subsidiary company	4,580.11	-
(b) Others		
Prepaid expenses	213.32	160.25
Security Deposits	20.86	-
Balance in cenvat credit account	20.13	287.32
Advances recoverable in cash or in kind	184.04	157.68
Advances to suppliers	505.92	670.96
Total	<u>5,524.38</u>	<u>1,276.21</u>
22 : Other current assets	31st Mar 2015	31st Mar 2014
Fixed assets held for disposal	131.14	148.17
Interest accrued		
on bank fixed deposits	4.19	3.61
on long term investments	19.52	13.10
others	20.23	15.66
Total	<u>175.08</u>	<u>180.54</u>

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

		(Rs. in lacs)
23 : Revenue from operations	2014-2015	2013-2014
a) Sale of services		
Box Office revenue	62,593.03	59,656.19
Conducting fees	1,689.76	1,544.17
Advertising income	7,829.15	4,954.84
Management fees	205.58	194.98
Parking charges	126.88	144.49
	<u>72,444.40</u>	<u>66,494.67</u>
b) Sale of products (see note no. 41)		
Food & beverages	17,868.56	16,232.61
Sale of power	6.81	3.64
	<u>17,875.37</u>	<u>16,236.25</u>
c) Refund of entertainment tax for earlier years (see note no. 37(c))	616.74	-
d) Other operating revenue	4,432.08	4,151.99
Total	<u>95,368.59</u>	<u>86,882.91</u>
24 : Other Income	2014-2015	2013-2014
Interest		
On bank fixed deposits	44.63	36.21
On long-term investments	10.85	9.40
On income-tax refunds	27.89	-
On Inter-corporate deposits	337.40	8.02
Other interest	78.51	51.65
	<u>499.28</u>	<u>105.28</u>
Gain on sale of current investments	376.57	53.43
Liabilities and provisions, no longer required, written back		
- for amalgamation expenses	-	227.44
- other provisions and liabilities	219.99	505.89
Bad debts recovered	8.43	-
Miscellaneous income	0.28	2.74
Total	<u>1,104.55</u>	<u>894.78</u>

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

		(Rs. in lacs)
25 : Exhibition Cost	2014-2015	2013-2014
Distributors' share	22,372.05	21,712.48
Other exhibition cost	666.96	562.32
Share of joint venture investors (see note below)	51.17	74.12
Total	23,090.18	22,348.92

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.

26 : Cost of food and beverages (see note no. 41)	2014-2015	2013-2014
Opening Stock	486.71	355.22
Add: Purchases	4,591.56	4,795.67
	5,078.27	5,150.89
Less: Closing stock	468.77	486.71
Cost of food and beverages	4,609.50	4,664.18

27 : Employee benefits expense	2014-2015	2013-2014
Salaries and wages	5,244.90	4,310.14
Contribution to Provident and other Funds	370.73	324.27
Expense on ESOP (net)	1.36	14.34
Gratuity	152.02	81.63
Staff welfare expenses	256.20	226.32
Total	6,025.21	4,956.70

28 : Finance costs	2014-2015	2013-2014
Interest on borrowings	2,362.41	2,455.46
Discounting charges on commercial paper	1,181.96	-
Interest on deferred credit	182.54	288.31
Other interest	54.80	11.73
Other borrowing cost	61.28	7.87
Total	3,842.99	2,763.37

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

		(Rs. in lacs)
29 : Other expenses	2014-2015	2013-2014
Outsourced personnel cost	2,590.55	2,020.25
Power & fuel	6,848.65	5,861.51
Water charges	139.20	117.37
Property rent and conducting fees	12,390.67	10,768.03
Common facility charges	3,905.38	2,954.46
Rates & taxes	702.35	627.31
Service tax	2,788.62	2,286.88
Travelling & conveyance	562.50	390.76
Communication expenses	302.61	264.75
Printing & stationery	359.89	352.78
Advertising & sales promotion	932.56	815.53
House keeping expenses	1,495.89	1,222.47
Security expenses	1,514.37	1,274.98
Repairs & maintenance - buildings	183.95	185.52
Repairs & maintenance - plant and equipments	1,216.43	1,149.04
Repairs & maintenance - others	320.64	355.94
Legal & professional fees & expenses	672.33	577.53
Directors' sitting fees	14.40	9.85
Insurance	129.60	95.24
Amalgamation expenses	12.43	-
Loss of retirement/disposal of fixed assets (net)	4.10	83.48
Provision for dimunition in value of assets held for disposal	17.03	41.60
Bad Debts and remissions (net of provision adjusted - Rs. Nil (previous year Rs. 93.88 lacs)	-	58.28
Deposits and advances written off (net of provision adjusted - Rs. Nil (previous year Rs.131.60 lacs)	40.57	0.34
Provision for doubtful debts	23.06	20.22
Provision for doubtful deposits	311.88	-
Net loss on foreign currency transactions and translation	2.35	2.28
Corporate Social Responsibility (CSR) expenditure - see note no. 53	45.31	-
Miscellaneous expenses	649.42	573.84
Total	38,176.74	32,110.24

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st 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. 14872.92 lacs (previous year loss of Rs. 458.34 lacs) on sale of 1,55,81,478 (previous year 45,00,000) Treasury Shares 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. Acquisitions during the year

- (a) Acquisition of Satyam Cineplexes Limited and its amalgamation with Company

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

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

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. 8th 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.

(b) Acquisition of Shouri Properties Private Limited

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.

32. Exceptional items:

- a) The Company's joint venture Swanston Multiplex Cinemas Private Limited (SMCPL), which was running Fame Big Cinemas Multiplex at Citi Mall, Oshiwara Link Road, Andheri (West), Mumbai, has stopped operations w.e.f. 13 July 2012 as the lease agreement of the property was terminated. Estimated provision of Rs. 39.00 lacs (in addition to provision of Rs. 250.00 lacs made in earlier year) for diminution in the value of investment in the joint venture was made during the year ended 31 March, 2014 and was shown as an exceptional item. The investment in SMCPL included share application money of Rs. 15.00 lacs which was refunded by SMCPL during the current year. Consequently, there is a reduction in the carrying amount of investment in SMCPL and amount of Rs. 9.48 lacs, being the amount of surplus provision for diminution in the value of investment, is reversed and the same is included in the exceptional items.
- b) 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 standalone financial statements for the year ended 31st March 2015

33. Change in the estimate of useful life of fixed assets

- a) Company 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 1st 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 1st April 2014 is being depreciated over the revised remaining useful life of the assets. Consequently, depreciation charge for the year is higher by Rs. 1707.01 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.

34. Employees' Stock Option Plan

During the year ended 31st March 2006, the Company had issued 500,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("ESOP 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 ESOP 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 ESOP 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 ESOP Trust, 204,999 shares have been transferred to employees up to 31st March 2015. 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 th January 2007 (First Grant)	244,120 shares
On 27 th October 2009 (Second Grant)	33,332 shares
On 12 th August 2013 (Third Grant)	33,156 shares

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

The vesting period for options granted under 1st & 2nd lot was between one to four years from the date of the grant. Option granted under 3rd 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 st April 2014	16,579
Granted during the year	Nil
Lapsed during the year	Nil
Exercised during the year	16,579
Outstanding as on 31 st March 2015	Nil
Exercisable as on 31 st March 2015	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 (previous year Rs. 14.33 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 less than Re. 0.01 each.

35. 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 standalone financial statements for the year ended 31st March 2015

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

Particulars	(Rs. in lacs)	
	2014-2015	2013-2014
Income-tax	(267.10)	(48.00)
Deferred tax	--	96.55
MAT Credit entitlement	(585.41)	(38.00)
Net charge / (credit)	(852.51)	10.55

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 31st March 2015.

36. Contingent Liabilities:

- a. Claims against the Company not acknowledged as debt – Rs. 7235.70 lacs (previous year Rs. 7262.90 lacs), comprising of:
- 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.
 - 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.
 - Other claims by owners of the multiplex premises which are under negotiations with the respective parties.
- b. Property Tax demands – Rs. 569.72 lacs (previous year Rs. 757.34 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. 51. The amount of demand not provided for is Rs. 569.72 lacs (previous year Rs. 741.16 lacs)

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

- c. Entertainment Tax demands – Rs. 2259.12 lacs (previous year Rs 1977.52 lacs). This includes:
 - i. Demand of Rs. 1752.24 lacs (previous year Rs. 1583.83) 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 (previous year Rs. 391.47) 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. 4826.40 lacs (previous year Rs. 97.31 lacs). This includes:
 - i. Amount of Rs. 3234.28 lacs (previous year Rs. Nil) 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 (previous year Rs. Nil) 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 (previous year 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 (previous year 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 (previous year 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. 237.06 lacs (previous year Rs. 135.66 lacs). This includes,
Demand of Rs. 237.06 lacs (previous year Rs. Nil) 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 (previous year Rs. 11.32 lacs).
This includes demand of Rs. 19.48 lacs (previous year Rs. Nil) towards penalty levied for assessment year 2010-11 which is being contested by the Company before appellate authority.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

- i. The Company may be required to charge additional cost of Rs. 389.83 lacs (previous year 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. Counter-guarantee given to bank for guarantee taken by a subsidiary company - Rs. 751.90 lacs (previous year Rs. Nil)

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

37. In respect of Entertainment-tax exemption claimed by the Company 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 (previous year Rs 520.25 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March 2015 is Rs. 4575.19 lacs (previous year Rs. 3909.42 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 standalone financial statements for the year ended 31st March 2015

38. 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 lacs (previous year Rs. 18.24 lacs). Total amount of interest receivable upto 31st March, 2015 is Rs.166.30 lacs (previous year Rs. 148.06 lacs). The said award has been challenged before the District Court and the matter is pending.
39. Commitments:
- a. Capital commitments:
Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - Rs. 1772.30 lacs (previous year Rs. 963.34 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. 14786.01 lacs (previous year Rs. 17197.99 lacs).
40. 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.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

41. Particulars of sale of products, cost of food & beverages and inventories

(Rs. in lacs)

Particulars	Purchases		Sales		Cost of food and beverages	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Food	2806.26	2784.75	11264.25	10355.50	2809.71	2703.78
Beverages	1785.00	2010.92	6604.31	5877.11	1799.79	1960.40
Total	4591.56	4795.67	17868.56	16232.61	4609.50	4664.18

Particulars	Opening stock		Closing stock	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Food	105.45	92.45	101.04	105.45
Beverages	103.20	100.83	89.71	103.20
Other items	278.05	161.94	278.01	278.06
Total	486.71	355.22	468.77	486.71

42. Expenditure in foreign currency:

(Rs. in lacs)

Particulars	2014-15	2013-14
Travelling expenses	30.49	19.94
CIF value of capital goods	40.79	1519.46
CIF value of materials purchased	261.11	263.23

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

Particulars	31 Mar 2015 (USD in lacs)	31 Mar 2014 (USD in lacs)
Creditors for capital goods	39.03	95.62
Interest outstanding on above	0.07	0.53

44. Particulars of payment to Auditors :

(Rs. in lacs)

Particulars	2014-2015	2013-2014
Statutory Audit (including consolidated accounts)	17.50	15.00
Tax Audit and other audits under Income-tax Act	8.50	7.50
Limited Review & Corporate Governance Report	6.25	6.00
For taxation matters	2.75	2.00
Certification matters	2.68	1.11
Fees for other matters	1.00	5.40
Out of pocket expenses	0.19	0.31
Total	38.87	37.32

(Note: The above amounts are exclusive of service tax)

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

45. 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 (previous year Rs. 6.49 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. 12379.39 lacs (previous year Rs. 10761.54 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)	
	2014-2015	2013-2014
Not later than one year	11900.61	10494.89
Later than one year and not later than five years	43434.17	42023.43
Later than five years	113945.09	106575.07
Total	169279.87	159093.39

46. Segment Information

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

47. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 331.47 lacs (previous year Rs. 282.12 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 (previous year Rs. 16.06 lacs) is included in pre-operative expenses.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment are as under:

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

(Rs. in lacs)

Particulars	Gratuity		Leave Encashment		
	2014-2015	2013-2014	2014-2015	2013-2014	
1. Change in Benefit Obligation					
Liability at the beginning of the year	344.01	291.70	143.10	155.64	
Interest Cost	29.25	22.33	11.32	11.63	
Current Service Cost	115.65	90.99	118.96	95.28	
Benefit paid	(40.82)	(29.32)	(35.59)	(22.58)	
Actuarial (Gain)/Loss	7.12	(31.69)	(54.29)	(96.87)	
Actuarial liability at the end of the year	455.21	344.01	183.50	143.10	
Add: Short term leave liability	-	-	43.26	36.58	
Total liability	455.21	344.01	226.76	179.68	
2. Expenses recognized in the statement of profit and loss					
Current Service Cost	115.65	90.99	118.96	95.28	
Interest Cost	29.25	22.33	11.32	11.63	
Actuarial (Gain)/Loss	7.12	(31.69)	(54.29)	(96.87)	
Expenses recognized in the statement of profit and loss	152.02	81.63	76.00	10.04	
3. Actuarial Assumptions					
Discount Rate	7.77%	9.04%	7.77%	9.04%	
Salary Escalation Rate	7%				
Retirement Age	58 years				
Withdrawal Rates	10%				
Mortality	2013-14: IALM (2006-08) Ultimate Mortality Table				
4. Other disclosure					
	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity					
Present value of defined benefit obligation	455.21	344.01	270.35	152.95	130.78
Experience adjustment on plan liabilities – (gain)/loss	(30.23)	(7.75)	(12.86)	(9.09)	(3.13)
Leave Benefits					
Present value of defined benefit obligation	183.50	143.10	151.68	72.66	62.03
Experience adjustment on plan liabilities – (gain)/loss	(69.15)	(87.20)	(19.42)	(25.05)	(18.80)

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.

48. Interest in joint ventures

The Company's interests in Swanston Multiplex Cinemas Private Limited ('SMCPL'), is accounted for in accordance with the principles and procedures set out in AS – 27, Financial Reporting of Interests in Joint Ventures specified in the Companies (Accounting Standards) Rules, 2006.

The interest in the joint venture is reported as non-current investment (refer note 15) and stated at cost, less provision for diminution, other than temporary, in the value of

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

investment. The Company has 50% ownership interest in SMCPL. The Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in the joint ventures, based on audited financial statements is as under:

(Rs. in lacs)

Particulars	31 Mar 2015	31 Mar 2015
Assets	66.81	89.74
Liabilities	71.64	83.51
	2014-2015	2013-2014
Income	15.20	7.27
Expenses	10.20	43.79

Company's share of contingent liabilities in SMCPL – Rs. 5.60 lacs (previous year Rs. 5.60 lacs). There are no capital commitments by SMCPL.

The Company's transactions with SMCPL, being related party transactions, are included in note no. 49.

49. Related Party Disclosure:

(i) Where Control Exists

- a. Gujarat Fluorochemicals Limited – Holding Company – also see note no. 30(b)
- b. Inox Leasing & Finance Limited – Ultimate Holding Company
- c. Satyam Cineplexes Limited – Subsidiary Company (w.e.f 8th August, 2014)
- d. Shouri Properties Private Limited – Subsidiary Company (w.e.f 24th November, 2014)

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

Fellow Subsidiaries

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

Joint Venture

- a. Swanston Multiplex Cinemas Private Limited

Key Management Personnel (KMP)

- a. Mr. Pavan Kumar Jain – Director
- b. Mr. Alok Tandon - Manager
- c. Mr. Rajeev Patni – Manager of Erstwhile Fame India Ltd upto 25th May, 2013

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 standalone financial statements for the year ended 31st March 2015

(iii) Particulars of transactions:-

(Rs. in Lacs)

Particulars	Holding/ultimate holding and subsidiary companies		Key management personnel (KMP) / relatives of KMP		Fellow subsidiaries / joint venture		Enterprises over which KMP, or his relative, has significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A) Transactions during the year										
1. Interest paid										
Gujarat Fluorochemicals Limited	1624.90	1758.33	-	-	-	-	-	-	1624.90	1758.33
Inox Leasing & Finance Limited	108.58	121.00	-	-	-	-	-	-	108.58	121.00
Total	1733.48	1879.33	-	-	-	-	-	-	1733.48	1879.33
2. Remuneration paid										
Mr. Alok Tandon	-	-	97.65	88.76	-	-	-	-	97.65	88.76
Mr. Rajeev Patni	-	-	N.A	6.84	-	-	-	-	N.A	6.84
Total	-	-	97.65	95.60	-	-	-	-	97.65	95.60
3. Interest received -										
Satyam Cineplexes Limited	320.72	N.A	-	-	-	-	-	-	320.72	N.A
4. Purchase of Refrigerant Gas										
Gujarat Fluorochemicals Limited	Nil	0.94	-	-	-	-	-	-	Nil	0.94
5. Sales and services										
Gujarat Fluorochemicals Limited	4.86	4.75	-	-	-	-	-	-	4.86	4.75
Satyam Cineplexes Limited	0.60	N.A	-	-	-	-	-	-	0.60	N.A
Inox Wind Limited	-	-	-	-	71.07	28.72	-	-	71.07	28.72
Inox India Limited	-	-	-	-	-	-	2.58	2.12	2.58	2.12
Total	5.46	4.75	-	-	71.07	28.72	2.58	2.12	79.11	35.59

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

(iii) Particulars of transactions:-

(Rs. in Lacs)

Particulars	Holding/ultimate holding and subsidiary companies		Key management personnel (KMP) / relatives of KMP		Fellow subsidiaries / joint venture		Enterprises over which KMP, or his relative, has significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A) Transactions during the year - continued										
6. Equipment Lease Rent Received										
Satyam Cineplexes Limited	1.30	N.A	-	-	-	-	-	-	1.30	N.A
7. Internet Sales Charges paid										
Satyam Cineplexes Limited	32.04	N.A	-	-	-	-	-	-	32.04	N.A
8. Advertisement Expenses paid										
Satyam Cineplexes Limited	1.54	N.A	-	-	-	-	-	-	1.54	N.A
9. Conducting Fees paid										
Shouri Properties Pvt. Ltd	107.44	N.A	-	-	-	-	-	-	107.44	N.A
10. Counter-guarantee given for bank guarantee taken by the subsidiary company										
Shouri Properties Pvt. Ltd	751.90	N.A	-	-	-	-	-	-	751.90	N.A
11. Share allotment money paid										
Shouri Properties Pvt. Ltd	15.00	N.A	-	-	-	-	-	-	15.00	N.A
12. Reimbursement of expenses received										
Swanston Multiplex Cinemas Pvt. Ltd					Nil	0.04			Nil	0.04
Satyam Cineplexes Limited	0.38	N.A							0.38	N.A
Total	0.38				Nil	0.04			0.38	0.04

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

(iii) Particulars of transactions:-

(Rs. in Lacs)

Particulars	Holding/ultimate holding and subsidiary companies		Key management personnel (KMP) / relatives of KMP		Fellow subsidiaries / joint venture		Enterprises over which KMP, or his relative, has significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A) Transactions during the year - continued										
13. Inter-corporate deposits repaid										
Gujarat Fluorochemicals Limited	Nil	3421.00							Nil	3421.00
Inox Leasing & Finance Limited	1100.00	Nil							1100.00	Nil
Total	1100.00	3421.00							1100.00	3421.00
14. Inter-corporate deposit given										
Satyam Cineplexes Ltd	4580.11	N.A							4580.11	N.A
15. Share application money paid										
Swanston Multiplex Cinemas Pvt. Ltd					30.00	Nil			30.00	Nil
16. Share application money received back										
Swanston Multiplex Cinemas Pvt. Ltd					45.00	Nil			45.00	Nil
17. Provision for diminution in value of investment made										
Swanston Multiplex Cinemas Pvt. Ltd					Nil	39.00			Nil	39.00
18. Provision for diminution in value of investment reversed										
Swanston Multiplex Cinemas Pvt. Ltd					9.48	Nil			9.48	Nil
19. Sitting fees paid to director										
Mr. Pavan Kumar Jain			1.20	1.25					1.20	1.25
Mr. Vivek Kumar Jain			1.80	0.70					1.80	0.70
Mr. Siddharth Jain			1.60	0.50					1.60	0.50
Total			4.60	2.45					4.60	2.45

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

(iii) Particulars of transactions:-

(Rs. in Lacs)

Particulars	Holding/ultimate holding and subsidiary companies		Key management personnel (KMP) / relatives of KMP		Fellow subsidiaries / joint venture		Enterprises over which KMP, or his relative, has significant influence		Total	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
B) Amounts outstanding										
1. Inter-corporate deposit payable										
Gujarat Fluorochemicals Limited	16249.00	19670.00							16249.00	19670.00
Inox Leasing & Finance Limited	Nil	1100.00							Nil	1100.00
Total	16249.00	20770.00							16249.00	20770.00
2. Inter-corporate deposit receivable										
Satyam Cineplexes Limited	4580.11	N.A							4580.11	N.A
3. Interest payable										
Gujarat Fluorochemicals Limited	Nil	360.59							Nil	360.59
4. Trade receivables										
Inox Wind Limited					33.82	28.72			33.82	28.72
Inox India Limited							0.37	0.30	0.37	0.30
Total					33.82	28.72	0.37	0.30	34.19	29.02
5. Trade payable										
Satyam Cineplexes Limited	54.23	N.A							54.23	N.A
6. Counter-guarantee given for bank guarantee taken by the subsidiary company										
Shouri Properties Pvt. Ltd	751.90	N.A							751.90	N.A
7. Share application money paid										
Swanston Multiplex Cinemas Pvt. Ltd					Nil	15.00			Nil	15.00
8. Deposit given										
Shouri Properties Pvt. Ltd	79.07	N.A							79.07	N.A

Note: Inter-corporate deposits to a subsidiary company are given for general business purposes. They are repayable at call and carry interest @ 11.50% p.a. Counter guarantee given to a bank for guarantee taken by a subsidiary company for entertainment tax exemption availed by it.

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

50. Additional disclosure as required by Listing Agreement in respect of loan given:

(Rs.in lacs)

Particulars	2014-2015	2013-2014
Name of loanee	Satyam Cineplexes Limited	
Amount of loan at the year end	4580.11	N.A
Maximum balance during the year	4580.11	N.A
Investment by the loanee in the shares of the Company	Nil	N.A

51. Legal and professional fees paid include Rs. 130.30 lacs (previous year Rs. 63.59 lacs) paid to firms/LLPs in which one of the directors is a partner and Rs. 30.00 lacs (previous year Rs. Nil) paid to a director.

52. Particulars in respect of provision for expenses

(Rs. in lacs)

Particulars	2014-2015	2013-2014
a) In respect of municipal taxes payable for one of its multiplexes		
Opening Balance	200.20	207.40
Provided during the year	52.80	52.80
Paid during the year	70.00	60.00
Closing balance	183.00	200.20
b) In respect of amalgamation expenses		
Opening Balance	Nil	500.00
Provided during the year	Nil	Nil
Paid during the year	Nil	272.56
Reversed during the year	Nil	227.44
Closing balance	Nil	Nil
c) Towards MVAT		
Opening Balance	39.61	39.61
Paid during the year	0.23	Nil
Closing balance	39.38	39.61
d) For service tax on renting of immovable properties		
Opening Balance	1042.44	1033.14
Provided during the year	Nil	25.37
Paid/adjusted during the year	Nil	16.07
Closing balance	1042.44	1042.44

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st March 2015

53. Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company 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

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

(Rs. in lacs)			
Particulars	2014-2015	2013-2014	
Principal amount due to suppliers under MSMED Act at the year end	1.80	5.71	
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.24	0.02	
Payment made to suppliers (other than interest) beyond the appointed day during the year	19.99	27.94	
Interest paid to suppliers under MSMED Act during the year	0.00	0.00	
Interest due & payable to suppliers under MSMED Act for payments already made	0.44	0.71	
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	4.75	4.07	

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

55. Calculation of Earnings Per Share (EPS):

Particulars	2014-2015	2013-2014
Profit after tax as per statement of Profit and Loss (Rs. in lacs)	2476.46	3693.60
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	91809663	76214604
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	91809663	76226579
Basic earnings per share of Rs. 10/- each (Rs.)	2.70	4.85
Diluted earnings per share of Rs. 10/- each (Rs.)	2.70	4.85

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

Inox Leisure Limited

Notes to the standalone financial statements for the year ended 31st 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: 25th May, 2015

Place: Mumbai
Dated: 25th May, 2015