

INOX LEISURE LIMITED

ANNUAL REPORT | 2013 - 14

Entertainment is in our genes.



BOARD OF DIRECTORS

Mr. Pavan Jain	Non Executive Director
Mr. Vivek Jain	Non Executive Director
Mr. Deepak Asher	Non Executive Director
Mr. Siddharth Jain	Non Executive Director
Mr. Haigreve Khaitan	Independent Director
Mr. Amit Jatia	Independent Director
Mr. Kishore Biyani	Independent Director

CHIEF EXECUTIVE OFFICER & MANAGER

Mr. Alok Tandon

COMPANY SECRETARY & GENERAL MANAGER - LEGAL

Mr. Miket Shashikant Bahuva

AUDITORS

M/s. Patankar & Associates
Chartered Accountants
Firm Reg. No. 107628W

REGISTERED OFFICE

Inox Leisure Limited,
ABS Towers,
Old Padra Road,
Vadodara - 390 007

CORPORATE OFFICE

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

WEBSITE ADDRESS

www.inoxmovies.com

EMAIL ID FOR INVESTORS

investors@inoxmovies.com

CORPORATE IDENTIFICATION NUMBER (CIN)

L92199GJ1999PLC044045

REGISTRARS & TRANSFER AGENT

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhopur, Hyderabad – 500 081

15th Annual General Meeting

Day : Wednesday
Date : 10th September, 2014
Time : 11.00 a.m.
Venue : Maple Hall, Hotel Express Residency,
18/19, Alkapuri Society,
Vadodara – 390 007

Contents

Notice.....	02
Directors' Report	15
Management Discussion and Analysis.....	22
Corporate Governance Report	24
Independent Auditors' Report.....	35
Balance Sheet	40
Statement of Profit and Loss	41
Cash Flow Statement	42
Notes.....	43

NOTICE

INOX LEISURE LIMITED (CIN: L92199GJ1999PLC044045)

Regd. Office: ABS Towers, Old Padra Road, Vadodara – 390 007.

Telephone: 0265 6198111 | **Fax:** 0265 2310312

Website: www.inoxmovies.com **Email ID:** contact@inoxmovies.com

Notice is hereby given that the Fifteenth ANNUAL GENERAL MEETING of the Members of **INOX LEISURE LIMITED** will be held on Wednesday, 10th September, 2014 at 11.00 a.m., at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2014, the Balance Sheet and Cash Flow Statement as at that date, the report of Auditors thereon and the report of the Board of Directors for the said year.
2. To appoint a Director in place of Mr. Pavan Jain (DIN: 00030098), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vivek Jain (DIN: 00029968), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Haigreve Khaitan (DIN: 00005290), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Amit Jatia (DIN: 00016871), Independent Director of the Company whose period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Kishore Biyani (DIN: 00005740), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and pursuant to Article 141 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has

NOTICE

received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years for a term upto 31st March, 2019.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in supersession of resolution passed under Section 293(1)(d) of the Companies Act, 1956 by Members through Postal Ballot on 4th October, 2012 and subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company’s Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 10,00,00,00,000/- (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in supersession of resolution passed under Section 293(1)(a) of the Companies Act, 1956 by Members through Postal Ballot on 18th November, 2009 consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) thereof) under Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages, hypothecations or pledges are created, shall not, at any time exceed the limit of ₹ 10,00,00,00,000/- (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

NOTICE

10. To consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s. Y. S. Thakar, Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2015, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company or Mr. Upen Shah, Chief Finance Officer & Head – Legal or Mr. Miket Shashikant Bahuva – Company Secretary & General Manager – Legal be and are hereby severally authorised to do all such acts, deeds & things and to take all such steps as they may deem necessary, proper or expedient to give effect to this resolution.”

11. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in compliance Section 188 of the Companies Act, 2013 (hereinafter referred to as “Act”) read with Rule (15) of the Companies (Meeting of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Act, and subject to other approvals, consents, permissions and sanctions of authorities as may be necessary, consent of the Company be and is given to the Board of Directors to continue with the existing transaction and also to renew this transaction from time to time at any time in future, with the Related Party as defined under Section 2 of the Act, as per details given below:

Sr. No.	Name of Related Party	Nature of relationship as defined under the Companies Act, 2013	Nature and Particulars of Contract	Amount per annum (₹ in lacs)
1.	Hardcastle Restaurants Private Limited	2 (76) (iv) Private Company in which Mr. Amit Jatia is a Director.	Renting of Immovable Property	75.00

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

12. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

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

Sr. No.	Name of Related Party	Nature of relationship as defined under the Companies Act, 2013	Nature and Particulars of Contract	Amount per annum (₹ in lacs)
1.	Inox Wind Limited	2 (76)(viii) Subsidiary Company of Holding Company. Hence, a Related Party under this category.	Sales & Services	50.00
2.	Khaitan & Co.	2 (76) (iii) Firm in which Mr. Haigreave Khaitan is a Partner.	Legal Advisory Services	400.00

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

13. To consider and, if, thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 42, Section 71, and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (hereinafter collectively referred to as “the Rules”) including any

NOTICE

Statutory modification/ amendment thereto or re-enactment thereof for the time being in force, the relevant provision(s) of the Memorandum & Articles of Association of the Company, and subject to such other approvals, as may be necessary and subject to such modifications as may be prescribed while granting such approvals, which may be agreed to by the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of the Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to make an offer(s) or invitation(s) for subscription of Non-convertible Debentures (NCD) including but not limited to Subordinated Debentures, bonds, and/or other debt securities, etc. on Private Placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the Members, for an amount not exceeding Rs. 5,00,00,00,000 (Rupees Five Hundred Crores Only), on such terms and conditions, including issue price thereof, and to such person(s) not exceeding two hundred or as permitted under the relevant Rules in this behalf through issue of Private Placement Letter of Offer as the Board deems fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents as may be required, to appoint intermediaries including but not limited to arranger for the NCD, Law Firm(s) / Legal expert(s), Registrar & Share Transfer Agent, Depositories i.e. NSDL / CDSL, Trustee(s), Bankers and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or Mr. Upen Shah – Chief Finance Officer & Head – Legal be and are hereby severally authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies.”

**By order of the Board of Directors
For Inox Leisure Limited**

**Miket Shashikant Bahuva
Company Secretary &
General Manager – Legal**

**Place: Mumbai
Date: 28th July, 2014**

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
- The Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special business as per Item Nos. 5 to 13 hereinabove is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 3rd September 2014 to Wednesday, 10th September 2014 (both days inclusive).

NOTICE

5. Appointment / Re-appointment of Directors:

The information required to be provided under the Listing Agreement in respect of Directors being appointed/re-appointed is given herein below:

Name of the Director	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Haigreave Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani
Date of Birth	17/05/1951	30/08/1955	13/07/1970	11/02/1967	09/08/1960
Date of Appointment	09/11/1999	09/11/1999	22/10/2007	26/05/2011	16/10/2013
Directors Identification Number	00030098	00029968	00005290	00016871	00005740
Expertise in Specific Functional Area	Mr. Pavan Jain is a chemical engineer from Indian institute of Technology, New Delhi, and an industrialist with over 35 years of experience. He has been instrumental in diversifying the Inox Group into various industries such as refrigerant gases, chemicals, cryogenic engineering, entertainment and renewable energy.	Mr. Vivek Jain is a graduate in Economics from St. Stephens, New Delhi, and a post graduate in business administration with specialization in finance, from the Indian Institute of Management, Ahmedabad. He has business experience of over 28 years and is currently the Managing Director of the Gujarat Fluorochemicals Limited	Mr. Haigreave Khaitan's main area of expertise are commercial and corporate laws, tax laws, mergers and acquisitions, restructuring, foreign collaboration, licensing.	Mr. Amit Jatia holds a degree in Business Administration from the University of Southern California, Los Angeles. He is the Vice-Chairman and Executive Director of Hardcastle Restaurants Private Limited which operates McDonald's stores in West and South India. He has over 15 years of experience. He is a member of the Young Presidents' Organization.	Mr. Kishore Biyani is a Commerce Graduate from the University of Mumbai and post graduate diploma in Marketing Management from the university of Mumbai. He is the Chief Executive Officer of Future Group of Companies. He has over 25 years of experience in the field of manufacturing and retailing. He has received several awards including 'the CEO of the Year – 2001', 'the most Admired Retailer of the year – 2004', 'the Retail Face of the Year – Images Retail Awards 2005' and 'the E&Y Entrepreneur of the Year – Services – 2006'.
Qualification	Chemical Engineer	Post graduate in Business Administration	Law Graduate	Degree in Business Administration	Post graduate diploma in Marketing Management
Directorships held in other Companies (Excluding Foreign Companies)	1. Inox Air Products Limited 2. Inox Leasing and Finance Limited 3. Gujarat Fluorochemicals Limited 4. Inox India Limited 5. Inox Renewables Limited 6. Inox Chemicals Private Limited 7. Siddho Mal Investments Private Limited 8. Siddhapavan Trading and Finance Private Limited 9. Devansh Trading and Finance Private Limited 10. Devansh Gases Private Limited	1. Gujarat Fluorochemicals Limited 2. Inox Air Products Limited 3. Inox India Limited 4. Inox Leasing and Finance Limited 5. Inox Renewables Limited 6. Inox Chemicals Private Limited 7. Siddho Mal Investments Private Limited 8. Siddhapavan Trading and Finance Private Limited 9. Devansh Trading and Finance Private Limited 10. Devansh Gases Private Limited	1. Ambuja Cements Limited 2. Bajaj Corp Limited 3. CEAT Limited 4. First Source Solutions Limited 5. Harrisons Malayalam Limited 6. Jindal Steel & Power Limited 7. Karam Chand Thapar & Bros (Coal Sales) Limited 8. National Engineering Industries Limited 9. Sterlite Technologies Limited 10. Torrent Pharmaceuticals Limited	1. Saubhagya Impex Pvt. Ltd 2. Anand Veena Twisters Pvt. Ltd 3. Horizon Impex Pvt. Ltd 4. Subh Ashish Exim Pvt. Ltd. 5. Achal Exim Private Limited 6. Vandeeep Trade Links P Ltd 7. Acasia Impex Pvt Ltd 8. Akshay Ayush Impex Pvt. Ltd 9. Hardcastle Restaurants Private Limited	1. Future Retail Limited 2. Future Lifestyle Fashions Limited 3. Future Generali India Life Insurance Company Limited 4. Future Generali India Insurance Company Limited 5. Future Consumer Enterprise Limited 6. Future Media (India) Limited 7. Future Corporate Resources Limited 8. Embassy Property Developments Private Limited

NOTICE

Directorships held in other Companies (Excluding Foreign Companies)	11. Rajni Farms Private Limited 12. Inox Infrastructure Limited 13. Siddhomal Air Products Private Limited 14. Sitashri Trading and Finance Private Limited 15. Inox International Private Limited	11. Rajni Farms Private Limited 12. Inox Infrastructure Limited 13. Siddhomal Air Products Private Limited 14. Sitashri Trading and Finance Private Limited 15. Inox International Private Limited 16. Inox DPNC Outsourcing Services Private Limited 17. Megnasolace City Private Limited	11. XPRO India Limited 12. AVTEC Limited 13. Great Eastern Energy Corporation Limited 14. Vinar Systems Private Ltd 15. Bharat Fritz Werner Limited	10. Hardcastle Petrofer Pvt. Ltd. 11. Sterling Holiday Resorts (India) Ltd. 12. Westlife Development Limited 13. Amit BL Properties Pvt. Ltd 14. Riddhika Properties Pvt. Ltd.	9. Eclipse Infrastructure Private Limited 10. Uccal Infrastructure Private Limited 11. Softtouch Multitrading Private Limited
Membership/ Chairmanship of Committees of other public Companies (includes only Audit Committee and Shareholders' and Investors' Grievance Committee)	1. Gujarat Fluorochemicals Limited (Member of Share Transfer & Investors' Grievance Committee) 2. Inox India Limited (Chairman of Audit Committee) 3. Inox Air Products Limited (Chairman of Audit Committee)	1. Gujarat Fluorochemicals Limited (Member of Share Transfer & Investors' Grievance Committee) 2. Inox India Limited (Member of Audit Committee) 3. Inox Leasing and Finance Limited (Member of Audit Committee) 4. Inox Air Products Limited (Member of Audit Committee)	1. Harrisons Malayalam Limited (Member of Audit Committee) 2. AVTEC Limited (Member of Audit Committee) 3. Jindal Steel & Power Limited (Member of Audit Committee) 4. National Engineering Industries Limited (Member of Audit Committee and Shareholders' Grievance Committee)	1. Westlife Development Ltd (Member of Audit Committee)	1. Future Media (India) Limited (Member of Audit Committee) 2. Future Lifestyle Fashions Limited (Member of Shareholders'/ Investors' Grievance Committee) 3. Future Consumer Enterprises Limited (Chairman of Shareholders'/ Investors' Grievance & Share Transfer Committee)
			5. Sterlite Technologies Limited (Member of Audit Committee) 6. Torrent Pharmaceuticals Limited (Member of Audit Committee)		
Shareholding in the Company	6,50,000	6,50,445	Nil	Nil	Nil
Relationship between directors inter-se	Mr. Vivek Jain is brother and Mr. Siddharth Jain is son.	Mr. Pavan Jain is brother and Mr. Siddharth Jain is brother's son.	Not related to any Directors.	Not related to any Directors.	Not related to any Directors.

NOTICE

6. In compliance with provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, Annual Reports for Financial Year 2013- 2014 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We request the Members to register / update their e-mail address with their Depository Participant, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their email addresses registered with the Registrar and Share Transfer Agents.
7. In compliance with provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide e-voting facility to all members has been provided through the e-voting platform of CDSL. In this regard, your demat account/folio number has been enrolled by the company for your participation in e-voting on the resolutions placed by the company on the e-voting system. Instructions and manner of e-voting process can be downloaded from the link <https://www.evotingindia.com>. **E-voting is optional.** The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 25th July, 2014.

The process and instructions for e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date i.e. 25th July, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company

NOTICE

opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- i. Please follow all steps from sr. no. (i) to sr. no. (xvi) above to cast vote.
- ii. The voting period begins on 3rd September, 2014 (9:00 am) and ends on 5th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- iii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- I. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25th July, 2014.
- II. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- III. M/s. Samdani Shah and Associates, Practicing Company Secretary (Certificate of Practice Number 2863) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Director or Company Secretary of the Company.

NOTICE

- V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.inoxmovies.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange Limited.
8. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. Karvy Computershare Private Limited, Unit: Inox Leisure Limited, Plot No. 17-24, Vittal Rao Nagar, Madhopur, Hyderabad – 500 081, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.
9. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance at its Registered Office, so as to enable the Company to keep the information ready.
10. Members / Proxies are requested to bring their Attendance Slip filled in and their copy of Annual Report to the Meeting.
11. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.
12. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

THE STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013:

ITEM NOS. 5 & 6:

Mr. Haigreave Khaitan (DIN: 00005290) and Mr. Amit Jatia (DIN: 00016871) are Independent Directors of the Company and hold this position as per the current provisions of the Listing Agreement. Mr. Haigreave Khaitan has held the position as an Independent Director of the Company for more than 5 (five) years. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Haigreave Khaitan and Mr. Amit Jatia as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019 and they shall not be included in the total number of directors liable to retire by rotation at the Annual General Meeting.

Mr. Haigreave Khaitan and Mr. Amit Jatia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Haigreave Khaitan and Mr. Amit Jatia for the office of Directors of the Company.

The Company has also received declarations from Mr. Haigreave Khaitan and Mr. Amit Jatia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Haigreave Khaitan and Mr. Amit Jatia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Haigreave Khaitan and Mr. Amit Jatia are independent of the management.

Brief resume of Mr. Haigreave Khaitan and Mr. Amit Jatia, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Note no. 5 of the Notice.

Copy of the letters for respective appointments of Mr. Haigreave Khaitan and Mr. Amit Jatia as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Haigreave Khaitan and Mr. Amit Jatia are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice with regard to their respective appointments. The relatives of Mr. Haigreave Khaitan and Mr. Amit Jatia may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

NOTICE

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The directors recommend the Resolutions as stated at Item Nos. 5 and 6 of the Notice for approval of the Members by way of Ordinary Resolutions.

ITEM NO. 7.

Pursuant to the provisions of Section 161(1) of the Act and pursuant to Article 141 of the Articles of Association of the Company, the Board of Directors of the Company had appointed Mr. Kishore Biyani (DIN: 00005740) as an Additional Director of the Company with effect from 16th October, 2013. In terms of the provisions of Section 161(1) of the Act, Mr. Kishore Biyani would hold office up to the date of the ensuing Annual General Meeting.

As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

It is proposed to appoint Mr. Kishore Biyani as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 31st March, 2019 and they shall not be included in the total number of directors liable to retire by rotation at the Annual General Meeting.

Mr. Kishore Biyani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kishore Biyani for the office of Director of the Company.

The Company has received a declaration from Mr. Kishore Biyani that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Kishore Biyani fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kishore Biyani is independent of the management.

Brief resume of Mr. Kishore Biyani, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Note no. 5 of the Notice.

Copy of the letter for appointment of Mr. Kishore Biyani as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Kishore Biyani is interested in the resolution set out at Item No. 7 of the Notice with regard to his appointment. The relatives of Mr. Kishore Biyani may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The directors recommend the Resolution as stated at Item No. 7 of the Notice for approval of the Members by way of Ordinary Resolution.

ITEM NOS. 8 & 9.

The Members of the Company had, vide Postal Ballot dated 4th October, 2012, authorised the Board of Directors of the Company to;

- (i) borrow monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of ₹ 1,000 crores at any point of time; and

NOTICE

- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage/hypothecation on the Company's assets in favour of Company's Bankers/Financial Institutions/other investing agencies and trustees for the amounts borrowed i.e. upto ₹1,000 crores, including interest, charges, etc., payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under the provisions of Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956 respectively by way of Ordinary Resolutions.

Under Section 180 of the Companies Act, 2013, ("the Act") the above powers of the Board are required to be exercised only with the consent of the members by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 4/2014 dated 25th March, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until 11th September, 2014.

The approval of the Members for the said borrowings and creation of mortgage or charge for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act, respectively. As per the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, resolution to be passed under Section 180 (1) (a) of the Act is required to be passed by voting through a postal ballot only. Accordingly postal ballot form is sent with this Notice of Annual General Meeting and e-voting facility is provided to the Members for casting their vote on the item no 9 of the Notice. All the Members are requested to kindly refer to the instructions given on the Postal Ballot form.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The directors recommend the Resolutions as stated at Item Nos. 8 & 9 of the Notice for approval of the Members by way of Special Resolutions.

ITEM NO. 10.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The directors recommend the Resolution as stated at Item No. 10 of the Notice for approval of the Members by way of an Ordinary Resolution.

ITEM NO. 11.

Section 188 of the Companies Act, 2013 (Act) read with Rule 15(3) of the Companies (Meeting of Board and its Powers) states that no Company shall enter into transactions with Related Party as defined under Section 2 (76) of the said Act except with the consent of the Board and Members of the Company which are either not (a) in Ordinary Course of Business or (b) on arm's length basis.

The Company had entered into the transactions with Related Parties as mentioned in item no. 11 of the Notice prior to commencement of the Act which is continuing as on date. In view the requirements of the referred Section as also Clause 49 of the Listing Agreement which shall be effective from 1st October, 2014, if applicable, the Company is required to obtain approval of the Members in respect of this Related Party transaction.

Information required to be provided under Rule 15(3) of the Companies (Meeting of Board and its Powers):

NOTICE

Name of Related Party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature and Particulars of Contract	Monetary Value (₹ in lacs)
Hardcastle Restaurants Private Limited	Mr. Amit Jatia	2 (76) (iv)	Renting of Immovable Property	75.00

Mr. Amit Jatia is interested in resolution set out at Item No. 11 of the Notice. The relatives of Mr. Amit Jatia may be deemed to be interested in the resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The directors recommend the Resolution as stated at Item No. 11 of the Notice for approval of the Members by way of a Special Resolution.

ITEM NO. 12.

Section 188 of the Companies Act, 2013 (Act) read with Rule 15(3) of the Companies (Meeting of Board and its Powers) states that no Company shall enter into transactions with Related Party as defined under Section 2 (76) of the said Act except with the consent of the Board and Members of the Company which are either not (a) in Ordinary Course of Business or (b) on arm's length basis.

The Company proposes to enter into transaction with related party as provided in Resolution at Item No. 12. In view the requirements of the referred Section as also Clause 49 of the Listing Agreement which shall be effective from 1st October, 2014, if applicable, the Company is required to obtain approval of the Members in respect of those Related Party transactions.

Information required to be provided under Rule 15(3) of the Companies (Meeting of Board and its Powers):

Name of Related Party	Name of the director or key managerial personnel who is related, if any	Nature of relationship	Nature and Particulars of Contract	Monetary Value (₹ in lacs)
Inox Wind Limited	Subsidiary Company of Holding Company. Hence, a Related Party under this category.	2 (76)(viii)	Sales & Services	50.00
Khaitan & Co.	Mr. Haigreave Khaitan	2 (76) (iii)	Legal Advisory Services	400.00

Mr. Haigreave Khaitan is interested in resolution set out at Item No. 12 of the Notice. The relatives of Mr. Haigreave Khaitan may be deemed to be interested in the resolution set out at Item No. 12 of the Notice, to the extent of their shareholding interest, if any, in the Company. Mr. Siddharth Jain and Mr. Deepak Asher, Directors of the Company are also Directors in Inox Wind Limited.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The directors recommend the Resolution as stated at Item No. 12 of the Notice for approval of the Members by way of a Special Resolution.

ITEM NO. 13.

The Ministry of Corporate Affairs (MCA) has notified Section 42 of the Companies Act, 2013 (Act), dealing with an offer / invitation for subscription of Securities on a Private Placement basis and Section 71 of the Act pertaining to issue of debentures to come into effect from 1st April, 2014.

As per section 42 of the Act read with Rule No. 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (hereinafter referred to as "the Rules"), a Company offering or inviting an offer to subscribe to Non-Convertible Debentures ('NCDs') on a Private Placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs during the year.

NOTICE

The Company may consider an issue of Non-convertible Debentures (NCD) including Subordinated Debentures, Bonds, and/or other debt securities, etc., in future, for an amount not exceeding ₹ 5,00,00,00,000 (Rupees Five Hundred Crores Only) on a Private Placement basis, in one or more tranches, in order to meet the fund requirements of corporate and other general business purposes of the Company. The issue price of the said NCD shall be based on the market trend and Company's negotiations with the prospective buyer(s) for the same on Private Placement basis as evaluated and determined by the Board of Directors of the Company at the time of such issue.

Accordingly, the approval of the Members is being sought by way of a Special Resolution under Section 42 and other applicable provisions, if any, of the Act read with the Rules framed thereunder as set out in Resolution No. 13 appended to this Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The directors recommend the Resolution as stated at Item No. 13 of the Notice for approval of the Members by way of a Special Resolution.

**By order of the Board of Directors
For Inox Leisure Limited**

**Place: Mumbai
Date: 28th July, 2014**

**Miket Shashikant Bahuva
Company Secretary &
General Manager – Legal**

**Registered Office:
ABS Towers,
Old Padra Road,
Vadodara – 390 007**

DIRECTORS' REPORT

To the Members of

INOX LEISURE LIMITED

Your Directors take pleasure in presenting to you the Fifteenth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

(₹ In Lacs)

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
Income		
Sales and other Income	87777.69	76891.02
Profit before Finance Cost, Depreciation and Tax	13051.60	9913.39
Less: Depreciation	5068.90	4307.50
Profit before Finance Cost and Tax	7982.70	5605.89
Less: Finance Cost	2763.37	2669.77
Profit before Tax (PBT)	5219.33	2936.12
Add/(Less): Provision for Taxation		
• For the year	(1515.18)	(1275.72)
• Earlier Years	(10.55)	184.23
Profit after Tax (PAT)	3693.60	1844.63
Add: Profit brought forward from previous year	9308.40	7907.07
Less: On account of Amalgamation	-	(443.30)
Balance carried to Balance Sheet	13002.00	9308.40

NEW PROPERTIES:

During the year under review, 9 Multiplex Cinema Theatres with 40 screens and seating capacity of 9287 seats were added and an agreements for 2 (Two) Multiplex Cinema Theatres with 9 Screens were discontinued. As of 31st March, 2014 the Company operates 79 Multiplex Cinema Theatres with 310 screens and 83,809 seats.

2. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

3. ISSUE OF EQUITY SHARES OF THE COMPANY TO THE SHAREHOLDERS OF ERSTWHILE FAME INDIA LIMITED AND HEADSTRONG FILMS PRIVATE LIMITED PURSUANT TO COMPOSITE SCHEME OF AMALGAMATION:

Pursuant to the Composite Scheme of Amalgamation between Fame India Limited and its subsidiaries, viz., Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited (the Transferor Companies) with Inox Leisure Limited (the Transferee Company), the Company has allotted 3,45,62,206 Equity shares to the shareholders of Fame India Limited and Headstrong Films Private Limited.

DIRECTORS' REPORT

On allotment of above 3,45,62,206 equity shares of the Company, Gujarat Fluorochemicals Limited ("GFL") ceased to be the holding company on 10th July, 2013. Subsequently, the Members of the Company have passed a resolution at the Annual General Meeting held on 23rd 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.

4. **DIVIDEND:**

With a view to finance the Company's ongoing projects and considering future expansion plans, no dividend has been recommended by the Board of Directors for the year ended 31st March, 2014.

5. **DIRECTORS:**

Mr. Pavan Jain (DIN: 00030098) and Mr. Vivek Jain (DIN: 00029968), Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and Article 141 of the Articles of Association of the Company, Mr. Kishore Biyani (DIN: 00005740) was appointed as an Additional Director of the Company with effect from 16th October, 2013. He shall hold office upto the date of ensuing Annual General Meeting. The Company has received a Notice in writing from a Member proposing the candidature of Mr. Kishore Biyani for the office of Director.

Mr. Haigreave Khaitan (DIN: 00005290) and Mr. Amit Jatia (DIN: 00016871), Independent Directors of the Company are appointed as an Independent Directors of the Company for a period of five consecutive years subject to approval of Members at the ensuing Annual General Meeting. The Company has received a notice in writing from a Member proposing the candidature of Mr. Haigreave Khaitan & Mr. Amit Jatia.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the applicable provisions of section 149 of the Act and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Necessary resolutions in respect of Directors seeking appointment / re-appointment and their brief resume pursuant to clause 49 of the listing agreement are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

Mr. Sanjeev Jain, Independent Director of the Company has resigned from the Company with effect from 8th May, 2014 citing his inability to continue as an Independent Director in view of him ceasing to be an Independent Director as per provisions of Section 149 (6) of the Act. Your Directors place on record their deep sense of appreciation for his exceptional role in advising and guiding the Company.

6. **STATUTORY AUDITORS' REPORT:**

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

7. **COST AUDITOR:**

Ministry of Corporate Affairs has, vide a Notification dated 30th June, 2014 issued the Companies (Cost Records and Audit) Rules, 2014. As per the provision of the Rules, the Company is not required to include cost records in the books of accounts in respect of generation of electricity by Wind Mills of the Company. These rules are yet to be published in the official gazette.

As an abundant caution, the Board of Directors of the Company has, in terms of Cost Audit Order no. 52/26/CAB/2010 dated 6th November, 2012 issued by Ministry of Corporate Affairs (MCA), appointed M/s. Y. S. Thakar & Co. (Registration Number - 000318) as Cost Auditors of the Company to conduct the Cost Audit for the Financial Year 2014 – 2015 as applicable to generation of electricity by Wind Mills of the Company.

DIRECTORS' REPORT

Particulars of Cost Audit Report Submitted by M/s. Y. S. Thakar & Co. in respect of Financial Year 2012-13 is as follows.

Financial Year :	2012-13
Due Date of Filing Cost Audit Report:	27 th September 2013
Date of Filing Cost Audit Report:	26 th September 2013

8. AUDITORS:

Members are requested to appoint Auditors for the Current Year & to fix, or authorize the Board to fix their remuneration. M/s. Patankar & Associates (Firm Registration No. 107628W) Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. A certificate has been received from them that their appointment, if made, will be in compliance with the provisions of the Companies Act, 2013.

9. CORPORATE GOVERNANCE:

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

In compliance with the requirements of Clause 49(V), a certificate from the Manager and Chief Finance Officer of the Company was placed before the Board.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by Mr. Alok Tandon, Chief Executive Officer of the Company is enclosed as a part of the Corporate Governance Report.

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

Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Company has taken the following energy conservation measures:

- All the properties of erstwhile Fame India Limited, Façade Signages, Cinema Leval Signages and Internal Signages have been converted to LED for energy conversion.
- Digital projectors have been installed at all the Multiplexes of the Company. This consumes approximately 20% less amount of energy as compared with conventional projection systems.
- Power factor is being maintained with the use of capacitor banks and auto power factor correction meter. These banks are used to neutralize the inductive current by providing capacitive current. As a result, the power factor improves and the Company gets rebate as may be applicable on energy bills from Electricity Distribution Companies. The overall current consumption from the equipment has also reduced which leads to increase life cycle of the equipments like Motors and Heaters.
- All multiplexes have implemented Planned Preventive Maintenance (PPM) program where the schedule for all the engineering and projection equipments are chalked out in advance with the PPM chart. A benefit of the PPM program is to improve the efficiency of the machines and minimizing breakdowns. As a part of PPM program the air conditioning system was overhauled and chemical dosing was used to recover the loss of ageing plus wear and tear. As a result, the electrical current required for getting the desired result has reduced.
- All new fittings are with CFL or energy saving mechanisms, which use less electrical power as compared to incandescent lamps.
- The operation timing of HVAC (Heat Ventilation and Air Conditioning) system and temperature is controlled with the help of Building Management System software (BMS) at some of the units of the Company.
- Eco-friendly source of electricity generated by the wind mill for the multiplex at Vadodara and Bharuch is used partially.
- Eco-friendly source of electricity generated through Mini hydro power plant for the Multiplex at Vijayawada is used partially.

DIRECTORS' REPORT

- Timers are being used to optimize the operational hours of lighting including other load within the premises. We have started energy conservation meeting for all the units so as to create awareness about the energy conservation. The units like Vijayawada, Lucknow, Hyderabad, Thane, Malleshwaram (Bangalore), Rajarhat, Central Mall (Indore) have installed these Timers for common area lightings and Signages. Digital Timers are also installed for the AHU (Air Handling Units) which can precisely control the operation hours of AHU according to the schedule of the movies. Same process is being standardized for all upcoming multiplexes.
- The Company has successfully installed Variable Frequency Drive (VFD) for Audi AHU motors in Multiplexes situated at Kanpur, Bangalore - JP Nagar, Thane, Vizag beach road, Vizag CMR, Jaipur - Raja Park, Bangalore - Mantri Mall, Lucknow and Jaipur - Vaibhav, Vashi, Kalyan, Malad, Kandivali, Bangalore – Prestige, Kolkata – South City, Hiland Park and Panchkulla properties, which helps us to control the speed of Aircon motor as per the temperature and the occupancy. It helps to optimize energy consumption for Air conditioning system.
- Introduced movement sensor in toilets and back-office areas. This sensor functions upon the physical movement which helps to reduce electrical energy. This is being standardized for all upcoming multiplexes.
- Auto Voltage Regulator (AVR) is installed at Pune which is maintaining constant Voltage in the said unit irrespective of any voltage fluctuation from the electricity board. In effect the rate of failure of bulbs, tubes and other components has been reduced considerably.

Your Company continues to use the latest technology for giving high quality movie viewing experience to its valued guests.

The foreign exchange earnings and outgo is as follows:

(₹ in Lacs)

	Current Year	Previous Year
(a) Foreign exchange earnings	Nil	Nil
(b) Foreign exchange outgo		
CIF value of Capital Goods imported	1519.46	7602.72
CIF Value of materials purchased	263.23	Nil
Travelling expenses	19.94	34.72
Total	1802.63	7637.44

11. PERSONNEL:

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

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

12. APPROVAL OF CENTRAL GOVERNMENT FOR APPOINTMENT OF AND REMUNERATION PAYABLE TO, MR. ALOK TANDON FOR A PERIOD OF TWO YEARS (FROM 1ST APRIL, 2013 TILL 31ST MARCH, 2015):

Central Government vide its letter dated 17th December, 2013 has approved appointment of, and payment of remuneration to, Mr. Alok Tandon as a Manager of the Company for a period of two years i.e. from 1st April, 2013 to 31st March 2015.

13. EMPLOYEE STOCK OPTION SCHEME:

During the year under review 33,156 options were granted to Employees of the Company. Pursuant to the options vested in them as per the Employee Stock Option Scheme, 21,577 Equity Shares of ₹ 10 each were allotted to the employees of the Company. The disclosures as required under the Guidelines issued by Securities Exchange Board of India on Employee Stock Option Scheme / Employee Stock Purchase Scheme are given in **"Annexure – A"**.

DIRECTORS' REPORT

14. **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

In compliance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases.

During the period under review, no cases were filed with the Committee.

15. **INSURANCE:**

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

16. **ACKNOWLEDGEMENT:**

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

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

On behalf of the Board of Directors

Place: Mumbai
Date: 28th July, 2014

Pavan Jain
Director

Vivek Jain
Director

DIRECTORS' REPORT

Annexure "A"

Information required to be disclosed under SEBI (ESOS & ESPS) Guidelines, 1999

A	Options granted	33,156
B	The price formula / Exercise Price	15
C	Options vested	21,577
D	Options exercised	21,577
E	The total number of shares arising as a result of exercise of option	21,577
F	Options lapsed	NIL
G	Variation of terms of options	NOT APPLICABLE
H	Money realized by exercise of option	NIL
I	Total number of options in force	16,579
J	Employee-wise details of options granted to <ol style="list-style-type: none"> 1. senior managerial personal 2. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year 3. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant 	<ol style="list-style-type: none"> 1. Nil 2a. Atul Bhandarkar 2b. Nimesh Waghela 2c. Giten Sayla 2d. Satish Mundhe & 2e. Kaushik Mukherjee 3. Nil
K	Diluted Earnings Per Share (EPS) (as on 31 st March, 2014) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 'Earnings per Share'	₹ 4.85
L	If Employee Compensation Cost (ECC) calculated using intrinsic value of the stock options, difference between ECC so computed and ECC shall have been recognized if it had used the fair value of the options. Impact of this difference on profits and on EPS of the company	<p>Difference in ECC: The ECC would have been higher by ₹ 9.99 Lacs.</p> <p>Impact of the difference on the Profit: Profit After Tax would have been lower by ₹ 9.99 lacs.</p> <p>Impact on EPS: EPS would have been lower by less than ₹ 0.01 each.</p>

DIRECTORS' REPORT

M	For options whose exercise price either equals or exceeds or is less than the market price of the stock, disclose weighted-average exercise prices and weighted-average fair values of options separately		Weighted Average Exercise Price	Weighted Average Fair Value
		Exercise price equals market price	Nil	Nil
		Exercise price exceeds market price	Nil	Nil
		Exercise price is less than the market price	₹ 15	For options granted on 29 th January, 2007 – ₹ 153.01 For options granted on 27 th October 2009 – ₹ 43.91 For options granted on 12 th August 2013 – ₹ 14.86
N	Method and significant assumptions used during the year to estimate fair values of options, including following weighted-average info- i. risk-free interest rate ii. expected life iii. expected volatility iv. expected dividends, and v. the price of the underlying share in market at the time of option grant	Not Applicable Not Applicable Not Applicable Not Applicable Not Applicable		

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The film industry has recorded a healthy growth both in terms of content and box office collections in the year 2013-14. The industry is projected to grow at a Compound Average Growth Rate (CAGR) of 11.9%* to touch ₹ 219.8 billion in 2018. Domestic theatrical revenues are expected to continue dominating the overall film exhibition pie.

Growth in the number of screens by multiplexes contributed largely to the growth in domestic theatrical revenues. Penetration is now moving into tier II, III and even tier IV cities, which are experiencing rapid urbanization and greater economic growth.

OPPORTUNITIES:

Multiplexes as of today account for approximately 25 per cent of the total number of screens in the country with a low screen density of 8 screens per million in comparison with 117 per million in the US. Given the low screen penetration, India has the potential to significantly increase the number of existing multiplex screens in the country over the next decade without causing an oversupply.

Multiplexes have been successful in bringing the audience back to cinema theatres, and are the preferred out-of-home choice of entertainment for the Indian consumer. The option of choosing from 9-10 titles a day was unheard of decade back. Temperature controlled auditoriums, luxurious recliner seats, state-of-art sound and projection systems – in addition to a variety of lip-smacking snacks, made 'going to the movies' very chic, hip and fashionable. People additionally felt much safer in multiplexes considering the safety precautions undertaken.

150 – 200 screens has been added in 2013, with the major growth coming from multiplexes and their penetration to the Tier II and Tier III cities. Growth is highly correlated to the level of real estate development. Consolidation has additionally led to a significant improvement in the overall industry. It brought about a boost in the bargaining power of most exhibitors. The growth of domestic theatricals can be attributed to both improvement in occupancy levels as well growth in ATP (average ticket prices).

There has been a 30 per cent increase in the occupancy levels for major multiplex players in 2013. The differential pricing throughout the day and every day of the week are helping in maximizing footfalls. ATP have also grown over the years from INR 150 – 160 in 2011 to INR 168 – 175 in 2013 in the leading multiplex chains.

Today, the audience have become highly discerning. They have shown their appetite for differentiated content. Many films with unconventional themes are proving themselves to be super successful at the box office despite not being mainstream movies. Directors are not afraid to experiment with a range of subjects can now expect their films to be accepted by the audiences, where content of the film matters the most. This phenomenon has helped exhibitors to program these movies better and bring in maximum footfalls from that niche segment of the audience.

Digitization has been a boon for the industry. From shooting a movie on digital formats and distributing content across various locations, to marketing the film on various social media platforms and promoting it on social media, the entire industry is going digital. Online ticketing systems have brought in transparency and the much-needed facility of bringing the Box Office to one's computer or mobile phones.

In-cinema advertising is estimated to be ₹ 3.9 billion in 2013. This healthy growth is coming from both national, regional and local advertisers. Digital Cinema comes in as a key contributor and provides significant benefits to advertisers including: single print, multi-lingual ads, great quality without any possibility of wear and tear and transparent logs.

THREATS / RISKS / CONCERNS:

With increasing number of internet user base, piracy is rampant like never before. With the advent of technology and the proliferation of internet in smaller towns and cities, online piracy is the new devil who has taken over the physical piracy. To make it worse, it doesn't leave a footprint which prevents authorities from clamping down perpetrators.

It is estimated that Tier I cities have witnessed a huge decline in the supply of malls with cities like Pune facing a decline of up to 87 per cent, followed by Mumbai at 72 per cent and Delhi with a drop of 70 percent. Exhibitors are bearing a brunt with launched of new screens getting delayed. Sadly, these delays have come at a time when films are ready to be released in a larger platform, thanks to Digitization, but do not have quality cinema to screen them.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENT WISE ANALYSIS:

During the current year, the Company has not carried out any activity for production and distribution of movies. Accordingly, 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

A. RECRUITMENT & SELECTION

At INOX, our talented pool of 5300 employees make live the concepts of providing quality service and guest delight. Our focused recruitment and selection process ensures we have on board the best talent in the industry. Our professional expertise, sourced from the services and the hospitality industry have helped us to redefine our standards of service. We take pride in having a stable manpower strength giving us a strategic advantage to sustain long-term business objectives.

B. TRAINING & DEVELOPMENT

Our employees continue to thrive as our most valuable assets. With a constructive work culture designed to promote a positive and a progressive work environment, our strength lies in our ability to unlearn outdated concepts and learn new ones. Our rationale at encouraging learning & a growing environment has paved way for attaining our long term business objectives.

C. INDUSTRIAL RELATIONS

We believe and practice in providing a congenial and a positive work environment. Our fair and just management practices help us to maintain healthy relationships at work at all times.

* *'The Stage is Set - FICCI-KPMG Indian Media and Entertainment Industry Report 2014.*

CORPORATE GOVERNANCE REPORT

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

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

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

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

2. Board of Directors:

The Board of your Company comprises of Seven Directors and all of them are Non-Executive Directors having considerable experience in their respective fields. There is no Chairman of the Company. The composition of the Board of Directors consist of 4 non-executive-non independent and 3 non-executive-independent directors and the same meets the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Your Company held 5 (Five) Board Meetings during the year, one each on 29th May, 2013, 10th July, 2013, 12th August, 2013, 16th October, 2013 and 29th January, 2014.

The details of the Board of Directors, their positions, attendance record, other Directorships (excluding Private Limited and foreign Companies and alternate Directorships) and the Membership in other Board Committees as on 31st March, 2014 are as under:-

Name of Director	Position	No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other Companies*	Member (Chairperson) of other Board Committees**
Mr. Pavan Jain	Non-Executive -non Independent	4	No	6	3(2)
Mr. Vivek Jain	Non-Executive – non Independent	5	No	6	4(0)
Mr. Deepak Asher	Non-Executive – non Independent	5	Yes	6	--
Mr. Siddharth Jain	Non-Executive – non Independent	4	No	4	2(0)
Mr. Haigreave Khaitan	Non-Executive - Independent	3	No	14	7(0)
Mr. Sanjeev Jain#	Non-Executive - Independent	4	Yes	1	1(0)
Mr. Amit Jatia	Non-Executive - Independent	3	No	2	1(0)
Mr. Kishore Biyani\$	Non-Executive - Independent	2	N.A.	7	3(1)

* Excluding private limited Companies, foreign Companies, Section 25 Companies and Companies in which Director is an alternate Director.

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

Mr. Sanjeev Jain has resigned from the Board of Directors of the Company with effect from 8th May, 2014.

\$ Mr. Kishore Biyani was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 16th October, 2013.

CORPORATE GOVERNANCE REPORT

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

- Audit Committee
- Stakeholders Relationship Committee (**Previously known as Share Transfer & Investors' Grievance Committee**)
- Compensation, Nomination & Remuneration Committee (**previously known as Compensation & Remuneration Committee**)

a. Audit Committee:

The Audit Committee comprises of Four Directors with Mr. Haigreve Khaitan as the Chairman of the Committee.

Your Company held four Audit Committee Meetings during the year, one each on 29th May, 2013, 12th August, 2013, 16th October, 2013 and 29th January, 2014.

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

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Sanjeev Jain#	Chairman	4	4
Mr. Deepak Asher	Member	4	4
Mr. Haigreve Khaitan*	Member	4	3
Mr. Amit Jatia	Member	4	2
Mr. Kishore Biyani\$	Member	4	1

Mr. Sanjeev Jain has resigned from the Board of Directors of the Company with effect from 8th May, 2014.

* Mr. Haigreve Khaitan has been appointed as the Chairman of the Audit Committee with effect from 16th May, 2014.

\$ Mr. Kishore Biyani has been appointed as a Member of the Audit Committee with effect from 16th October, 2013.

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

Mr. Sanjeev Jain, who was the Chairman of the Audit Committee prior to his resignation, had attended the previous Annual General Meeting held on 23rd August, 2013.

b. Stakeholders Relationship Committee (Previously known as Share Transfer & Investors' Grievance Committee)

Your Company has formed Share Transfer & Investors' Grievance Committee which has been rechristened as Stakeholders Relationship Committee with effect from 27th May 2014, under the Chairmanship of Mr. Pavan Jain, a Director of your Company. The Committee specifically looks into the redressal of Shareholders' and investors' complaints such as transfer of shares, non receipt of shares, non receipt of dividend, etc. and to ensure their expeditious disposal. The Committee approves and monitors transfers, transmissions, dematerialization, re-materialization, issue of duplicate shares, splitting, consolidation of shares, etc. The Committee also oversees the performance of the Registrar and Share Transfer Agents and recommends measures for improvement in the quality of investor services.

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

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

CORPORATE GOVERNANCE REPORT

Mr. Miket Shashikant Bahuva, Company Secretary and General Manager – Legal acts as a Compliance Officer.

During the year ended 31st March 2014, your Company received 7 complaints from investors. All the complaints were resolved / replied. The complaints were mainly in respect of non receipt of Dividend Warrant and non receipt of Annual Report.

A total of 2295 equity shares of the Company (including 395 shares pertaining to 4 shareholders of erstwhile Fame India Limited remaining unclaimed since initial public issue in 2005) had remained unclaimed subsequent to the initial public issue of the Company in 2006. In compliance with provisions of Clause 5A of the Listing Agreement, aforesaid shares have been transferred to “**Inox Leisure Limited – Unclaimed Suspense Account**”/ “**Fame India Limited Unclaimed Suspense Account**”.

Particulars	No of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	42*	2295*
Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	0	0
Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	42*	2295*

* Includes 395 Shares remaining unclaimed by 4 shareholders of erstwhile Fame India Limited.

The voting rights in respect of above shares shall remain frozen till the rightful owner claims such shares.

c. Compensation, Nomination & Remuneration Committee (Previously known as Compensation & Remuneration Committee):

Your Company has formed a Compensation & Remuneration Committee which has been rechristened as Compensation, Nomination & Remuneration Committee with effect from 27th May, 2014, which consists of majority of Independent Directors.

The terms of Reference of Compensation, Nomination & Remuneration Committee are in accordance with Clause 49 of the Listing Agreement.

Composition of the Compensation, Nomination & Remuneration Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Committee Meetings held during the year	Number of Meetings Attended
Mr. Sanjeev Jain [#]	Chairman	4	3
Mr. Deepak Asher	Member	4	4
Mr. Haigreave Khaitan ^{\$}	Member	4	1
Mr. Amit Jatia	Member	4	1

[#] Mr. Sanjeev Jain has resigned from the Board of Directors of the Company with effect from 8th May, 2014.

^{\$}Mr. Haigreave Khaitan has been appointed Chairman of the committee with effect from 27th May, 2014.

CORPORATE GOVERNANCE REPORT

Remuneration to Directors:

All the Directors of your Company are non-executive directors and are not entitled to any remuneration except sitting fees. All the directors were paid sitting fees of ₹ 5,000/- each per meeting for attending the Board Meetings and other Committee Meetings till 12th August, 2013. Pursuant to Article 143 of the Articles of Association of the Company, in the Board meeting dated 12th August, 2013, the Board of Directors have approved to increase in sitting fees of the Directors from ₹ 5,000/- to ₹ 20,000/- for attending the meetings of the Board or committee thereof and adjournments thereto attended by them. The details of sitting fees paid to the Directors for the year 2013-14 are given below:

Name of Director	Board Meeting Sitting Fees	Audit Committee Meeting Sitting Fees	Share Transfer & Investors' Grievance Committee Meeting Sitting Fees	Compensation & Remuneration Committee Meeting Sitting Fees	Total
Mr. Pavan Jain	65000	N.A.	60000	N.A.	125000
Mr. Vivek Jain	70000	N.A.	0	N.A.	70000
Mr. Deepak Asher	70000	65000	60000	80000	275000
Mr. Siddharth Jain	50000	N.A.	N.A.	N.A.	50000
Mr. Haigreave Khaitan	45000	45000	N.A.	20000	110000
Mr. Sanjeev Jain#	65000	65000	N.A.	60000	190000
Mr. Amit Jatia	45000	40000	N.A.	20000	105000
Mr. Kishore Biyani\$	40000	20000	N.A.	N.A.	60000
Total	450000	235000	120000	180000	985000

Mr. Sanjeev Jain has resigned from the Board of Directors of the Company with effect from 8th May, 2014.

\$ Mr. Kishore Biyani was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 16th October, 2013.

4. General Body Meetings:

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

Year	Date and Time	Venue	Special Resolution Passed
2010-11	12 th AGM on 15 th July, 2011 at 11.00 a.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. Approval for payment of remuneration to Mr. Alok Tandon, Manager of the Company for a period from 1 st October 2010 to 30 th September, 2011 2. Re-appointment of Mr. Alok Tandon for a period of Eighteen months with effect from 1 st October, 2011 to 31 st March, 2013.
2011-12	13 th AGM on 27 th July, 2012 at 11.00 a.m.		1. Re-appointment of Mr. Alok Tandon for a period of Two Years with effect from 1 st April, 2013 to 31 st March, 2015.
2012-13	14 th AGM on 23 rd August 2013 at 11.00 a.m.		1. Payment of Managerial Remuneration to Mr. Rajeev Patni, Manager & Director – Operations of erstwhile Fame India Limited. 2. Alteration of the Articles of Association of the Company.

CORPORATE GOVERNANCE REPORT

During the year ended 31st March, 2014, no ordinary or special resolution was passed by your Company's members through postal ballot.

One special resolution at Item No. 9 of the Notice of Annual General Meeting is proposed to be passed by way of a Postal Ballot at the ensuing Annual General Meeting of the Company. Procedure for postal ballot has been provided in the Postal Ballot Form.

5. Other Disclosures:

a) **Materially significant related party transactions:**

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

b) **Details of non-compliance:**

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

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

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

d) **Management Discussion and Analysis Report:**

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

e) **CEO/CFO Certification:**

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

f) **All the mandatory requirements of Clause 49 of the Listing Agreement have been complied by the Company.**

• **Compliance with Non Mandatory requirements:**

- i. **Remuneration Committee:** The Company has a remuneration committee. Please refer relevant paragraph of this report.
- ii. **Audit qualification:** For the year ended 31st March, 2014, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.
- iii. **Whistle Blower Policy:** The Company has adopted Whistle Blower Policy at its Board Meeting held on 27th May, 2014 and no personnel has been denied access to the audit committee. A copy of Company's Whistle Blower Policy has also been put up on Company's Website.

6. Means of communication:

The quarterly / annual financial results of your Company during / for the year ended 31st March, 2014 were submitted with the Stock Exchanges immediately after they were taken on record by the Board and published in well-circulated Gujarati and English dailies as well. The said results along with official news releases and presentations made to the institutional investors / analysts have been posted on your Company's website viz.: www.inoxmovies.com.

7. General Shareholder information:

Annual General Meeting (AGM):

- Date : Wednesday, 10th September, 2014
- Time : 11.00 a.m.
- Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara - 390 007

Financial year : 31st March, 2014

Book Closure Dates : Wednesday, 3rd September, 2014 to Wednesday, 10th September, 2014 **(both days inclusive)**

CORPORATE GOVERNANCE REPORT

Listing on Stock Exchanges:

1. National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/I, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
2. BSE Limited (BSE)
Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Stock Code:

NSE **INOXLEISUR**
BSE **532706**

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

Month	NSE High	NSE Low	BSE High	BSE Low
April' 13	74.40	61.00	74.80	64.50
May' 13	77.70	63.00	77.80	62.90
June' 13	66.60	59.30	66.00	59.60
July' 13	62.80	54.00	62.90	53.70
August' 13	64.30	50.25	64.00	50.60
September' 13	78.00	58.95	79.90	59.00
October' 13	95.55	74.60	95.25	75.00
November' 13	96.00	81.30	95.90	81.25
December' 13	121.45	89.60	121.05	91.75
January' 14	127.20	81.70	127.20	81.70
February' 14	111.95	83.00	111.90	90.10
March' 14	119.00	101.00	117.00	102.00

The opening NIFTY, as on 1st April, 2013, was 5697.35 and the closing NIFTY, as on 31st March, 2014, was 6,704.20 (+17.67%). On 1st April 2013, the Opening price of the Company's Share on NSE was ₹ 64.50 and as on 31st March, 2014 closing price on NSE was ₹ 115.35 (+78.84%).

The opening BSE Sensex as on 1st April, 2013, was 18,890.81 and the closing BSE Sensex as on 31st March, 2014 was 22,386.27 (+18.50%). On 1st April, 2013, the Opening price of the Company's Share on BSE was ₹ 64.50 as on 31st March, 2014 closing price on BSE was ₹ 114.30 (+77.21%).

Registrar and Transfer Agents:

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

Karvy Computershare Private Limited

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

Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. However, physical shares lodged for transfer and other related requests are processed by the said Share Transfer Agent and the same are approved by the Company.

CORPORATE GOVERNANCE REPORT

Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31 st March, 2014					
Shareholding of nominal value	No. of Shareholders	% to total	No. of Shares	Amount in (₹)	% to Total
I – 5000	34,835	92.95	33,37,739	3,33,77,390	3.46
5001 – 10000	1,304	3.48	10,52,813	1,05,28,130	1.09
10001 – 20000	693	1.85	10,59,072	1,05,90,720	1.10
20001 – 30000	200	0.53	5,05,662	50,56,620	0.52
30001 – 40000	100	0.27	3,47,585	34,75,850	0.36
40001 – 50000	77	0.21	3,62,455	36,24,550	0.38
50001 – 100000	131	0.35	9,39,477	93,94,770	0.97
100001 & Above	135	0.36	8,88,52,951	88,85,29,510	92.12
TOTAL	37,475	100.00	9,64,57,754	96,45,77,540	100.00

Particulars of shares held by Non-Executive Directors:

Name of the Director	No. of shares as on 31 st March 2014
Mr. Pavan Jain	* 9,61,580
Mr. Vivek Jain	6,50,445
Mr. Siddharth Jain	6,00,000
Mr. Deepak Asher	25,000
Mr. Sanjeev Jain#	100
Mr. Pavan Jain, Mr. Vivek Jain and Mr. Deepak Asher jointly as a Trustee of Inox Benefit Trust	1,99,31,570

* Out of these shares 3,11,580 equity shares are held as Trustee of “Inox Leisure Limited – Employees Welfare Trust” (ESOP Trust).

Mr. Sanjeev Jain has resigned from the Board of Directors of the Company with effect from 8th May, 2014.

Shareholding Pattern as on 31 st March, 2014		
Category	No. of Shares Held	Percentage of Shareholding
Promoter's holding		
- Indian Promoters	4,69,73,928	48.70%
Sub-Total	4,69,73,928	48.70%
Non-Promoters Holding		
Institutional Investors		
- Mutual Funds /UTI	32,91,280	3.41%
- Financial Institutions/Banks	34,715	0.04%
- Foreign Institutional Investors	8,72,318	0.90%
Sub-Total	41,98,313	4.35%
Others		
Directors	19,25,545	2.00%

CORPORATE GOVERNANCE REPORT

Shareholding Pattern as on 31 st March, 2014		
Category	No. of Shares Held	Percentage of Shareholding
Bodies Corporate	1,22,44,576	12.69%
Indian Public	1,03,31,609	10.71%
NRIs / OCBs	3,25,980	0.34%
Any other		
- Trusts	2,02,49,659	20.99%
- Clearing Members	2,08,144	0.22%
Sub-Total	4,52,85,513	46.95%
Grand Total	9,64,57,754	100.00%

Dematerialization of shares and liquidity:

Your Company's equity shares are traded compulsorily in dematerialized form. Approximately 99.65% of the equity shares of your Company are in dematerialized form. ISIN number for dematerialization of the equity shares of your Company is INE312H01016.

Outstanding GDRs/ADRs/Warrants:

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

Property Locations:

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

Sr. No.	City	Location
1	Pune	Plot No. D, Bund Garden Road, Near Hotel Central Park, Pune.
2	Vadodara	Race Course, Gopal Baug, Ellora Park, Vadodara.
3	Kolkata	Forum, 10 / 3, Elgin Road, Kolkata.
4	Kolkata	City Centre, DC Block I, Sector I, Kolkata.
5	Goa	Old GMC Heritage Precinct, D. B. Road, Campal, Panaji, Goa.
6	Mumbai	CR2, 2nd Floor, Opp. Bajaj Bhavan, Nariman Point, Mumbai.
7	Bangalore	4th Floor, Garuda Mall, Magrath Road, Bangalore.
8	Jaipur	Amrapali Circle, Vaishali Nagar, Jaipur.
9	Indore	Sapna Sangeeta Mall, Sapna Sangeeta Road, Sneha Nagar, Indore.
10	Darjeeling	Rink Mall, 19, Laden La Road, Darjeeling. West Bengal.
11	Kota	Plot No. Sp 11, Indra Vihar, Kota.
12	Nagpur	Poonam Mall, Vardhaman Nagar, Nagpur.
13	Chennai	3rd Floor, Chennai City center, 10/11, R.K. Salai, Near Kalyani Hospital, Mylapore, Chennai.
14	Jaipur	City Plaza, Nirman Marg, Jhotwara Road, Bani Park, Jaipur.
15	Bharuch	Shree Rang Palace, Zadeshwar Road, Bharuch, Gujarat.
16	Durgapur	Dream Plex, BSIDL Building, Durgapur.
17	Jaipur	4th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur.
18	Lucknow	4th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow.
19	Raipur	3rd Floor, City Mall 36, G. E. Road, NH-6, Raipur.
20	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata.
21	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada.
22	Faridabad	3rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad.

CORPORATE GOVERNANCE REPORT

Sr. No.	City	Location
23	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur.
24	Bangalore	4th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore.
25	Burdwan	4th Floor, Burdhan Arcade, 60, B.B Ghosh Road, Burdwan.
26	Hyderabad	5th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad.
27	Siliguri	5th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri.
28	Rajarhath	3rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata.
29	Indore	4th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore.
30	Thane	3rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane.
31	Vizag	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam.
32	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam.
33	Bangalore	3rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bangalore.
34	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka.
35	Jaipur	Pink Square Mall, Raja Park, Jaipur.
36	Kanpur	3rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur.
37	Bangalore	5th Floor, Bangalore Central, 45th Cross, J. P. Nagar 2nd Phase, Bangalore.
38	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal.
39	Siliguri	City Centre, Matigara, Siliguri, West Bengal.
40	Vijaywada	3rd Floor, LEPL Icon, Patamata, Vijayawada.
41	Hyderabad	5th Floor, Maheshwari Parameshwari Mall, Kachiguda Cross Road, Hyderabad
42	Kharghar	Glomax Mall, Kharghar, Navi Mumbai
43	Pune	2nd Floor, Amanora Park Town, East Blok, Hadapsar, Pune
44	Bhubaneswar	4th Floor, BMC Bhawani Mall, Saheed Nagar, Opp. Arya Samaj, Bhubaneswar
45	Udaipur	5th Floor, Lake City Mall, Porawalaji Ki Wadi, Ashok Nagar, Udaipur
46	Bhopal	1st Floor, Century 21 Mall, Hoshangabad Road, Bhopal
47	Nashik	Old Vijay Mamta Theatre, Opp. Prasad Chambers, Nashik Pune Road, Nashik.
48	Kandivali	Raghuleela Mall, Behind Poisar Bus Depot, Off S.V. Road, Kandivali (W), Mumbai.
49	Kolkata	Metropolis Mall, Hiland Park, Opp. Pearlless Hospital, E.M. By Pass, Kolkata.
50	Malad	Inorbit Mall, New Link Road, Near Subkuch Market, Malad (West) Mumbai.
51	Pune	Jai Ganesh Vision Mall , Near Olympia Service Station Akurdi, Pune.
52	Aurangabad	Old Anuradha Anupama Cinema, Next To Hotel Windsor Castle , Cidco, Aurangabad.
53	Dadar	Nakshatra Cine Shoppe, Rande Road, Near Dadar Railway Station, Dadar (W), Mumbai.
54	Anand	City Pulse Theaters Ltd., Nr. Hero Honda Showroom, S.N. Motors, Anand - Vidyanagar Road, Anand.
55	Dahisar	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira – Bhayander, Thane.
56	Kandivali	CTS No. 809-A-1/1/1, Village Poisar, Kandivali.
57	Bangalore	Next To Ista Hotel,, Off M.G. Road, Ulsoor, Bangalore.
58	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata.
59	Vashi.	Raghulila Mall, 3rd Floor Opp. Vashi Railway station, Vashi, Navi Mumbai.
60	Bangalore	Public Utility Building, M G Road, Bangalore.
61	Pune	1st Floor, Fun & Shop Mall, Opp. Bhairoba Nallah,, Fatima Nagar, Hadapsar, Pune.
62	Ghatkopar	Neelyog Bulding Patel Chowk, R.B. Road,, Ghatkopar (E), Mumbai.
63	Punchkula	4th Floor, Shalimar Mega Mall, Sector -5 Panchkula.
64	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan.
65	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung , Vadodara.

CORPORATE GOVERNANCE REPORT

Sr. No.	City	Location
66	Bharuch	Shalimar Takies, Station Road, Bharuch.
67	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad.
68	Bangalore	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road, Bangalore
69	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai
70	Kolkata	Hind Cinema, Bow Bazar, Kolkata
71	Surat	VR Surat, Dumas Road, Magdalla, Surat, Gujarat
72	Vizianagaram	3rd Floor, NCS Mall, Bochu Peta, Opp. RTC Complex, Vizianagaram
73	Panchkula	3rd Floor, NH-22 Mall, Amravati Enclave, Sector 2, Pinjore-Kalka Urban Complex, Panchkula
74	Raipur	1st Floor, City Centre Mall, Vidhan Sabha Road, Mowa, Raipur
75	Jaipur	3rd Floor, Elements Mall, Ajmer Road, Jaipur
76	Madurai	5th Floor, Vishaal de Mal, 31, Gokhale Road, Chinna Chokkikulam, Madurai
77	Noida	3rd Floor, MSX Mall, Swarn Nagari, Gate No.1, Greater Noida
78	Kolkata	Quest Mall, 4th Floor, 33, Syed Amir Ali Avenue, Kolkata
79	Manipal	First Floor, Central Cinemas, Laxmindra Nagar, Udupi Main Road, Manipal
80	Gurgaon*	3rd Floor, Gurgaon Dreamz Mall, Sector 4 - 7 Circle, Old Railway Road, Gurgaon
81	Vizag*	4th Floor, Chitralayaa, Suryabagh, Visakhapatnam
82	Jalgaon*	2nd Floor, Khandesh Central, Station Road, Jalgaon

(*) Commenced operations after 31st March, 2014.

Address for correspondence:

Registered Office:

ABS Towers, Old Padra Road, Vadodara – 390 007
Phone No.: (91 265) 6198 111 | Fax No.: (91 265) 2310312

Corporate Office:

5th Floor, Viraj Towers, Next to Andheri Flyover,
Western Express Highway, Andheri (E), Mumbai - 400 093.
Phone No.: 4062 6900 | Fax No.: 4062 6999
Website: www.inoxmovies.com
Email Address: investors@inoxmovies.com

Listing Fees:

Your Company has paid the annual listing fees for the financial year 2014-15 to the NSE and BSE on which the securities are listed.

8. Code of Conduct:

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

Declaration by the CEO under Clause 49 I(D) of the Listing Agreement:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and senior management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Place: Mumbai
Date: 28th July, 2014

Alok Tandon
Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Auditors' Certificate on Corporate Governance

To the Members of Inox Leisure Limited

We have examined the compliance of the conditions of Corporate Governance by Inox Leisure Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information, as per the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respects.

We state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the Company.

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

**For Patankar & Associates,
Chartered Accountants
Firm Reg. No. 107628W**

**Place: Pune
Date: 28th July, 2014**

**(M Y Kulkarni)
Partner
Mem. No. 35524**

INDEPENDENT AUDITORS' REPORT

To the Members of Inox Leisure Limited

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. On the basis of written representation received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Patankar & Associates

Chartered Accountants

Firm's Registration No: 107628W

M Y Kulkarni

Partner

Membership No: 035524

Place: Pune

Date: 27th May, 2014

AUDITOR'S REPORT

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INOX LEISURE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014 – REFERRED TO IN PARAGRAPH I UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
Fixed assets disposed of during the year were not substantial and therefore do not affect the going concern assumption.
2. The inventories were physically verified by the management at reasonable intervals during the year.
In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
In our opinion, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has taken an unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the balance as at the end of the year is ₹ 1,100 lacs. In our opinion, the rate of interest and other terms and conditions on which this loan is taken are not, *prima-facie*, prejudicial to the interest of the Company. The Company is regular in payment of interest and repayment of the principle.
The Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sales 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. In our opinion, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. In our opinion, for purchase of services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year, no comparison of prices could be made available as these legal services are of special nature. There were no transactions of purchase of goods and materials, and sale of goods, materials and services with parties covered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of rupees five lakhs in respect of any party during the year.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.
9. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Cess, Entertainment Tax and other material statutory dues applicable to it, and no undisputed amounts payable were in arrears, as at the end of the year, for a period of more than six months from the date they became payable. No payments were due in respect of and Excise Duty.

AUDITOR'S REPORT

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

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in lacs)	Forum where dispute is pending
Service-tax	Levy of service tax on certain income	90.13	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
Service-tax	Service tax on renting of immovable properties	1042.44	Supreme Court of India
Income-tax Act, 1961	TDS on certain payments	11.32	Commissioner of Income-tax (Appeals), Mumbai
The Customs Valuation Rules, 1988	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
Customs Act, 1962	Custom duty	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, Nhava Sheva
Maharashtra Value Added Tax Act, 2002 ('MVAT')	Levy of MVAT on Copy Right	39.61	Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002 ('MVAT')	Levy of MVAT on sale of distribution rights	23.30	Deputy Commissioner of Sales Tax
Karnataka Value Added Tax Act, 2003	Levy of KVAT on sales	31.75	Joint Commissioner Commercial Taxes (Appeals) Division I, Bangalore
West Bengal Value Added Tax Act, 2003	Levy of WB VAT on sales	80.61	The Addl. Commissioner, Sales Tax, West Bengal, Kolkata

10. The Company does not have accumulated losses and the Company has not incurred cash losses during the current year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, the term loans availed during the year by the Company were applied for the purpose for which they were obtained.
17. In our opinion, on an overall examination of the Balance Sheet and the Cash Flow Statement, funds raised on short term basis have, prima-facie, not been used during the year for long term investment.
18. During the year the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. There are no debentures issued and outstanding during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money by way of public issues during the year.
21. No fraud on or by the Company was noticed or reported during the course of our audit.

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

M Y Kulkarni
 Partner
 Membership No: 035524

Place: Pune
 Date: 27th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

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 of acquisition or cost of construction, as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Project pre-operative expenses and expenditure incurred during construction period of multiplexes are capitalized to various eligible assets in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalised. In respect of accounting period commencing on or after 1 April, 2011, consequent to the amendment of para 46A of AS 11: The Effects of Changes in Foreign Exchange Rates, cost of depreciable capital assets include foreign exchange differences arising on translation of long term foreign currency monetary items.

c) Depreciation on Tangible Fixed Assets:

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

- I. On Leasehold Improvements, 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.

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

d) Amortization of Intangible assets:

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

e) 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.

f) 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.

g) Inventories :

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

h) 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

i) 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.

j) 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.

k) 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.

l) 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.

m) Treasury shares:

Pursuant to the Scheme of Amalgamation of Fame India Ltd ('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.

n) 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.

o) 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.

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

Particulars	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	4	9,614.62	6,156.24
(b) Share Capital to be issued	4 & 30	-	3,456.22
(c) Reserves and Surplus	5	44,444.39	41,193.72
(d) Interest in Inox Benefit Trust, at cost	30	(14,968.89)	(18,348.45)
		39,090.12	32,457.73
2 Non-Current Liabilities			
(a) Long-term borrowings	6	21,482.99	22,373.76
(b) Deferred tax liabilities (Net)	7	2,900.30	2,275.57
(c) Other long term liabilities	8	2,400.92	3,948.48
(d) Long-term provisions	9	413.43	390.15
		27,197.64	28,987.96
3 Current liabilities			
(a) Short term borrowings	10	887.69	2,229.34
(b) Trade payables	11	7,204.69	5,610.51
(c) Other current liabilities	12	9,322.33	9,470.99
(d) Short-term provisions	9	2,106.42	2,584.78
		19,521.13	19,895.62
TOTAL		85,808.89	81,341.31
II ASSETS			
1 Non-Current Assets			
(a) Fixed assets	13		
(i) Tangible assets		58,291.32	55,035.13
(ii) Intangible assets		320.61	240.31
(iii) Capital work-in-progress	14	4,854.29	4,225.73
		63,466.22	59,501.17
(b) Non-current investments	15	98.27	95.97
(c) Long term loans and advances	16	14,432.88	13,298.49
(d) Other non-current assets	17	225.13	248.96
		78,222.50	73,144.59
2 Current Assets			
(a) Current investments	15	272.91	10.54
(b) Inventories	18	858.93	546.48
(c) Trade receivables	19	3,341.83	3,666.79
(d) Cash and bank balances	20	1,655.97	2,333.44
(e) Short-term loans and advances	21	1,276.21	1,373.92
(f) Other current assets	22	180.54	265.55
		7,586.39	8,196.72
TOTAL		85,808.89	81,341.31

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

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

For Inox Leisure Limited

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Place : Pune
Dated : 27th May, 2014

Place : Mumbai
Dated : 27th May, 2014

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

(₹ In lacs)

Particulars	Note No.	Year ended 31 st March, 2014	Year ended 31 st March, 2013
INCOME			
Revenue from operations	23	86,882.91	76,528.56
Other Income	24	894.78	362.46
Total Revenue		87,777.69	76,891.02
EXPENSES			
Entertainment tax		10,607.05	10,204.08
Exhibition Cost	25	22,348.92	20,994.27
Cost of Food and Beverages	26	4,664.18	4,259.09
Employee benefits expense	27	4,956.70	4,269.40
Finance costs	28	2,763.37	2,669.77
Depreciation & amortization	13	5,068.90	4,307.50
Other Expenses	29	32,110.24	27,000.79
Total Expenses		82,519.36	73,704.90
Profit Before exceptional items and tax		5,258.33	3,186.12
Less: Exceptional items	31	39.00	250.00
Profit Before tax		5,219.33	2,936.12
Tax expenses			
Current tax		1,062.00	1,039.00
MAT Credit Entitlement		(75.00)	(310.00)
Deferred tax		528.18	546.72
Taxation pertaining to earlier years	33(c)	10.55	(184.23)
		1,525.73	1,091.49
Profit for the year		3,693.60	1,844.63
Earnings Per Equity Share of ₹ 10 each	50		
Basic		4.85	2.57
Diluted		4.85	2.57

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

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

For Inox Leisure Limited
M. Y. Kulkarni
 Partner

Pavan Jain
 Director

Deepak Asher
 Director

Miket Shashikant Bahuva
 Deputy Company Secretary
 & Senior Manager - Legal

 Place : Pune
 Dated : 27th May, 2014

 Place : Mumbai
 Dated : 27th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ In lacs)	
Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013	
A Cash flow from operating activities			
Net profit before tax	5,219.33	2,936.12	
Adjustments for :			
Depreciation and amortization	5,068.90	4,307.50	
Loss of retirement/disposal of fixed assets (net)	83.48	454.95	
Provision for diminution in value of assets held for disposal	41.60	-	
Bad debts and remissions	58.28	0.02	
Provision for doubtful debts	20.22	13.02	
Liabilities written back	(505.89)	(145.12)	
Provision for diminution in value of investment	39.00	250.00	
Amortization of value of Stock Options	14.34	1.06	
Interest income	(105.28)	(131.88)	
Gain on sale of current investments	(53.43)	(84.94)	
Finance cost	2,763.37	2,669.78	
Operating profit before working capital changes	12,643.92	10,270.51	
Changes in working capital			
Trade payables	1,594.19	286.81	
Long-term provisions	23.27	97.19	
Short-term provisions	(479.57)	293.95	
Other current liabilities	2,474.89	(4,101.02)	
Other long term liabilities	(1,547.56)	3,867.69	
Trade receivables	246.45	(1,676.65)	
Inventories	(312.46)	(132.56)	
Long-term loans and advances	(1,095.12)	(1,099.16)	
Short-term loans and advances	(77.29)	(371.95)	
Cash generated from operation	13,470.72	7,434.81	
Direct taxes paid (net)	(924.71)	(303.84)	
Net cash from/(used in) operating activities	12,546.01	7,130.97	
B Cash flow from investing activities			
Purchase of fixed assets (including change in Capital work-in-progress, capital advances and pre-operative expenses)	(9,801.62)	(9,017.80)	
Sale of fixed assets	13.77	519.91	
Acquisition of Intangible Assets	(177.98)	(48.42)	
Investment in subsidiary company	-	(469.10)	
Purchase of other non-current investment	(33.80)	(7.40)	
Purchase of current investments	(5,050.00)	(4,400.00)	
Share application money paid to joint venture	(15.00)	-	
Sale/redemption of current investments	4,848.56	6,334.94	
Proceeds from sale of treasury shares	2,921.22	-	
Intercompany Deposit given / received back	175.00	(75.00)	
Movement in bank fixed deposits with original maturity of more than 3 months (net)	57.81	28.07	
Interest received	144.52	178.72	
Net cash from/(used in) investment activities	(6,917.52)	(6,956.08)	
C Cash flow from financing activities			
Shares issued under ESOP	3.24	0.75	
Proceeds from / Repayment of Inter-company Deposit (net)	(2,921.00)	970.00	
Proceeds from / Repayment of Term Loans (net)	380.64	719.24	
Proceeds from short term borrowings (net)	(1,341.65)	2,014.98	
Finance cost	(2,397.39)	(2,650.27)	
Net cash from/(used in) financing activities	(6,276.16)	1,054.70	
Net (Decrease) / Increase in cash and cash equivalents	(647.67)	1,229.59	
Cash and cash equivalents at the beginning of the year	2,105.00	459.62	
Add: On amalgamation (Refer Note I below)	-	415.79	
	2,105.00	875.41	
Cash and cash equivalents at the end of the year	1,457.33	2,105.00	

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

As per our report of even date attached

For Patankar and Associates
Chartered Accountants

For Inox Leisure Limited

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Place : Pune
Dated : 27th May, 2014

Place : Mumbai
Dated : 27th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

4: Share Capital

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Authorised Capital		
14,00,50,000 Equity Shares of ₹ 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 (previous year 6,18,95,548) Equity Shares of ₹ 10/- each	9,645.78	6,189.56
Less: 3,11,580 (previous year 3,33,157) Equity Shares of ₹ 10/- each, issued to ESOP Trust but not allotted to employees (see note no. 32)	31.16	33.32
	<u>9,614.62</u>	<u>6,156.24</u>
Adjusted Issued, Subscribed and Paid-up Capital		
Share Capital to be issued		
Nil (previous year 3,45,62,206) Equity Shares of ₹ 10/- each fully paidup to be issued to members of erstwhile Fame India Limited pursuant to Amalgamation of Fame India Limited with the Company (see note no. 30)	-	3,456.22
	<u>-</u>	<u>3,456.22</u>

- a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No	₹ in lacs	No	₹ in lacs
At the beginning of the year	61,562,391	6,156.24	61,557,391	6,155.74
Add:				
a) Shares issued pursuant to Amalgamation of Fame India Limited	34,562,206	3,456.22	-	-
b) Issued during the year under ESOP	21,577	2.16	5,000	0.50
	<u>96,146,174</u>	<u>9,614.62</u>	<u>61,562,391</u>	<u>6,156.24</u>
Less: Interest in Inox Benefit Trust - shares of Company held by the Trust	19,931,570	1,993.16	24,431,570	2,443.16
	<u>76,214,604</u>	<u>7,621.46</u>	<u>37,130,821</u>	<u>3,713.08</u>

- b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No	₹ in lacs	No	₹ in lacs
Gujarat Fluorochemicals Limited - the holding Company	46,386,467	4,638.65	40,615,092	4,061.51
Inox Leasing & Finance Limited - the ultimate holding company	587,461	58.75	587,461	58.75

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

4: Share Capital Continued.

- 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 ₹ 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

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No	%	No	%
Gujarat Fluorochemicals Ltd. - the holding Company	46,386,467	48.09%	40,615,092	65.62%
Inox Benefit Trust	19,931,570	20.66%	-	-
Reliance Capital Ltd	7,730,595	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. 32

5: Reserves & Surplus

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Capital redemption reserve		
Balance as per last Balance Sheet	0.10	-
Add: Addition on Amalgamation (see note no. 30)	-	0.10
Balance as at the end of the year	0.10	0.10
Securities Premium Account		
Balance as per last Balance Sheet	25,751.56	12,996.86
Add: Arising out of grant of options to employees	15.35	-
Add: Addition on Amalgamation (see note no. 30)	-	12,754.70
	25,766.91	25,751.56
Less: Premium on shares issued to ESOP Trust but not allotted to employees	23.26	18.72
Balance as at the end of the year	25,743.65	25,732.84
Employee Stock Options Outstanding		
Balance as per last Balance Sheet	1.72	2.72
Add/(Less): On account of options granted/lapsed/exercised and amortisation of value of stock options (net)	4.60	(1.00)
Balance as at the end of the year	6.32	1.72
Amalgamation Reserve		
Balance as per last Balance Sheet	750.66	387.90
Add: Addition on Amalgamation (see note no. 30)	-	362.76
Balance as at the end of the year	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)	(458.34)	-
Surplus in the Statement of Profit and Loss		
Surplus as per last Balance Sheet	9,308.40	7,907.07
Less: On account of Amalgamation (see note no. 30)	-	(443.30)
Add: Profit for the year	3,693.60	1,844.63
Balance as at the end of the year	13,002.00	9,308.40
Total	44,444.39	41,193.72

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

6: Long-term borrowings

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Term Loans from Banks (secured)	5,980.67	5,600.03
Loans & Advances from related parties (unsecured)		
Inter-corporate Deposits		
- from Holding Company	16,249.00	19,170.00
- from Ultimate Holding Company	1,100.00	1,100.00
	17,349.00	20,270.00
Total borrowings	23,329.67	25,870.03
Less: Current maturities disclosed under the note no. 12 "Other current liabilities"	(1,846.68)	(3,496.27)
Total	21,482.99	22,373.76

Nature of Security and terms of repayment for secured borrowings:

- a) Term loans from Axis Bank amounting to ₹ 5,980.67 lacs (previous year ₹ 4,322.25 lacs) carries interest @ bank base rate + 1.25 % p.a which presently is 11.50%. The loans are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/ property financed by the said term loans and escrow of entire cash flows relating to such multiplexes. The repayment schedules are as under:

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

- b) Term loan from Citi Bank amounting to ₹ Nil (previous year ₹ 499.99 lacs) carried interest @ 8.75% p.a and was secured by mortgage of immovable property situated at Pune and charge on all movable assets situated at Pune, Thane, Rajapark (Jaipur) and Madurai multiplexes and four future properties.
- c) Term loan from ING Vysya Bank amounting to ₹ Nil (previous year ₹ 777.79 lacs) carried interest @ 9.5% p.a and was secured by charge on immovable property situated at Nariman Point and exclusive charge on all the current and fixed assets situated at Vizag Beach Road, Vizag CMR Mall, Kanpur, Belgaum, J.P.Nagar (Bangalore), Kharghar multiplexes and one future multiplex.

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%.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

7: Deferred Tax Liabilities (net)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Deferred Tax Liabilities		
On account of difference between book depreciation and tax depreciation	3,601.75	3,082.74
Total Liabilities	3,601.75	3,082.74
Deferred Tax Assets		
Expenditure allowable on payment basis under Income-tax Act	613.84	598.98
Amalgamation Expenses	69.47	154.47
Provision for doubtful debts and advances	18.14	53.72
Total Assets	701.45	807.17
Net Deferred Tax Liability	2,900.30	2,275.57

8: Other Long-term liabilities

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Security Deposits Received	19.08	19.20
Retention Money	43.73	28.38
Creditors for capital expenditure	2,338.11	3,900.90
Total	2,400.92	3,948.48

9: Provisions

(₹ in lacs)

Particulars	Long-term		Short-term	
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013
for Gratuity	294.77	257.27	49.24	34.43
for Leave benefits	118.66	132.88	61.02	57.50
for Municipal tax - see note no. 48(a)	-	-	200.20	207.40
for MVAT - see note no.48(c)	-	-	39.61	39.61
for Service tax - see note no. 48(d)	-	-	1,042.44	1,033.14
for Amalgamation expenses - see note no. 48(b)	-	-	-	500.00
for Taxation (net of payments)	-	-	713.91	712.70
Total	413.43	390.15	2,106.42	2,584.78

10: Short terms borrowings

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Short Term Loan from Bank (secured)	-	800.00
Loans repayable on demand from banks (secured)		
- Bank overdraft	887.69	929.34
Loans & Advances from related parties (unsecured)		
- Inter-corporate Deposits - from Holding Company	-	500.00
Total	887.69	2,229.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10: Short terms borrowings - Continued.

- Short Term loan from Axis Bank amounting to ₹ Nil (previous year ₹ 800 lacs) carried interest @ bank base rate + 1.25 % p.a which was 11.50%. The loan was secured by mortgage of immovable property situated at Vadodara and charge on all stocks, debts and movable properties situated at Amanora-Pune, Hyderabad-2, Udaipur, Bhubaneshwar, Bhopal, Vijayanagaram, Element Mall-Jaipur, RPG Mall-Kolkata, Surat, and Vizag-3 properties.
- 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
- Short term inter-corporate deposit was repayable on demand and carried interest @ 10%.

11: Trade Payables

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Trade payables		
- Dues to Micro and Small Enterprises (see note no. 49)	5.71	1.42
- Others	7,198.98	5,609.09
Total	7,204.69	5,610.51

12 : Other Current Liabilities

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Current maturities of long-term debt (from note no.6)	1,846.68	3,496.27
Interest accrued and due on borrowings	422.55	56.57
Interest accrued but not due on long term liabilities	27.60	42.67
Income Received in advance	776.84	699.96
Unclaimed Dividend (see note below)	3.74	3.74
Advances from customers	514.11	289.14
Statutory dues and taxes payable	697.82	655.17
Creditors for capital expenditure	4,403.27	3,674.53
Retention Money	326.80	283.15
Security Deposit	290.87	262.69
Other Payables	12.05	7.10
Total	9,322.33	9,470.99

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs)

13. Fixed Assets

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1 st April, 2013	On Amalgamation	Additions	Other Adjustments		Deductions	As at 1 st April, 2013	On Amalgamation	For the year	Deductions	As at 31 st March, 2014	As at 31 st March, 2013
				Exchange Fluctuations	Borrowing Costs							
a) Tangible Assets												
Land (Freehold)	2,669.66	-	-	-	-	-	-	-	-	-	2,669.66	2,669.66
Land (Leasehold)	367.58	-	-	-	-	-	45.91	-	5.86	-	315.81	321.67
Buildings (*)	13,542.06	-	-	-	-	-	1,623.86	-	220.80	-	11,697.40	11,918.20
Leasehold improvements	21,578.95	-	2,666.37	-	72.48	97.07	7,547.02	-	1,687.80	43.14	15,029.05	14,031.93
Plant & Equipment	26,371.02	-	2,954.14	570.23	49.99	25.33	6,874.26	-	1,848.52	8.31	21,205.58	19,496.76
Furniture & Fixtures	6,656.22	-	1,277.26	-	26.01	42.93	2,713.84	-	664.14	19.95	4,558.53	3,942.38
Vehicles	144.01	-	15.87	-	-	10.39	41.87	-	14.20	10.39	103.81	102.14
Office Equipments	4,026.73	-	570.07	122.24	-	4.69	1,474.34	-	529.89	1.36	2,711.48	2,552.39
Sub-total	75,356.23	-	7,483.71	692.47	148.48	180.41	20,321.10	-	4,971.21	83.15	58,291.32	55,035.13
b) Intangible Assets												
Software	531.63	-	177.99	-	-	-	409.26	-	66.59	-	233.77	122.37
Negative rights	2.66	-	-	-	-	-	2.66	-	-	-	-	-
Film Distribution Rights	24.71	-	-	-	-	24.71	24.71	-	-	24.71	-	-
Movie Script	155.50	-	-	-	-	-	37.56	-	31.10	-	86.84	117.94
Sub-total	714.50	-	177.99	-	-	24.71	474.19	-	97.69	24.71	320.61	240.31
Total	76,070.73	-	7,661.70	692.47	148.48	205.12	20,795.29	-	5,068.90	107.86	58,611.93	55,275.44
Previous year	42,789.25	19,506.20	15,517.85	(23.56)	76.52	1,795.53	9,476.50	7,642.19	4,307.51	630.91	20,795.29	

Note: Buildings includes ₹ 4681.02 lacs in respect of building at Nariman Point, Deed of Apartment of which is to be executed.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

14: Capital work-in-progress

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Capital work-in-progress	4,096.92	3,441.06
Pre-operative expenditure pending allocation	757.37	784.67
Total	4,854.29	4,225.73
Pre-operative expenditure pending allocation		
Opening Balance	784.67	436.29
Add: On Amalgamation	-	179.06
	784.67	615.35
Add: Expenses incurred during the year		
Salaries and wages	274.89	291.34
Contribution to Provident and other funds	16.70	16.84
Staff Welfare	5.48	5.47
Legal & Professional fees and expenses	360.03	260.99
Travelling & Conveyance	344.79	299.82
Insurance (net)	0.57	6.00
Power & Fuel	47.18	54.03
Communication Expenses	3.46	5.90
House keeping expenses	19.43	11.49
Outsourced Personnel Cost	22.44	40.51
Security expenses	74.85	76.91
Miscellaneous Expenses	16.47	20.15
Finance costs	171.62	140.40
	1,357.91	1,229.85
Less: Pre-Operative Income earned during the year		
Miscellaneous Income	5.45	6.08
	2,137.13	1,839.12
Less: Capitalised during the year	1,379.76	1,054.45
Closing balance	757.37	784.67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

15 (a) : Non-Current Investments (Non-trade, at cost, unquoted)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
a) Investments in joint venture 1,640,000 equity shares of ₹10 each, fully paid-up, of Swanston Multiplex Cinemas Private Limited Add: Share application money Less: Provision diminution in value of the investment	279.52 15.00 (289.00) 5.52	279.52 - (250.00) 29.52
b) Investments in Government Securities National Savings Certificates (Held in the name of Directors/Ex-Director/Employees and certificates worth ₹110.79 lacs (previous year ₹76.99 lacs) are pledged with Government Authorities) Less: Current Portion	110.79 (18.04) 92.75	76.99 (10.54) 66.45
Total	98.27	95.97
15 (b): Current Investments (Non-trade, unquoted, at lower of cost and fair value)		
a) Investment in mutual funds 14,796 (Previous year - Nil) units of ₹1,000 each, fully paid-up, of Religare Invesco Liquid Fund-Growth Plan	254.87	-
b) Current portion of Non-current Investment from note no. 15(a)	18.04	10.54
Total	272.91	10.54

Note: The shares of Swanston Multiplex Cinemas Private Limited, received pursuant to the Scheme of Amalgamation, are yet to be transferred in the name of the Company

16: Long-term loans and advances

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Capital Advances	71.87	57.53
Security Deposits		
- Considered Good	8,753.51	7,777.23
- Considered Doubtful	-	62.32
	8,753.51	7,839.55
Advances recoverable in cash or in kind		
- Considered Good	345.49	334.37
- Considered Doubtful	-	5.00
	345.49	339.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

16: Long-term loans and advances - Continued.

Balance in Cenvat Credit account	287.32	394.99
Entertainment Tax Refund Claimed	1,453.83	1,238.44
Income Tax paid (net of provisions)	441.22	529.29
MAT Credit Entitlement	2,689.81	2,576.81
Electricity charges refund claimed (refer note no 34 (j))	389.83	389.83
	<u>14,432.88</u>	<u>13,365.81</u>
Less: Provision for doubtful advances and deposits	-	67.32
Total	<u>14,432.88</u>	<u>13,298.49</u>

17: Other non-current assets

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Non-current bank balances (from note no.20)	62.22	90.22
Interest accrued:		
on long term investments	19.33	18.99
on bank fixed deposits	4.66	3.23
others	138.92	136.52
Total	<u>225.13</u>	<u>248.96</u>

18: Inventories

(valued at lower of cost and net realizable value)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Food & Beverages	486.71	355.22
Stores, Spares & Fuel	372.22	191.26
Total	<u>858.93</u>	<u>546.48</u>

19: Trade Receivables

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Considered Good		
Outstanding for a period exceeding six months	786.40	820.98
Others	2,555.43	2,845.81
	<u>3,341.83</u>	<u>3,666.79</u>
Considered Doubtful		
Outstanding for a period exceeding six months	53.36	127.02
	<u>3,395.19</u>	<u>3,793.81</u>
Less: Provision for doubtful trade receivables	53.36	127.02
Total	<u>3,341.83</u>	<u>3,666.79</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

20: Cash & Bank Balances

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Cash and Cash equivalents		
Balances with banks		
In Current accounts	909.67	1,433.78
Deposit accounts with original maturity of less than 3 months	124.56	119.71
	1,034.23	1,553.49
Cash on Hand	423.10	551.51
Total cash and cash equivalents	1,457.33	2,105.00
Other bank balances		
in Unpaid dividend accounts	3.74	3.74
Deposits with original maturity for more than 3 months but less than 12 months	150.85	201.77
Deposits with original maturity for more than 12 months	106.27	113.15
Total other bank balances	260.86	318.66
Total cash and bank balances	1,718.19	2,423.66
Less: Amount disclosed under note no. 17 "Other non-current assets"	(62.22)	(90.22)
Total	1,655.97	2,333.44
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	25.99	-
Deposits with original maturity for more than 12 months	106.27	113.15
	132.26	113.15

21: Short-term loans & advances

(unsecured, considered good, unless otherwise stated)

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Prepaid expenses	160.25	139.39
Security Deposits	-	36.75
Inter Corporate Deposits	-	175.00
Balance in Cenvat Credit account	287.32	514.20
Advances recoverable in cash or in kind	157.68	239.44
Advances to suppliers		
- Considered Good	670.96	269.14
- Considered Doubtful	-	64.28
	670.96	333.42
Less: Provision for doubtful advances	-	64.28
	670.96	269.14
Total	1,276.21	1,373.92

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

22: Other current assets

(₹ in lacs)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Assets held for disposal	148.17	189.77
Interest accrued		
on bank fixed deposits	3.61	15.30
on long term investments	13.10	6.18
others	15.66	54.30
Total	180.54	265.55

23: Revenue from operations

(₹ in lacs)

Particulars	2013-2014	2012-2013
a) Sale of services:		
Box Office Revenue	59,656.19	55,876.26
Conducting Fees	1,544.17	1,286.20
Advertising Income	4,954.84	3,244.26
Management Fees	194.98	209.83
Parking Charges	144.49	126.60
	<u>66,494.67</u>	<u>60,743.15</u>
b) Sale of products (see note no. 38)		
Food & Beverages	16,232.61	14,175.63
Sale of Power	3.64	11.75
	<u>16,236.25</u>	<u>14,187.38</u>
c) Other operating revenue	4,151.99	1,598.03
Total	86,882.91	76,528.56

24: Other Income

(₹ in lacs)

Particulars	2013-2014	2012-2013
Interest		
On Bank Fixed Deposits	36.21	38.95
On Long Term Investments	9.40	7.16
On Income Tax Refunds	-	24.40
On Inter-corporate Deposits	8.02	5.96
Other Interest	51.65	55.41
	<u>105.28</u>	<u>131.88</u>
Gain on Sale of Current Investments	53.43	84.94
Liabilities and provisions, no longer required, written back		
- for amalgamation expenses	227.44	-
- other provisions and liabilities	505.89	145.12
Miscellaneous Income	2.74	0.52
Total	894.78	362.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

25: Exhibition Cost

(₹ in lacs)

Particulars	2013-2014	2012-2013
Distributors' share	21,712.48	20,227.51
Other exhibition cost	562.32	706.84
Share of joint venture investors (see note below)	74.12	59.92
Total	22,348.92	20,994.27

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. 38)

(₹ in lacs)

Particulars	2013-2014	2012-2013
Opening Stock	355.22	187.66
Add: Addition on Amalgamation	-	86.49
Add: Purchases	4,795.67	4,340.16
	5,150.89	4,614.31
Less: Closing stock	486.71	355.22
Cost of Food and Beverages	4,664.18	4,259.09

27: Employee benefits expense

(₹ in lacs)

Particulars	2013-2014	2012-2013
Salaries and Wages	4,310.15	3,706.03
Contribution to Provident and other Funds	324.27	293.00
Expense on ESOP (net)	14.33	1.06
Gratuity	81.63	92.31
Staff Welfare Expenses	226.32	177.00
Total	4,956.70	4,269.40

28: Finance Costs

(₹ in lacs)

Particulars	2013-2014	2012-2013
Interest on borrowings	2,437.77	2,450.31
Interest on deferred credit	288.31	182.05
Other interest	29.42	12.98
Other borrowing cost	7.87	24.43
Total	2,763.37	2,669.77

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

29: Other Expenses

(₹ in lacs)

Particulars	2013-2014	2012-2013
Outsourced Personnel Cost	2,020.25	1,678.53
Power & Fuel	5,861.51	4,567.39
Water Charges	117.37	95.47
Property Rent and Conducting Fees	10,768.03	9,266.62
Common Facility Charges	2,954.46	2,523.59
Rates & Taxes	627.31	577.64
Service Tax	2,286.88	1,946.68
Travelling & Conveyance	390.76	305.43
Communication Expenses	264.75	220.14
Printing & stationary	352.78	257.23
Advertising & sales promotion	815.53	287.62
House keeping expenses	1,222.47	967.46
Security expenses	1,274.98	970.89
Repairs & Maintenance - Building	185.52	196.22
Repairs & Maintenance - Plant and Equipments	1,149.04	843.01
Repairs & Maintenance - Others	355.94	220.35
Legal & Professional Fees & Expenses	577.53	560.67
Director Sitting Fees	9.85	3.20
Insurance	95.24	107.01
Amalgamation Expenses	-	568.07
Loss of retirement/disposal of fixed assets (net)	83.48	454.95
Provision for diminution in value of assets held for disposal	41.60	-
Bad Debts and remissions (net of provision for doubtful debts adjusted - ₹ 93.88 lacs - previous year ₹ 98.30 lacs)	58.28	0.02
Bad Debts and remissions (net of provision for doubtful debts adjusted - ₹ 131.60 lacs - previous year ₹ Nil)	0.34	-
Provision for doubtful debts	20.22	13.02
Foreign Exchange Fluctuation Loss (net)	2.28	0.79
Miscellaneous Expenses	573.84	368.79
Total	32,110.24	27,000.79

- 30 The Composite Scheme of Amalgamation (the "Scheme") of the Company's subsidiary, Fame India Limited (Fame), and subsidiaries of Fame viz. Fame Motion Pictures Limited (FMPL), Big Pictures Hospitality Services Private Limited (BPHSPL) and Headstrong Films Private Limited (HFPL) (hereinafter collectively referred as Transferor Companies) with the Company was approved by the Hon'ble High Courts of Judicature at Gujarat and Bombay vide their orders dated 12th March 2013 (read with order dated 20th March 2013) and 10th May, 2013, respectively (the "Orders"). The Scheme became effective on 25th May 2013 and was operative from 1st April 2012, the Appointed Date, as defined in the Scheme. Pursuant to the Scheme, the entire undertaking and business of the Transferor Companies stood transferred and became vested with the Company. The Scheme was accordingly given effect to in the financial statements for the year ended 31st March, 2013. On 10th July, 2013 the Company has allotted 3,45,62,206 equity shares to the shareholders of Transferor Companies in the ratio specified in the Scheme, including 2,44,31,570 equity shares to Inox Benefit Trust (the "Trust"), towards shares held by Inox Leisure Limited in Fame India Limited. These shares (Treasury Shares) are held by the Trust exclusively for the benefit of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

In terms of Accounting Standard (AS 31) 'Financial Instruments' (which is not yet mandatory), internationally generally accepted accounting practices and for more appropriate presentation of the financial statements, the Company's interest in Inox Benefit Trust (at cost), being akin to Treasury Shares, is reclassified as deduction from Shareholders' Fund, instead of presentation under the head 'Investments' in last year, in accordance with their substance and economic reality. Any profit or loss arising from sale of 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 loss of ₹ 458.34 lacs incurred during the year on sale of 45,00,000 such shares is directly recognised in 'Reserve on sale of Treasury Shares' under Reserves and Surplus.

On allotment of above 3,45,62,206 equity shares of the Company, Gujarat Fluorochemicals Limited ("GFL") ceased to be the holding company on 10th July 2013. Subsequently, the shareholders of the Company have passed a resolution at the Annual General Meeting held on 23rd August, 2013 amending the Articles of Association of the Company entitling GFL to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of the Company. Accordingly, the Company has again become a subsidiary of GFL with effect from this date.

31 Exceptional items:

During the previous year, Swanston Multiplex Cinemas Private Limited, a joint venture of erstwhile Fame India Limited (amalgamated with the Company w.e.f. 1st April 2012) which was running Fame Big Cinemas Multiplex at Andheri (West), Mumbai, had stopped operations w.e.f. 13th July 2012 as the lease agreement of the property was terminated. Estimated provision of ₹ 39 lacs (Previous year ₹ 250 lacs) for diminution in the value of investment in the joint venture has been made and is shown as an exceptional item.

32 Employees' Stock Option Plan

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

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

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

On 29 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

The vesting period for options granted under 1st & 2nd lot was between one to four years from the date of the grant. The options were exercisable within one year from the date of vesting. Option granted under 3rd lot is as per the terms of the Scheme of Amalgamation (referred to in Note no. 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. These options are now exercisable within one year from the date of vesting. The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

32 Employees' Stock Option Plan - Continued.

The summary of stock options is as under:

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

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

Options granted on 12 th August 2013	1.17 years
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In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no 27 includes ₹ 14.33 lacs (previous year ₹ 1.06 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 ₹ 9.99 lacs, profit before tax lower by ₹ 9.99 lacs and the basic and diluted earnings per share would have been lower by ₹ 0.01 each.

33 In respect of taxation matters

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

(₹ in lacs)

Particulars	Current Year	Previous Year
Income-tax	(48.00)	Nil
Deferred tax	96.55	(184.23)
MAT Credit entitlement	(38.00)	Nil
Net charge / (credit)	10.55	(184.23)

34 Contingent Liabilities:

- Claims against the Company not acknowledged as debt – ₹ 7063.95 lacs (previous year ₹ 7099.33 lacs)
- Property Tax demands – ₹ 757.34 lacs (previous year ₹ 621.28 lacs)
- Entertainment Tax demands – ₹ 1586.05 lacs (previous year ₹ 1043.05 lacs). This includes demand of ₹ 1583.83 lacs (previous year ₹ 1040.83 lacs) in respect of two multiplexes pertaining to exemption period and for which the Company is contesting the matter by way of appeal before appropriate authorities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

34 Contingent Liabilities - Continued.

- d. Service Tax demand – ₹ 97.31 lacs (previous year ₹ 97.31 lacs)
- e. Stamp duty demand – ₹ 263.81 lacs (previous year ₹ 263.81 lacs)
- f. Custom duty demands – ₹ 4.36 lacs (previous year ₹ 4.36 lacs)

The Company has also received a show cause cum demand notice dated 5th December 2005 for custom duty payable by them on import of cinematographic films under Rule 2(2), Rule 7(A) and Rule 9(2) of the Customs Valuation Rule 1988. Nothing has been deposited with the authorities as the amount is not quantified by the authorities. However, on 28th September 2006, the Company has filed an appeal against the Commissioner's Order to the Appellate Tribunal under Section 129-A of The Customs Act, 1962 and the same is pending hearing.

- g. VAT demand – ₹ 135.66 lacs (previous year Nil)
- h. TDS matters under Income-tax Act – ₹ 11.32 lacs (previous year ₹ 11.32 lacs)
- i. In respect of termination of proposed multiplexes:

The Company has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of ₹ 60.07 lacs and reimbursement of the cost of fit-outs of ₹ 823.27 lacs incurred by the Company and carried forward as capital work-in-progress. The party has made a counter claim of ₹ 6943.44 lacs towards rent for lock in period and other costs which is included in (a) above. At present the matter is pending before the Arbitrator.

In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay ₹ 116.36 Lacs towards rent for the lock in period. 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 Delhi and the same is pending.

- j. The Company may be required to charge additional cost of ₹ 389.83 lacs (previous year ₹ 389.83 lacs) towards electricity from 1st June, 2007 to 31st March, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by 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 19th 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')

35 In respect of Entertainment Tax liability of 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 ₹ 520.25 lacs (previous year ₹ 382.07 lacs) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March, 2014 is ₹ 3909.42 lacs (previous year ₹ 3389.17 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 Honourable High Court of judicature at Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Honourable Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- 35 In respect of Entertainment Tax liability of the Company and its treatment in these accounts - Continued.
- c. In respect of Multiplex Cinema Theatre at Raipur, the application for refund entertainment tax of ₹ 92.06 lacs for exemption period 2010-11 for has been rejected. Applications for such refunds for subsequent periods amounting to ₹ 299.41 lacs are also pending before appropriate authority. The matter has been challenged in the High Court of Chhatisgarh at Bilaspur. Pending the decision of the High Court, total amount of entertainment tax of ₹ 391.47 lacs (previous year ₹ 285.25 lacs) paid is carried forward as Entertainment Tax Refund Claimed under Schedule 16 – Long Term Loans and Advances and the figures indicated in the (a) above include the figures pertaining to the said Multiplex.
- 36 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 ₹ 18.24 lacs (previous year ₹ 18.24 lacs). Total amount of interest receivable upto 31st March, 2014 is ₹ 148.06 lacs (previous year ₹ 129.82 lacs). The said award has been challenged before the District Court and the matter is pending.
- 37 Commitments:
- a. Capital commitments:
- Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - ₹ 963.34 lacs (previous year ₹ 1822.77 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 – ₹ 17197.99 lacs (previous year ₹ 15730.92 lacs).
- 38 Particulars of sale of products, cost of food & beverages and inventories

(₹ in lacs)

	Purchases	Sales	Cost of food and beverages
Food	2784.75 (2716.21)	10355.50 (8883.69)	2703.78 (2662.51)
Beverages	2010.92 (1623.95)	5877.11 (5291.94)	1960.40 (1596.58)
Total	4795.67 (4340.16)	16232.61 (14175.63)	4664.18 (4259.09)

	Opening stock	Addition on amalgamation	Closing stock
Food	92.45 (33.08)	Nil (21.48)	105.45 (92.45)
Beverages	100.83 (67.62)	Nil (27.48)	103.20 (100.83)
Other items	161.94 (86.96)	Nil (37.53)	278.06 (161.94)
Total	355.22 (187.66)	Nil (86.49)	486.71 (355.22)

Note: The italic amounts in brackets are for previous year

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

39 Expenditure incurred/payments in Foreign Currency.

(₹ in lacs)

Particulars	Current Year	Previous Year
Travelling expenses	19.94	34.72
CIF Value of capital goods imported	1519.46	7602.72
CIF Value of materials purchased	263.23	Nil

40 Amount of ₹ 63.59 lacs (Previous year ₹ 79.67 lacs) is paid towards Legal & Professional fees to firms in which one of the directors is a partner.

41 Foreign currency exposures not hedged as at Balance Sheet date:

Particulars	Current Year (USD in lacs)	Previous Year (USD in lacs)
Creditors for capital goods	95.62	119.30

42 Particulars of payment to Auditors :

(₹ in lacs)

Particulars	Current Year	Previous Year
Statutory Audit	15.00	14.00
Tax Audit	7.00	6.00
Limited Review & Corporate Governance Report	6.00	6.00
For taxation matters	2.00	2.00
Certification matters	1.00	1.25
Fees for other matters	6.01	0.50
Out of pocket expenses	0.31	0.31
Total	37.32	30.06

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

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

- Operating leases for premises (offices and residential accommodations for employees) - Generally, these lease arrangements are non-cancelable, range between 11 months to 33 months and are usually renewable by mutual consent on mutually agreeable terms. Lease rentals of ₹ 6.49 lacs (previous year ₹ 3.26 lacs) are included in 'Property Rent and Conducting Fees' in note no. 29 to the Statement of Profit and Loss.
- 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 ₹ 10761.54 lacs (previous year ₹ 9263.36 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:

(₹ in lacs)

Particulars	Current Year	Previous Year
Not later than one year	10494.89	9555.49
Later than one year and not later than five years	42023.43	38906.33
Later than five years	106575.07	99840.68
Total	159093.39	148302.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

44 Employee Benefits:

- Defined Contribution Plans: Contribution to Provident Fund of ₹ 282.12 lacs (Previous year ₹ 247.79 lacs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 16.06 lacs (previous year ₹ 16.52 lacs) is included in pre-operative expenses.
- Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

(₹ in lacs)

Particulars	Gratuity		Leave Encashment		
	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2014	As at 31 st March, 2013	
1. Change in Benefit Obligation					
Liability at the beginning of the year	291.70	152.95	155.64	72.67	
Addition on Amalgamation	Nil	73.84	Nil	37.92	
Interest Cost	22.33	20.39	11.63	9.82	
Current Service Cost	90.99	78.06	95.28	72.92	
Benefit paid	(29.32)	(27.40)	(22.58)	(22.00)	
Actuarial (Gain)/Loss	(31.69)	(6.14)	(96.87)	(15.69)	
Liability at the end of the year	344.01	291.70	143.10	155.64	
2. Expenses recognized in the statement of profit and loss					
Current Service Cost	90.99	78.06	95.28	72.92	
Interest Cost	22.33	20.39	11.63	9.82	
Actuarial (Gain)/Loss	(31.69)	(6.14)	(96.87)	(15.69)	
Expenses recognized in the statement of profit and loss	81.63	92.31	10.04	67.05	
3. Actuarial Assumptions					
Discount Rate	9.04%	8.06%	9.04%	8.06%	
Salary Escalation Rate		7%		7%	
Retirement Age	58 years				
Withdrawal Rates	10%	10%	10%	10%	
Mortality	2012-13: LIC (1994-96) published table of rates 2013-14: IALM (2006-08) Ultimate Mortality Table				
4. Other disclosure					
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Gratuity					
Present value of defined benefit obligation	344.01	270.35	152.95	130.78	95.61
Experience adjustment on plan liabilities – (Gain)/loss	(7.75)	(12.86)	(9.09)	(3.13)	(21.72)
Leave Benefits					
Present value of defined benefit obligation	143.10	151.68	72.66	62.03	49.92
Experience adjustment on plan liabilities – (Gain)/loss	(87.20)	(19.42)	(25.05)	(18.80)	(30.20)

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

45 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.

46 Interest in joint ventures

The Company's interests in Swanston Multiplex Cinemas Private Limited ('SMCPL'), acquired on amalgamation of erstwhile Fame India Limited (refer to note no. 30), 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 investment. 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:

(₹ in lacs)

Particulars	Current Year	Previous Year
1) Assets	89.74	120.04
2) Liabilities	83.51	92.30
3) Income	7.27	174.52
4) Expenses	43.79	272.93

Company's share of contingent liabilities in SMCPL – ₹ 5.60 lacs (previous year ₹ 5.60 lacs)

The Company's transactions with SMCPL, being related party transactions, are included in note no. 47

47 Related Party Disclosure:

(i) Where Control Exists

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

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

Fellow Subsidiaries

- Inox Motion Pictures Limited
- Inox Wind Limited

Key Management Personnel (KMP)

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

Joint Venture

- Swanston Multiplex Cinemas Private Limited

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

- Devansh Trading and Finance Private Limited
- Sidhapavan Trading and Finance Private Limited
- Inox India Ltd

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

47 Related Party Disclosure - Continued

(iii) Particulars of Transactions:

(₹ in Lacs)

(A) Transactions during the year	Current year	Previous year
1. Interest paid -		
Gujarat Fluorochemicals Limited	1758.33	1917.16
Inox Leasing & Finance Limited	121.00	17.17
Devansh Trading and Finance Pvt. Ltd	Nil	42.61
Sidhapavan Trading and Finance Pvt. Ltd	Nil	35.51
Total	1879.33	2012.45
2. Remuneration paid -		
Mr. Alok Tandon	88.76	80.36
Mr. Rajeev Patni	6.84	38.42
Total	95.60	118.78
3. Projector hire charges received -		
Swanston Multiplex Cinemas Pvt. Ltd	Nil	5.06
4. Purchase of Refrigerant Gas		
Gujarat Fluorochemicals Limited	0.94	1.84
5. Reimbursement of expenses paid		
Swanston Multiplex Cinemas Pvt. Ltd	Nil	2.18
6. Sales and services		
Inox India Limited	2.12	Nil
Gujarat Fluorochemicals Limited	4.75	Nil
Inox Wind Limited	28.72	Nil
Total	35.59	Nil
7. Reimbursement of expenses received		
Swanston Multiplex Cinemas Pvt. Ltd	0.04	3.50
Inox Motion Pictures Limited	Nil	6.95
Total	0.04	10.45
8. Inter-corporate deposits received		
Gujarat Fluorochemicals Limited	Nil	970.00
Inox Leasing & Finance Limited	Nil	1100.00
Devansh Trading and Finance Pvt. Ltd	Nil	600.00
Sidhapavan Trading and Finance Pvt. Ltd	Nil	500.00
Total	Nil	3170.00
9. Inter-corporate deposits repaid		
Gujarat Fluorochemicals Limited	3421.00	Nil
Inox Leasing & Finance Limited	Nil	600.00
Devansh Trading and Finance Pvt. Ltd	Nil	600.00
Sidhapavan Trading and Finance Pvt. Ltd	Nil	500.00
Total	3421.00	1700.00
10. Share application money paid		
Swanston Multiplex Cinemas Pvt. Ltd	15.00	Nil
11. Provision for diminution in value of investment made		
Swanston Multiplex Cinemas Pvt. Ltd	39.00	250.00
12. Sitting fees paid to director		
Mr. Pavan Kumar Jain	1.25	0.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

47 Related Party Disclosure - continued

(₹ in Lacs)

(B) Amounts outstanding	31st March, 2014	31st March, 2013
1. Inter-corporate deposit payable		
Gujarat Fluorochemicals Limited	16249.00	19670.00
Inox Leasing & Finance Limited	1100.00	1100.00
Total	17349.00	20770.00
2. Interest payable		
Gujarat Fluorochemicals Limited	360.59	Nil
3. Trade receivables		
Inox Wind Limited	28.72	Nil
Inox India Limited	0.30	Nil
Total	29.02	Nil
4. Share application money paid		
Swanston Multiplex Cinemas Pvt. Ltd	15.00	Nil

48 Particulars in respect of provision for expenses

(₹ in Lacs)

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

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

(₹ in Lacs)

Particulars	Current year	Previous year
Principal amount due to suppliers under MSMED Act at the year end	5.71	1.42
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.02	0.05
Payment made to suppliers (other than interest) beyond the appointed day during the year	27.94	14.07
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	0.71	0.16
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act	4.07	3.34

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

50 Calculation of Earnings per share :

Particulars	Current Year	Previous Year
Profit after tax as per statement of profit and loss (₹ in lacs)	3693.60	1844.63
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	76214604	71689698
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	76226579	71693014
Basic Earnings per share of ₹ 10/- each (₹)	4.85	2.57
Diluted Earnings per share of ₹ 10/- each (₹)	4.85	2.57

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

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

M. Y. Kulkarni
Partner

For Inox Leisure Limited

Pavan Jain
Director

Deepak Asher
Director

Miket Shashikant Bahuva
Deputy Company Secretary
& Senior Manager - Legal

Place : Pune

Dated : 27th May 2014

Place : Mumbai

Dated : 27th May 2014

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



INOX LEISURE LIMITED

(CIN - L92199GJ1999PLC044045)

Registered Office: ABS Towers, Old Padra Road , Vadodara-390007, Gujarat

Email-contact@inoxmovies.com | Website - www.inoxmovies.com

Phone No.(91265)6198111 | Fax No. (91265)-2310312

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

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

Name and Address of MEMBER:

Folio No: _____

DP ID: _____

Client ID: _____

No. of Shares held: _____

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company held on Wednesday, 10th September, 2014 at 11.00 a.m., at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007.

Signature of Member(s) / Proxy



INOX LEISURE LIMITED

(CIN - L92199GJ1999PLC044045)

Registered Office: ABS Towers, Old Padra Road , Vadodara-390007, Gujarat

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Phone No.(91265)6198111 | Fax No. (91265)-2310312

PROXY FORM

Folio No. _____

DP ID: _____

Client ID: _____

I/We _____ of _____

_____ being a Member / Members of Inox Leisure Limited hereby

appoint _____ of _____ or failing him/her _____

_____ of _____ as my/our proxy to vote for me / us on my/our behalf at

the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 10th September, 2014 at 11.00 a.m.,

at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 and at any adjournment(s) thereof.

Signed this _____ day of _____ 2014

Affix
₹ 1/-
Revenue
Stamp

Signature of Member(s)

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting. The Proxy need not be a Member of the Company.



If undelivered please return to:

INOX Leisure Ltd.
5th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (East),
Mumbai - 400 093.

www.inoxmovies.com