

Live The Entertainment



INOX LEISURE LIMITED

**ANNUAL
REPORT**
2014 - 2015

INOX
LIVE THE MOVIE



AT A GLANCE

We are one of India's largest multiplex operators engaged in the business of film exhibition and operating and managing multiplexes. We have an entrenched position in the domestic multiplex industry. Through a mix of organic and inorganic expansion, we have emerged as the second-largest multiplex player in India, with a 23% share in multiplex screens.

Head-quartered in Mumbai, along with Satyam Cineplexes Limited, we currently operate 97 multiplexes and over 377 screens in 52 cities with a seating capacity of 99,429, making us a truly pan-Indian multiplex chain. We operate 34 properties in West India, followed by 24 in North, 22 in South and 17 in the East.

We have not only expanded the number of cinemas we operate, but have also enriched the cinema going experience. We are one of India's first major cinema exhibitors to convert 100% of our screens to the digital format.

Our vision is to become the largest multiplex operator in India's cinema exhibition industry in every aspect – from quality and choice of cinema to varied services offered.

QUICK FACTS

States **17**

Cities **52**

Multiplexes **97**

Million Patrons **43**

Screens **377**

Seats **99,429**

INOX – At a Glance

- State-of-the-art facilities in modern projection and acoustic systems
- Interiors of international standards
- Stadium-styled high back seating with cup holder arm rests
- High levels of hygiene
- Varied theatre food
- A selection of Hindi, English and regional movies
- Computerised ticketing
- Pertinently high service standards
- Use of inherently fire retardant yarn for seats and drapes
- Emphasis on fire and life safety

OUR DISTINCTIVE CAPABILITIES

- Second largest multiplex player with aggressive growth plans
- High advertisement revenue per screen
- Strong improvement in Average Ticket Price (ATP) and Spend Per Head (SPH)
- Addition of 27 screens, taking total number to 377
- Commencement of consolidation phase in the multiplex business, supported by strong balance sheet and promoter group

Contents

At a Glance	01
Pride of Parentage.....	02
Live The Movie.....	04
Our Presence.....	08
Corporate Information	09
Notice	10
Directors' Report.....	16
Management Discussion and Analysis.....	38
Corporate Governance Report	42
Independent Auditors' Report on Standalone Financial Statements	58
Standalone Balance Sheet	62
Standalone Statement of Profit and Loss.....	63
Standalone Cash Flow Statement.....	64
Notes to the Standalone Financial Statements.....	66
Independent Auditors' Report on Consolidated Financial Statements.....	92
Consolidated Balance Sheet	96
Consolidated Statement of Profit and Loss.....	97
Consolidated Cash Flow Statement.....	98
Notes to the Consolidated Financial Statements	100

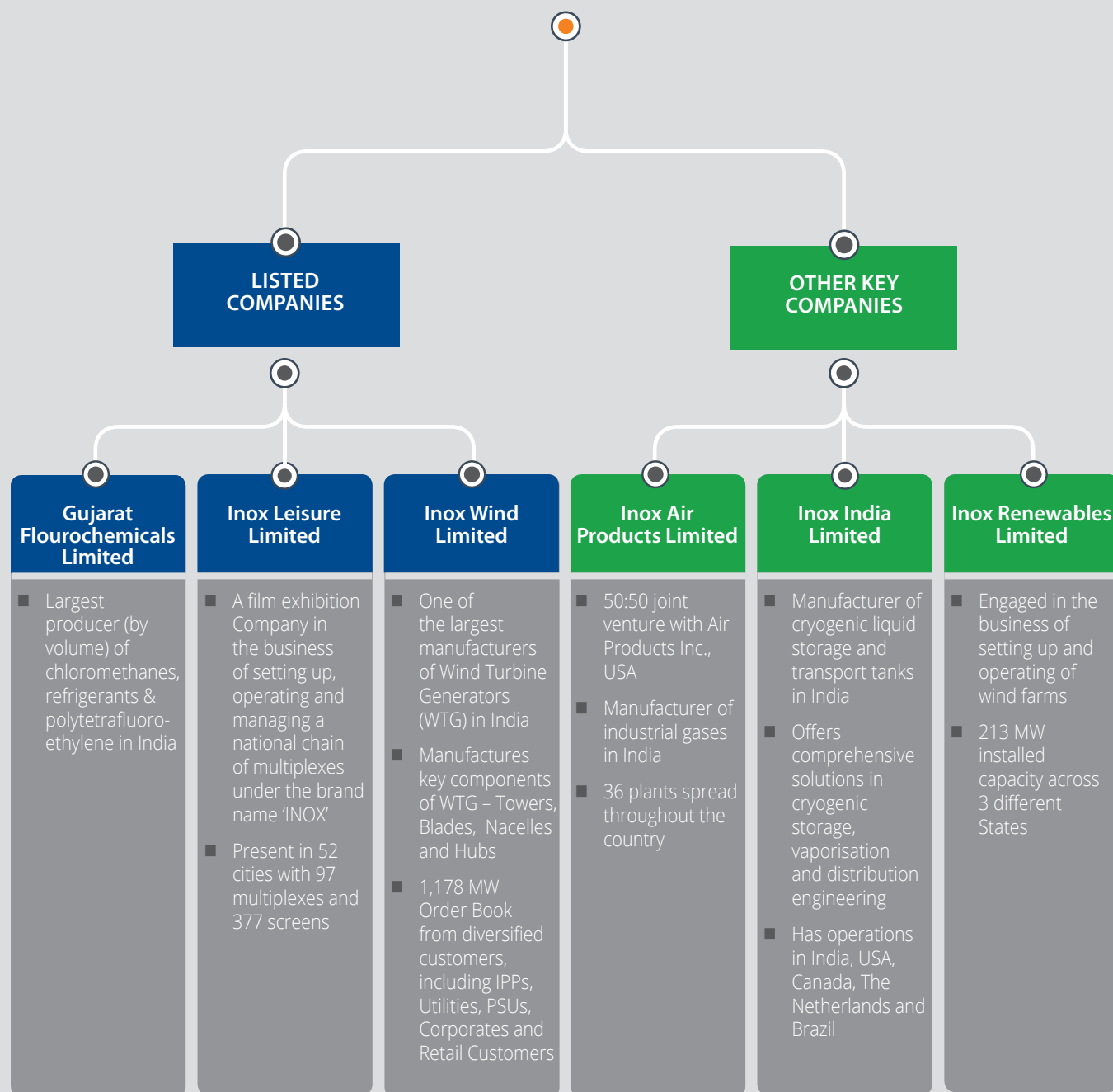
About the Inox Group

We are part of the Inox Group, which has market leadership positions in various businesses including industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors.

Inox Group is a multi-billion dollar professionally managed business conglomerate. The Group amongst other companies has three listed companies and has a joint venture with a global giant. The Group employs over 8,000 people at over 100 business units across the country, and has a leadership across six sectors. The Group's distribution network spans over 50 countries across the globe.



THE INOX GROUP COMPANIES



We will continue to invest in our locations, focussing our efforts on improvements that have the most tangible impact on guest experience and our bottom line.

In our country, cinema is the way of life. Since the first film *Raja Harishchandra* was released in 1913, Indian cinema has spread its roots deep into society and penetrated into the values and cultures of all Indians. In the process, the science as well as the art of screening a movie has played a significant role over the years. Our objective at INOX is to make our audiences see films as the content creator intended it to be seen.

In order to develop one of the world's premium cinema circuits that continues to generate strong returns, we at INOX:

- Continue to add new technologies to reinvent the cinematic experience.
- Redesign our service offerings to attract new customers, increase the frequency of visits of existing customers and maximise our revenue per guest.
- Focus on the growth of high-margin segments of cinema advertising and F&B.

RAISING CINEMA EXHIBITION STANDARDS

We have been the pioneers in the development of state-of-the-art multiplex cinema complexes. We have raised cinema exhibition standards to higher levels by utilising the latest sound systems and advanced projection technologies. As part of this approach, we have introduced facilities with luxurious and premium venue offerings, personalised levels of service, equipped with custom designed recliner seating and state-of-the-art projection and sound systems. Our advanced digitised technologies push the cinematic experience even higher and present movies in the most impactful way. Currently, we have digitised 3D screens and DCI compliant projection system across all our multiplexes in India. We will continue to invest in our locations, focussing our efforts on improvements that have the most tangible impact on guest experience and our bottom line.

***Live the Movie passionately
– by delivering a premium
experience with a clear focus
on operational excellence
and capitalising on our core
strengths.***

OUR STRATEGIC FOCUS AREAS

Expanding the Horizon

We are today a dominant player in the industry. Our circuit includes 97 multiplexes and 377 screens in 52 cities, making us one of the largest exhibition theatre chains in the country, with 99,429 seats.

During the year, we acquired Satyam Cineplexes with 38 screens, a prominent player in the multiplex space with a strong presence in North India. In addition to three 4-screen multiplexes in New Delhi, Satyam also has a presence in Amritsar, Bhilwara, Indore, Jodhpur, Aurangabad, Rohtak and Mysore. This acquisition has cemented our position in the northern belt of India, a major box office market, as we today have a total of 82 screens in this region.

We currently have an organic growth pipeline of over 40 properties tied up, accounting for around 180 screens and approx 38,802 seats, that shall be implemented in the foreseeable future. We continue to evaluate acquisition opportunities in the multiplex space, that will add value.

Although tickets account for a majority of our revenues, contribution from F&B and advertising has increased substantially over the past few years. As we look at acquiring new businesses and expanding relationships with the existing clients, the growth of our high-margin businesses of cinema advertising and F&B continues to be our strategic priority. Our ultimate goal of in-theatre customer service initiatives is to maximise revenue per patron and increase the frequency of movie-going by driving downstream revenue opportunities.



Advertising:

According to the FICCI-KPMG report on the Indian Media and Entertainment Industry 2015, cinema advertising is a robust ₹ 490 crore market, projected to reach ₹ 1,382 crore by 2019. Our advertisement revenue/screen has improved from ₹ 0.8m/screen in FY2011 to ₹ 2.3m/screen in FY2015. We are taking further initiatives to monetise our on-screen and off-screen advertising revenue. Towards this initiative, we are taking several steps including focussing on high value and long term deals, innovative transaction structures, expanding the breadth and depth of our marketing teams, and optimising advertisement rates.

With the advertising fraternity increasingly recognising the power of cinema advertising, we remain focussed on scaling up our advertising revenues. We are doing this by maximising the utilisation of space and focussing on providing opportunities to clients to innovate with their products and services. Cinema advertising is one of the very few mediums which enable actual interaction with the product itself and not just an audio-visual display. Unlike any other medium, advertisers can use the cinema premises to not only display their product on-screen, but also use various off-screen means to make the audiences engage with their product. The combination of these media properties enables advertisers the opportunity to create integrated campaigns to connect with the guests at numerous touch points.



Food & Beverage:

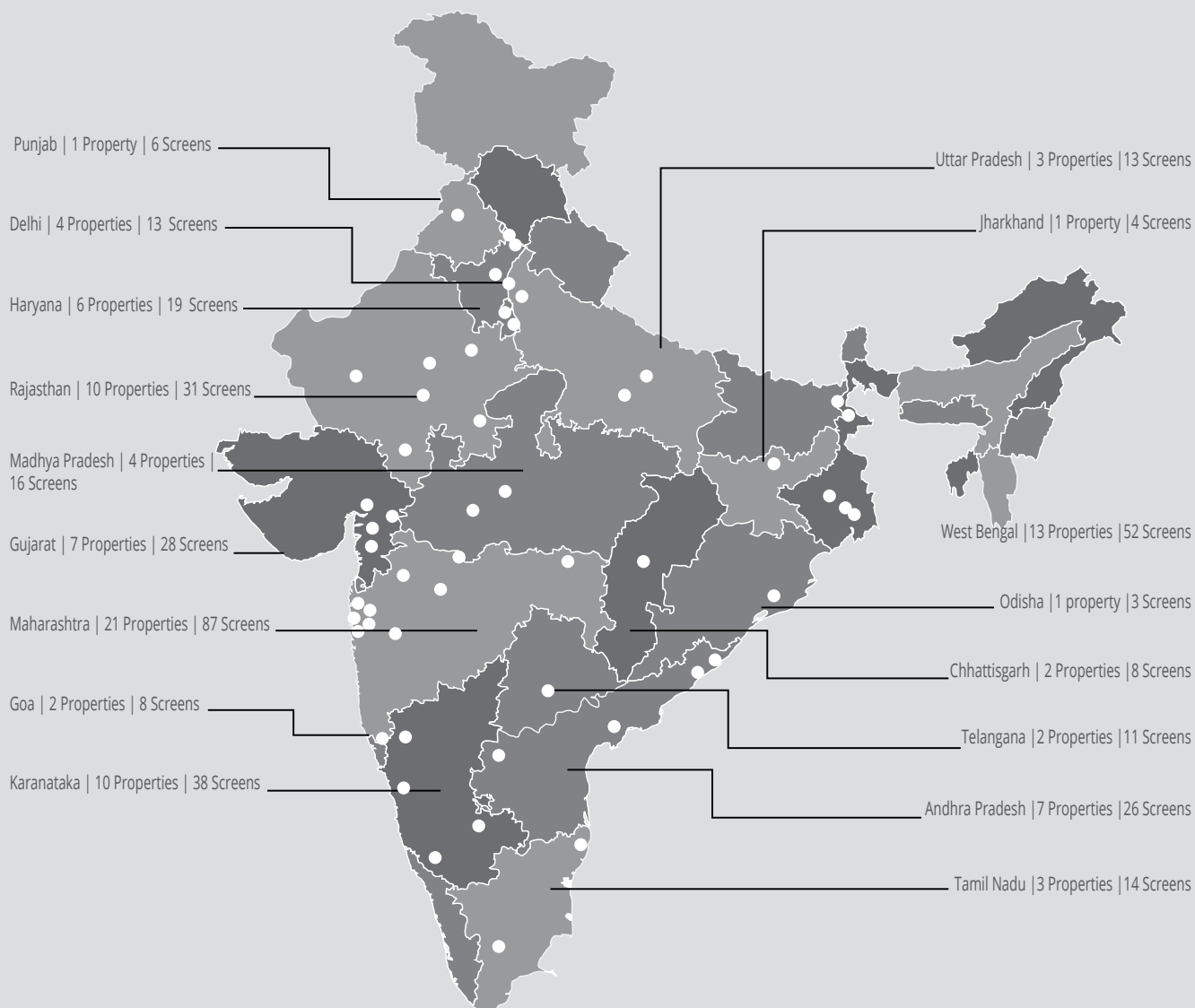
On the Food & Beverage (F&B) side, we operate a well-managed in-house segment, delivering a gross margin of 77%, perhaps the highest in the industry. We have taken several initiatives to improve our F&B revenues such as changing the menu based on the movie, keeping in mind the taste buds of guests; serving a larger menu spread; and providing on-seat delivery. We provide a choice of international, Indian and city-centric special cuisine. In order to drive growth in F&B and to speed up the transaction time to serve more guests, we have invested in technology in our concessions counters (REFUEL). Guests standing in long queues can place their orders to INOX representatives who carry the menu on their tablets. These tablets are used as Queue Busters for taking orders from guests standing in long queues. This initiative speeds up the transaction time, thereby serving more guests. F&B spend per head, which was ₹ 41 in FY2011 has increased to ₹ 55 in FY2015.



Technology Initiatives

For the convenience of our guests and to speed up the entry to the cinema hall, we introduced paperless ticket entry in few cities. Guests who transact tickets through the website or mobile applications will get a QR Code, which is scanned at the entry for smooth flow of guests into the Cinema Theatre.

Our strategic initiative is to continue to expand our brand presence as an entertainment destination. While we are focussed on growing our theatre exhibition business organically, we remain well positioned to pursue strategic acquisitions that are value accretive. We also strive to capitalise on our core business strengths by virtue of our strong balance sheet and a low leverage ratio.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pavan Jain, Chairman & 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
Ms. Girija Balakrishnan, Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Alok Tandon

CHIEF FINANCE OFFICER

Mr. Upen Shah

COMPANY SECRETARY

Mr. Miket Shashikant Bahuva

AUDITORS

M/s. Patankar & Associates
Chartered Accountants
Firm Reg. No. 107628W
Office No. 19 to 23, 4th Floor, Gold Wings,
S. No. 118/A, Plot No. 543, Sinhgad Road,
Parvati Nagar, Pune – 411 030,
Maharashtra, India.
Tel: +91 20 2425 2117
Fax: +91 20 24252118

REGISTRARS & TRANSFER AGENT

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032

REGISTERED OFFICE

ABS Towers,
Old Padra Road,
Vadodara - 390 007

CORPORATE OFFICE

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

BOARD LEVEL COMMITTEES

ILL Committee of the Board for Operations

Mr. Pavan Jain, Chairman
Mr. Vivek Jain, Member
Mr. Deepak Asher, Member
Mr. Haigreve Khaitan, Member

Audit Committee

Mr. Haigreve Khaitan, Chairman
Mr. Amit Jatia, Member
Mr. Kishore Biyani, Member
Mr. Deepak Asher, Member

Compensation, Nomination & Remuneration Committee

Mr. Haigreve Khaitan, Chairman
Mr. Amit Jatia, Member
Mr. Deepak Asher, Member

Stakeholders' Relationship Committee

Mr. Pavan Jain, Chairman
Mr. Vivek Jain, Member
Mr. Deepak Asher, Member

Corporate Social Responsibility (CSR) Committee

Mr. Pavan Jain, Member
Mr. Deepak Asher, Member
Mr. Haigreve Khaitan, Member

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 to the Members of **Inox Leisure Limited** that the Sixteenth ANNUAL GENERAL MEETING of the Company will be held at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 on Monday, 28th September, 2015 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2015, the reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Asher (DIN: 00035371), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors, to hold office from the conclusion of this Meeting until the conclusion of the Eighteenth Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. 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, Ms. Girija Balakrishnan (DIN: 06841071), 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 received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her 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 2nd December, 2019.”

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

Place: Mumbai
Date: 17th July, 2015

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“MEETING”) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF 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.
2. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT (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.**

3. The Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special business as per Item No. 4 hereinabove is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2015 to Monday, 28th September, 2015 (both days inclusive).
5. Those Members who have not received final dividend for the financial year 2007-08 declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents of the Company.
6. **Appointment / Re-appointment of Directors:**
The information required to be provided under the Secretarial Standard – 2/ Listing Agreement in respect of Directors being appointed/re-appointed is given herein below and also in the Corporate Governance Report:

Name of the Director	Mr. Deepak Asher	Ms. Girija Balakrishnan
Date of Birth and Age	15 th January, 1959 56 Years	30 th March, 1969 46 Years
Date of first Appointment on the Board	15 th January, 2000	3 rd December, 2014
Directors Identification Number	00035371	06841071
Qualification	Chartered Accountant and Cost & Works Accountant, Commerce and Law Graduate	Law Graduate
Experience / Expertise in Specific Functional Area	A Commerce and Law Graduate, Mr. Deepak Asher is also a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost and Works Accountants of India. He has more than 25 years of experience in the fields of Corporate Finance and Business Strategy. Mr. Deepak Asher is the President of the Multiplex Association of India. He won the Theatre World Newsmaker of the Year Award in 2002 for his contribution to the multiplex sector. Mr. Deepak Asher has assisted the Group in setting up several new businesses, in the diverse fields of cinema exhibition, carbon credits and renewable energy.	Ms. Girija Balakrishnan is a graduate from prestigious National Law School of India University and a member of the Bar Council of Karnataka. She is currently a partner in Law Firm Malvi Ranchoddas & Co. and specializes in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures and Foreign Collaboration. She is actively engaged in dealing with social issues affecting the society at large through a non- governmental organization (NGO) with which she has been associated for several years.
Directorships held in other Companies (excluding Foreign Companies)	1. Gujarat Fluorochemicals Limited 2. Inox Wind Limited 3. Inox Renewables Limited 4. Inox Infrastructure Limited 5. Swanston Multiplex Cinemas Private Limited 6. Inox Renewables (Jaisalmer) Limited 7. Satyam Cineplexes Limited	1. Lingamaneni Land Marks Developers Private Limited
Membership / Chairmanship of Committees of other Companies	1. Inox Wind Limited Audit Committee-Member, Share Transfer Committee-Member, Issue Committee -Member 2. Gujarat Fluorochemicals Limited Compensation Committee-Member, Issue Committee-Member, CSR Committee-Member 3. Inox Renewables Limited Audit Committee-Member, 4. Inox Renewables (Jaisalmer) Limited Audit Committee -Member	None
The number of Meetings of the Board attended during the year	8	2
Remuneration last drawn	33,40,000	60,000
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Directors.	Not related to any Directors.
Shareholding in the Company	25,000	Nil

7. 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 2014- 2015 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 address registered with the Registrar and Share Transfer Agents.
8. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide e-voting facility to all members which 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 Members/beneficial owners shall be reckoned on the equity shares held by them as on 21st September, 2015.

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

In case of Members receiving e-mail:

- (i) The voting period begins on 24th September, 2015 at 09:00 a.m. and ends on 27th September, 2015 at 5:00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members should log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 Members as well as physical Members) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in 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 Member id / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for INOX LEISURE LIMITED.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Members and Custodians**
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 - I. The voting period begins on 24th September, 2015 (9:00 a.m.) and ends on 27th September, 2015 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - II. The voting rights of Members shall be in proportion to their shares of the Paid - Up Equity Share Capital of the Company as on the cut-off date of 21st September, 2015. For all others who are not holding shares as on 21st September, 2015 and receive the Annual Report of the Company, the same is for their information.
 - III. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
 - IV. M/s. Samdani Shah & 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.
 - V. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
 - VI. 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 and shall be communicated to the BSE Limited and National Stock Exchange of India Limited.

9. 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, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, 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.
10. 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.
11. Members / Proxies are requested to bring their filled in Attendance Slip and their copy of Annual Report to the Meeting.
12. 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.
13. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.
14. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for inspection by the Members of the Company at the Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 01.00 p.m. upto the date of this Meeting and copies thereof shall also be available for inspection in physical form at the Corporate Office of the Company situated at 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093 and also at the Meeting.
15. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

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

ITEM NO. 4.

Ms. Girija Balakrishnan (DIN: 06841071) was appointed on the Board of the Company as an Independent Director for a tenure of five years.

It is proposed to appoint Ms. Girija Balakrishnan as an Independent Director under Section 149 of the Companies Act, 2013 (Act) and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to 2nd December, 2019 and she shall not be included in the total number of directors liable to retire by rotation at the Annual General Meeting.

Ms. Girija Balakrishnan has given a declaration to the Board that she is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director. Further, Ms. Girija Balakrishnan has given declaration to the Board that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Girija Balakrishnan for the office of Director of the Company.

The matter regarding appointment of Ms. Girija Balakrishnan as an Independent Director was placed before the Compensation, Nomination and Remuneration Committee and it has recommended her appointment.

In the opinion of the Board, Ms. Girija Balakrishnan fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Girija Balakrishnan is independent of the management.

Brief resume of Ms. Girija Balakrishnan, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships, if any, 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. 6 of the Notice.

Copy of the letter for appointment of Ms. Girija Balakrishnan as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company and is also put up on the website of the Company.

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

Ms. Girija Balakrishnan is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment. The relatives of Ms. Girija Balakrishnan may be deemed to be interested in the Resolution set out at Item No. 4 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. 4 of the Notice for approval of the Members by way of Ordinary Resolution.

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

Place: Mumbai
Date: 17th July, 2015

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

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

To the Members of
INOX LEISURE LIMITED

Your Directors take pleasure in presenting to you their Sixteenth Annual Report for the Financial Year ended 31st March, 2015.

1. FINANCIAL RESULTS

(₹ in Lakh)

Particulars	Consolidated	Standalone	
	2014-15*	2014-15	2013-14
Income			
Net Sales / Income from Operations	97,212.44	90,936.51	82,730.92
Other operating Income	4,468.85	4,432.08	4,151.99
Total Income from Operations	1,01,681.29	95,368.59	86,882.91
Less: Total Expenses	96,987.79	90,444.11	79,755.99
Profit from operations before other income and finance cost and exceptional items	4693.50	4924.48	7,126.92
Add: Other Income	826.51	1,104.55	894.78
Profit from operations after other income and before prime cost and exceptional items	5,520.01	6,029.03	8,021.70
Less: Finance Cost	3,861.00	3,842.99	2763.37
Profit from ordinary activities after finance cost but before exceptional items	1,659.01	2,186.04	5258.33
Add/(Less): Exceptional items	(60.00)	(50.52)	(39.00)
Profit from ordinary activity before Taxation	1,599.01	2,135.52	5219.33
Add/(Less): Provision for Taxation			
• For the year	(506.39)	(511.57)	(1515.18)
• Earlier Years	911.19	852.51	(10.55)
Net Profit / (Loss) for the year	2,003.81	2,476.46	3693.60
Profit brought forward from earlier year/s	13002.69	13002.00	9308.40
Less: Adjustment on account of carrying amount of fixed assets as at 1 st April 2014	(512.56)	(512.56)	-
Balance Carried forward to Balance Sheet	14,493.94	14,965.90	13002.00

* The Company did not have a subsidiary in the previous year and hence, corresponding figures for previous year are not provided.

During the year under review, 8 Multiplex Cinema Theatres with 24 screens were added and an agreement for 1 (One) Multiplex Cinema Theatre with 3 Screens was discontinued. As of 31st March, 2015, the Company along with Satyam Cineplexes Limited operates 96 Multiplex Cinema Theatres with 372 screens and 98782 seats.

Detailed analysis of the Financial Performance of the Company has been given in the Management Discussion and Analysis annexed to this Report.

2. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 27 on Financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statement for the Financial Year 2014-15 is provided in the Annual Report.

3. 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, 2015.

4. DIRECTORS

Mr. Deepak Asher (DIN: 00035371) retires by rotation and being eligible, offer himself for re-appointment.

The Board of Directors had appointed Ms. Girija Balakrishnan (DIN: 06841071) as an Additional Independent Director of the Company for a period of five (5) consecutive years with effect from 3rd December, 2014 subject to approval of the Members at the ensuing Annual General Meeting.

The Company has received a Notice in writing from a Member proposing the candidature of Ms. Girija Balakrishnan for the office of Director.

The Company has received declarations from Ms. Girija Balakrishnan that she meets 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.

5. NOMINATION & REMUNERATION POLICY

The Board of Directors of the Company has, on recommendation of the Compensation, Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration. The contents of the policy are stated in the Corporate Governance Report.

6. INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

7. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Details of Familiarisation Programmes for Independent Directors is given in the Corporate Governance Report.

8. BOARD EVALUATION

All Independent Directors, at their Meeting held on 16th January, 2015, had evaluated performance of Non-Independent Directors, Chairman of the Company and Board as a whole in accordance with evaluation mechanism for performance approved at the said meeting. Further, the Board of Directors have at its meeting held on 16th January, 2015 have evaluated performance of Independent Directors in accordance with the evaluation mechanism for performance approved at the said Meeting. These evaluations are done as per the requirements laid down in Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and Clause 49 of the Listing Agreement. The performance of Directors was evaluated based on the parameters such as Qualifications, Experience, Personal attributes like Honesty & Integrity, Independence, Professional Skills, Contribution to Board Meetings, etc. while the performance of the Board was evaluated based on the parameters such as Policies and Procedures followed, Qualification & Experience of Board Members, Composition of Board, Diversity on the Board, Board Meetings and Committee Meetings, Corporate Governance, etc. A structured questionnaire covering the above areas of competencies was given to each Director. Feedback received from the Directors reflected high satisfactory performance.

9. MEETINGS OF THE BOARD

During the year, the Board met eight times and details of Board Meetings held are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the time limit prescribed under Section 173 of the Companies Act, 2013 read with Clause 49(D) of the Listing Agreement.

10. DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SUB-SECTION (5) OF SECTION 134 OF THE COMPANIES ACT, 2013

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- i. in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and there are no material departures from the requirements of the Accounting Standards;
- ii. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the Profit of the Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts on a going concern basis;
- v. the Directors had laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls were adequate and were operating effectively; and
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. KEY MANAGERIAL PERSONNEL

In terms of Section 203 of the Companies Act, 2013, Mr. Alok Tandon was appointed as a Chief Executive Officer of the Company with effect from 1st April 2015. The Company has designated Mr. Alok Tandon, Chief Executive Officer, Mr. Upen Shah, Chief Finance Officer & Head – Legal and Mr. Miket Shashikant Bahuva, Company Secretary & General Manager – Legal as Key Managerial Personnel of the Company.

12. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements of the Company.

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the year under review with Related Parties are approved by the Audit Committee and/or Board and/or Shareholders, as per the provisions of Section 188 of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement. During the year under review, the Company had not entered into any contract / arrangement / transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

All transactions entered with Related Parties for the year under review were on arm's length basis. Further, there are no material related party transactions during the year under review with any Related Party. Hence, disclosure in Form AOC-2 is not required.

14. DEPOSITS:

The Company has not accepted any deposits covered under chapter V of the Act.

15. SUBSIDIARY COMPANIES INCLUDING JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has following Subsidiaries / Joint Ventures / Associate Companies.

SATYAM CINEPLEXES LIMITED

During the year under review, the Company has acquired 100.00% Equity Shares of Satyam Cineplexes Limited (SCL) and it has become wholly-owned subsidiary of the Company with effect from 8th August, 2014. SCL is in the business of setting up, operating and managing a chain of multiplex cinema theatres.

SHOURI PROPERTIES PRIVATE LIMITED

During the year under review, the Company has invested in Shouri Properties Private Limited (SPPL) there by making it a subsidiary of the Company. The Company is holding 93.75% Equity Shares of SPPL. SPPL is engaged in the business of operating a multiplex cinema theatre.

SWANSTON MULTIPLEX CINEMAS PRIVATE LIMITED

Swanston Multiplex Cinemas Private Limited (SMCPL) is a Joint-venture of the Company with Reliance MediaWorks Limited (RML) where the Company and RML are holding 50.00% Equity Shares each of SMCPL.

The Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies in Form AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this Report at **Annexure-A**.

The Audited Financial Statement of the subsidiaries of the Company are placed on the website of the Company and a copy will be provided to the Shareholders on request as per the provisions of Section 136 of the Companies Act, 2013.

16. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls commensurate with its size and nature of its business. The Board has reviewed internal financial controls of the Company and the Audit Committee monitors the same in consultation with Internal Auditors of the Company.

17. INDEPENDENT AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks in the Independent Auditor's Report. The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 134 (3) (f) of the Companies Act, 2013. In respect of observation made in the Independent Auditors' Report at Point 12 of Annexure to Independent Auditors' Report, the Note 40 of the Notes to the Standalone Financial Statements for the year ended 31st March, 2015 is self-explanatory.

18. STATUTORY AUDITORS:

Members are requested to appoint Auditors from the conclusion of the 16th Annual General Meeting until the conclusion of 18th Annual General Meeting and to fix, or authorise the Board to fix, their remuneration. The Auditors, M/s. Patankar & Associates, retire and are eligible for re-appointment. They have confirmed that their appointment, if made, will be in accordance with Section 139 of the Companies Act, 2013 read with Rule 4 of The Companies (Audit and Auditors) Rules, 2014 and they satisfy criteria laid down in Section 141 of the Companies Act, 2013.

19. COST AUDITORS:

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is not required to include Cost Accounting Records in its books of accounts in respect of generation of electricity by Wind Mills of the Company since the Wind Mills of the Company satisfy the criteria of Captive Generating Plant as defined in Rule 3 of The Electricity Rules, 2005. Accordingly, the Company is not required to appoint Cost Auditor for Financial Year 2014-15.

Particulars of Cost Audit Report Submitted by M/s. Y. S. Thakar & Co. in respect of Financial Year 2013-14 is as follows.

Financial Year

2013-14

Due Date of Filing Cost Audit Report:

27th September, 2014

Date of Filing Cost Audit Report:

26th September, 2014

20. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2013, the Company has appointed M/s. Samdani Shah and Associates, a firm of Practising Company Secretaries to conduct Secretarial Audit of the Company. The Secretarial Audit Report given by M/s. Samdani Shah and Associates in form no MR-3 is annexed to this report at **Annexure-B**.

There is no qualification in the Secretarial Report submitted by M/s. Samdani Shah and Associates to the Company.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate Section forming part of this Annual Report.

22. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed with this report.

In compliance with the requirements of Clause 49(IX), a certificate from the Chief Executive Officer and Chief Finance Officer of the Company, who are responsible for the finance function, 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 the Chief Executive Officer is enclosed as a part of the Corporate Governance Report.

23. EXTRACT OF ANNUAL RETURN

In terms of Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2013, the extract of Annual Return as provided in Form No. MGT -9 is annexed to this report at **Annexure-C**.

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

Information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this report at **Annexure-D**.

25. EMPLOYEE STOCK OPTION SCHEME:

During the year under review no options were granted to Employees of the Company. Pursuant to the options vested in them as per the ILL - Employee Stock Option Scheme - 2006 (Scheme), 16,579 Equity Shares of ₹ 10 each were allotted to the employees of the Company. The disclosures as required under the SEBI (Share Based Employee Benefit) Regulations, 2014 has been disclosed on the website of the Company and the same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

There are no changes in the Scheme and the Scheme is in compliance with the regulations.

26. PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the said rule is annexed to this report at **Annexure-E**.

Disclosure pertaining to remuneration and other details as required under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

27. CORPORATE SOCIAL RESPONSIBILITIES ACTIVITIES

During the year under review, the Company has constituted CSR Committee and adopted CSR Policy, details of which are available in the Corporate Governance Report. The report on CSR activities as per Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report at **Annexure-F**.

28. INSURANCE

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2014-15.

No. of Complaints Received	Nil
No. of complaints disposed of	Not Applicable

30. RISK MANAGEMENT:

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures to review key elements of risks viz. Regulatory and Legal, Competition and Financial involved and measures taken to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company. For further details, please refer to the Management Discussion and Analysis Report annexed to this report.

31. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

33. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the employees of the Company.

By Order of the Board of Directors

Date: Mumbai
Place: 17th July, 2015

Pavan Jain
Director

Vivek Jain
Director

Annexure – A

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures

Part A – Subsidiaries

(₹ in Lakh)

	Name of Subsidiaries	
	Satyam Cineplexes Limited	Shouri Properties Private Limited
Reporting period, if different from the holding Company	Not Applicable	Not Applicable
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Not Applicable	Not Applicable
Share Capital	459.55	16.00
Reserves and Surplus	1408.84	(56.93)
Total Assets	809363	191.14
Total Liabilities	6225.23	232.07
Investments	Nil	Nil
Turnover	10143.55	405.02
Profit /(Loss) before taxation	(2234.09)	(21.88)
Provision for taxation	(281.37)	Nil
Profit / (Loss) after taxation	(1952.72)	(218.88)
Proposed Dividend	Nil	Nil
% of Shareholding	100%	93.75%

Name of subsidiaries which are yet to commence operations: Nil

Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B – Associates and Joint Ventures

Statement related to Associate Companies and Joint Ventures

Sr. No.	Particulars	Swanston Multiplex Cinemas Private Limited (SMCPL)
1	Latest Audited Balance Sheet date	31/03/2015
2	Shares of Associates/Joint Ventures held by the Company on the year end	
	Number	10,15,000
	Amount of investment in Associates/ Joint Venture	₹ 279.52 Lakh
	Extent of holding %	50.00%
3	Description of how there is significant influence	Company holds 50% Equity Shares in SMCPL
4	Reason why the associate/joint venture is not consolidated	Not Applicable
5	Net worth attributable to Shareholding as per latest balance sheet	₹ (4.83) Lakh
6	Profit/Loss for the year	
	Considered in consolidation	₹ 39.45 Lakh
	Not considered in consolidation	Nil

Name of associates or joint ventures which are yet to commence operations: Nil

Names of associates or joint ventures which have been liquidated or sold during the year: Nil

Annexure – B

Form MR-3

Secretarial Audit Report

For the Financial Year ended 31st March, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Inox Leisure Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inox Leisure Limited (the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers and Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
- vi. The Payment of Bonus Act, 1965;
- vii. The Payment of Wages Act, 1936;
- viii. The Cinematography Act, 1952;
- ix. The Cinemas (Regulation) Act, as applicable in each state along with the necessary rules;
- x. Entertainment Tax Laws as applicable in each state along with the necessary rules.

We have examined the compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. We have not examined the Secretarial Standards issued by The Institute of Company Secretaries of India as these were not notified up to the period of this report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

1. Public/ Right/preferential issue of shares / debentures/sweat equity, etc.
2. Redemption / buy-back of securities.
3. Foreign Technical Collaborations.

However, the Company has acquired 100% Equity Shares of Satyam Cineplexes Limited (SCL) - thereby making it a wholly owned subsidiary of the Company.

The Company has made investment in Shouri Properties Private Limited (SPPL) – thereby making it a subsidiary of the Company.

S. Samdani
Partner
Samdani Shah & Asso.
Company Secretaries
FCS # 3677, CP # 2863

Vadodara,
25th May, 2015

Annexure – C

MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March 2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

i. Corporate Identification Number	: L92199GJ1999PLC044045
ii. Registration Date	: 9 th November, 1999
iii. Name of the Company	: Inox Leisure Limited
iv. Category/Sub-Category of the Company	: Public Ltd. Company/Company Ltd. by shares
v. Address of the Registered Office and Contact Details	: ABS Towers, Old Padra Road, Vadodara – 390 007, Gujarat Phone No.: 0265 6198 111 Fax No.: 0265 2310312
vi. Whether listed Company	: Yes
vii. Name, Address and Contact Details of Registrar and Share Transfer Agents, if any	: Karvy Computershare Private Limited Karvy Selenium Tower No. B, Plot No. 31 - 32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Phone No.: 040 6716 2222 Fax No.: 040 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Operating Multiplex Cinema Theatres	59141	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name	CIN/GIN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
1	Gujarat Fluorochemicals Limited Survey No. 16/3, 26 & 27, Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat	L24110GJ1987PLC009362	Holding	48.09	2 (46)
2	Satyam Cineplexes Limited 612-618, Narain Manzil, 6 th Floor, 23, Barakhamba Road, New Delhi – 110 001	U74999DL2000PLC106206	Subsidiary	100.00	2 (87)
3	Shouri Properties Private Limited Unit No. F1, 1 st Floor, Shanti Nagar Co-operative Industrial Estate Limited, Vakola, Santacruz (East), Mumbai- 400055	U45201MH2002PTC134393	Subsidiary	93.75	2 (87)
4	Swanston Multiplex Cinemas Private Limited Viraj Towers, 9 th Floor, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U92132MH2001PTC133639	Joint Venture Company	50.00	2 (6)

Shareholding Pattern (Equity Share Capital Break up as a percentage of Total Equity)

Category-wise Shareholding

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (01 st April, 2014)				No of shares held at the end of the year (31 st March, 2015)				% change during the year
Particulars		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
	a) Individual /HUF	0	0	0	0.00	0	0	0	0.00	
	b) Central Govt.	0	0	0	0.00	0	0	0	0.00	
	c) State Govt.	0	0	0	0.00	0	0	0	0.00	
	d) Bodies Corp.	46973928	0	46973928	48.70	46973928	0	46973928	48.70	
	e) Banks / FI	0	0	0	0.00	0	0	0	0.00	
	f) Any Other	0	0	0	0.00	0	0	0	0.00	
	Sub Total (A) (1)	46973928	0	46973928	48.70	46973928	0	46973928	48.70	
2.	Foreign								0.00	
	a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	
	b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	
	c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	
	d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
	e) Any Other	0	0	0	0.00	0	0	0	0.00	
	Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	
	Total Shareholding of Promoter (A)=A (1) + A (2)	46973928	0	46973928	48.70	46973928	0	46973928	48.70	
B.	Public Share Holding									
1.	Institutions									
	a) Mutual Funds /UTI	3291280	0	3291280	3.41	7203132	0	7203132	7.47	
	b) Financial Institutions /Banks	34715	0	34715	0.04	96746	0	96746	0.10	
	c) Central Government /State Government(s)	0	0	0	0.00	0	0	0	0.00	
	d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	
	e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	
	f) Foreign Institutional Investors	872318	0	872318	0.90	19971394	0	19971394	20.70	
	g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	
	h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	
	i) Others	0	0	0	0.00	0	0	0	0.00	
	Sub Total (B) (1)	4198313	0	4198313	4.35	27271272	0	27271272	28.27	
									23.92	

Directors' Report

2014-15
ANNUAL REPORT

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (01 st April, 2014)				No of shares held at the end of the year (31 st March, 2015)				% change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non Institutions									
	a) Bodies Corporate									
	i. Indian	12244576	0	12244576	12.69	4968111	0	4968111	5.15	-7.54
	ii. Overseas	0	0	0	0	0	0	0	0.00	0.00
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	6534985	28891	6563876	6.80	5645221	14236	5659457	5.87	-0.93
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	3767733	0	3767733	3.91	4795009	0	4795009	4.97	1.06
	c) Others									
	Directors	1925545	0	1925545	2.00	1625445	0	1625445	1.69	-0.31
	Non Resident Indians	325980	0	325980	0.34	89571	0	89571	0.09	-0.25
	Clearing Members	208144	0	208144	0.22	423452	0	423452	0.44	0.22
	Trust	19938079	311580	20249659	20.99	4356508	295001	4651509	4.82	-16.17
	Sub Total B2	44945042	340471	45285513	46.95	21903317	295001	22212554	23.03	-23.92
	Total Public Shareholding B=B(1) + B(2)	49143355	340471	49483826	51.30	49174589	309237	49483826	51.30	0.00
	C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	96117283	340471	96457754	100.00	96148517	309237	96457754	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01 st April, 2014)				Shareholding at the end of the year (31 st March, 2015)				% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares		
1	Gujarat Fluorochemicals Limited	46386467	48.09	0	46386467	48.09	0	0	0.00	0.00
2	Inox Leasing and Finance Limited	587461	0.61	0	587461	0.61	0	0	0.00	0.00
	Total	46973928	48.70	0	46973928	48.70	0	0	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during Financial Year 2014-15.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01 st April, 2014)/ End of the Year (31 st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Pavan Kumar Jain, Vivek Kumar Jain & Deepak Asher -Trustee of Inox Benefit Trust	19931570	20.66%	01/04/2014				
				05/09/2014	(400000)	Transfer	19531570	20.25
				30/09/2014	(8787085)	Transfer	10744485	11.14
				14/11/2014	(187000)	Transfer	10582485	10.97
				30/01/2015	(157000)	Transfer	10425485	10.81
				13/02/2015	(128435)	Transfer	10297050	10.68
				20/02/2015	(212484)	Transfer	10084566	10.45
				27/02/2015	(118195)	Transfer	9966371	10.33
				06/03/2015	(116279)	Transfer	9850092	10.21
				13/03/2015	(5500000)	Transfer	4350092	4.51
2.	Reliance Capital Limited	4350092	4.51%	31/03/2015				
		7730595	8.01%	01/04/2014				
				13/06/2014	(393595)	Transfer	7337000	7.61
				20/06/2014	(317000)	Transfer	7020000	7.28
				30/06/2014	(500000)	Transfer	6520000	6.76
				04/07/2014	(1080000)	Transfer	5440000	5.64
				11/07/2014	(92000)	Transfer	5348000	5.54
				18/07/2014	(143000)	Transfer	5205000	5.40
				25/07/2014	(405000)	Transfer	4800000	4.98
				01/08/2014	(63000)	Transfer	4737000	4.91
				21/11/2014	(1179000)	Transfer	3558000	3.69
				12/12/2014	(2040000)	Transfer	1518000	1.57
				19/12/2014	(1518000)	Transfer	0	0.00
3.	Aadi Financial Advisors LLP	0	0.00	31/03/2015				
		1436395	1.49%	01/04/2014				
4.	Kamal Shyamsunder Kabra	1436395	1.49%	31/03/2015				
		1000200	1.04%	01/04/2014				
5.	Reliance Capital Trustee Co Ltd	1000200	1.04%	31/03/2015				
		1061222	1.10	01/04/2014				
6.	Birla Sun Life Trustee Company Private Limited A/c.			06/06/2014	(50000)	Transfer	1011222	1.05
				13/06/2014	(100000)	Transfer	911222	0.94
				25/07/2014	(100000)	Transfer	811222	0.84
				08/08/2014	(146232)	Transfer	664990	0.69
				20/03/2015	(53000)	Transfer	611990	0.63
		611990	0.63	31/03/2015				
		907549	0.94	01/04/2014				
				04/04/2014	95600	Transfer	1003149	1.04
				11/04/2014	4400	Transfer	1007549	1.04
				09/05/2014	(44000)	Transfer	963549	1.00
				23/05/2014	25000	Transfer	988549	1.02
				30/05/2014	10000	Transfer	998549	1.04
				06/06/2014	12000	Transfer	1010549	1.05

Directors' Report

2014-15
ANNUAL REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01st April, 2014)/ End of the Year (31 st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				18/07/2014	58682	Transfer	1069231	1.11
				01/08/2014	(17346)	Transfer	1051885	1.09
				15/08/2014	(200000)	Transfer	851885	0.88
				12/09/2014	(165000)	Transfer	686885	0.71
				24/10/2014	(39749)	Transfer	647136	0.67
				31/10/2014	(11000)	Transfer	636136	0.66
				14/11/2014	(121000)	Transfer	515136	0.53
				12/12/2014	(100000)	Transfer	415136	0.43
				23/01/2015	(311756)	Transfer	103380	0.11
				30/01/2015	(103380)	Transfer	0	0.00
				06/02/2015	40000	Transfer	40000	0.04
		40000	0.04	31/03/2015				
7.	Devansh Jain	600000	0.62%	01/04/2014	No Movement during the year.			
		600000	0.62%	31/03/2015				
8.	Sundaram Mutual Fund A/c	650912	0.67	01/04/2014				
				18/04/2014	(15000)	Transfer	635912	0.66
				02/05/2014	(15912)	Transfer	620000	0.64
				30/05/2014	50000	Transfer	670000	0.69
				06/06/2014	181121	Transfer	851121	0.88
				13/06/2014	48649	Transfer	899770	0.93
				20/06/2014	33129	Transfer	932899	0.97
				30/06/2014	236368	Transfer	1169267	1.21
				29/08/2014	(5000)	Transfer	1164267	1.21
				05/09/2014	(15376)	Transfer	1148891	1.19
				19/09/2014	(64876)	Transfer	1084015	1.12
				10/10/2014	24238	Transfer	1108253	1.15
				17/10/2014	38033	Transfer	1146286	1.19
				24/10/2014	67280	Transfer	1213566	1.26
				31/10/2014	36890	Transfer	1250456	1.30
				02/01/2015	5729	Transfer	1256185	1.30
		1256185	1.30	31/03/2015				
9.	ICICI PRUDENTIAL MIP 25	633968	0.66%	01/04/2014				
				30/05/2014	(59002)	Transfer	574966	0.60
				06/06/2014	(574966)	Transfer	0	0.00
				04/07/2014	320000	Transfer	320000	0.33
				18/07/2014	156894	Transfer	476894	0.49
				25/07/2014	123106	Transfer	600000	0.62
				15/08/2014	29100	Transfer	629100	0.65
				22/08/2014	48643	Transfer	677743	0.70
				12/12/2014	2016894	Transfer	2694637	2.79
				19/12/2014	107729	Transfer	2802366	2.91
				09/01/2015	5983	Transfer	2808349	2.91
				16/01/2015	41359	Transfer	2849708	2.95
				23/01/2015	35129	Transfer	2884837	2.99
				30/01/2015	101726	Transfer	2986563	3.10
				13/02/2015	128882	Transfer	3115445	3.23

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01st April, 2014)/ End of the Year (31 st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
10.	Goldman Sachs India Fund Limited			20/02/2015	48800	Transfer	3164245	3.28
				27/02/2015	52378	Transfer	3216623	3.33
		3216623	3.33	31/03/2015				
		563386	0.58	01/04/2014				
				04/04/2014	28937	Transfer	592323	0.61
				20/06/2014	187310	Transfer	779633	0.81
				08/08/2014	100000	Transfer	879633	0.91
				15/08/2014	200000	Transfer	1079633	1.12
				29/08/2014	100000	Transfer	1179633	1.22
				05/09/2014	399928	Transfer	1579561	1.64
				14/11/2014	61960	Transfer	1641521	1.70
				21/11/2014	97938	Transfer	1739459	1.80
				12/12/2014	86907	Transfer	1826366	1.89
				30/01/2015	268734	Transfer	2095100	2.17
				13/02/2015	170163	Transfer	2265263	2.35
				27/02/2015	223330	Transfer	2488593	2.58
11.	Kuwait Investment Authority – Fund No. 208			06/03/2015	318664	Transfer	2807257	2.91
				20/03/2015	1254658	Transfer	4061915	4.21
		4061915	4.21	31/03/2015				
		0	0.00%	01/04/2014				
				30/09/2014	4356718	Transfer	4356718	4.52
				14/11/2014	132846	Transfer	4489564	4.65
				21/11/2014	73793	Transfer	4563357	4.73
		4563357	4.73%	31/03/2015				
		0	0.00%	01/04/2014				
		12.	Macquarie Fund Solutions A/c Macquarie Fund Solutions - Macquarie Asia New Stars Fund			03/10/2014	1966025	Transfer
				28/11/2014	600000	Transfer	2566025	2.66
				12/12/2014	(190000)	Transfer	2376025	2.46
				20/03/2015	592392	Transfer	2968417	3.08
2968417	3.08			31/03/2015				
0	0.00%			01/04/2014				
13.	Government Pension Fund Global			30/01/2015	1300000	Transfer	1300000	1.35
				20/03/2015	1100000	Transfer	2400000	2.49
		2400000	2.49	31/03/2015				
		0	0.00%	01/04/2014				
14.	Tata Balanced Fund			20/03/2015	2000000	Transfer	2000000	2.07
				27/03/2015	28500	Transfer	2028500	2.10
		2028500	2.10	31/03/2015				
		0	0.00%	01/04/2014				
15.	Morgan Stanley SICAV (Mauritius) Limited	0	0.00%	01/04/2014				

Directors' Report

2014-15
ANNUAL REPORT

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01st April, 2014)/ End of the Year (31st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				30/09/2014	762654	Transfer	762654	0.79
				31/10/2014	53183	Transfer	815837	0.85
				07/11/2014	22664	Transfer	838501	0.87
				14/11/2014	55695	Transfer	894196	0.93
				21/11/2014	103099	Transfer	997295	1.03
				28/11/2014	91630	Transfer	1088925	1.13
				05/12/2014	20646	Transfer	1109571	1.15
				12/12/2014	53755	Transfer	1163326	1.21
		1163326	1.21	31/03/2015				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01 st April, 2014)/ End of the Year (31 st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Directors								
1	Mr. Pavan Kumar Jain	6,50,000	0.67%	01/04/2014	300000	Transfer	350000	0.36
				15/08/2014				
		350,000	0.36%	31/03/2015				
2	Mr. Vivek Kumar Jain	6,50,445	0.67%	01/04/2014	No Movement during the year.			
		6,50,445	0.67%	31/03/2015				
3	Mr. Siddharth Jain	6,00,000	0.62%	01/04/2014	No Movement during the year.			
		6,00,000	0.62%	31/03/2015				
4	Mr. Deepak Asher	25,000	0.03%	01/04/2014	No Movement during the year.			
		25,000	0.03%	31/03/2015				
5	Mr. Haigreve Khaitan	0	0.00%	01/04/2014	No Movement during the year.			
				31/03/2015				
6	Mr. Amit Jatia	0	0.00%	01/04/2014	No Movement during the year.			
				31/03/2015				
7	Mr. Kishore Biyani	0	0.00%	01/04/2014	No Movement during the year.			
				31/03/2015				
8	Ms. Girija Balakrishnan	0	0.00%	01/04/2014	No Movement during the year.			
				31/03/2015				
9	Mr. Sanjeev Jain	100	0.00%	01/04/2014	No Movement during the year.			
				08/05/2014*				

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01 st April, 2014)/ End of the Year (31 st March, 2015)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
KMP								
1	Mr. Alok Tandon, CEO and Manager	28,236	0.03%	01/04/2014	No Movement during the year.			
		28,236	0.03%	31/03/2015				
2	Mr. Upen Shah, CFO & Head – Legal	225	0.00%	01/04/2014	No Movement during the year.			
		225	0.00%	31/03/2015				
3	Mr. Miket Shashikant Bahuva – CS and General Manager – Legal	0	0.00%	01/04/2014	1	Market Purchase	1	0.00%
				3/9/2014				
		1	0.00%	31/03/2015				

* Mr. Sanjeev Jain ceased to be a Director of the Company with effect from 8th May, 2014.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount ₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	6868.36	17,349.00	Nil	24217.36
(ii) Interest due but not paid				
(iii) Interest accrued but not due	61.96	360.59		422.55
Total (i+ii+iii)	6930.32	17709.59	Nil	24639.91
Change in Indebtedness during the financial year				
· Addition	3144.11	--	Nil	3,144.11
· Reduction	(2,198.55)	(1,460.59)		(3,659.14)
Net Change	945.56	(1,460.59)	Nil	(515.03)
Indebtedness at the end of the financial year				
(i) Principal Amount	7,810.18	16,249.00	Nil	24,059.18
(ii) Interest due but not paid				
(iii) Interest accrued but not due	65.70	--		65.70
Total (i+ii+iii)	7,875.88	16,249.00		24,124.88

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹ in Lakh)
		Mr. Alok Tandon, CEO & Manager	
1.	Gross salary	92.46	92.46
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit		
	- Others, specify...		
5.	Others, please specify	Nil	Nil
	Total (A)	92.46	92.46
	Ceiling as per the Act	109.70	109.70

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lakh)
1	Independent Directors	Mr. Haigreve Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani	Ms. Girija Balakrishnan	Mr. Sanjeev Jain	
	Fee for attending Board/ Committee Meetings	2.40	2.40	1.00	0.40	0.20	6.40
	Commission	0	0	0	0	0	0
	Others	0	0	0	0	0	0
	Total (1)	2.40	2.40	1.00	0.40	0.20	6.40
2	Other Non-Executive Directors	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Deepak Asher	Mr. Siddharth Jain	-	-
	Fee for attending Board/ Committee Meetings	1.20	1.80	3.40	1.60	-	8.00
	Commission	0	0	0	0	-	0
	Others (Professional Fees)	0	0	30.00	0	-	30.00
	Total (2)	1.20	1.80	33.40	1.60	-	38.00
	Total of B = (1+2)	3.60	4.20	34.40	2.00	0.20	44.40
	Total Managerial Remuneration (A+B)						136.86
	Total Managerial Remuneration for overall Ceiling as per the Act						92.46
	Overall Ceiling as per the Act						131.63

C. Remuneration to Key Managerial Personnel (KMP) other than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total (₹ in lakh)
		CEO	Company Secretary	CFO	
1.	Gross salary	92.46	13.51	51.96	157.93
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	92.46	13.51	51.96	157.93

VII. Penalties /Punishments / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

Annexure – D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has taken the following energy conservation measures:

- All new fittings are with CFL or energy saving mechanisms, which use less electrical power as compared to incandescent lamps. This year Company has planned to replace CFL fittings with LED Fittings in PAN India Multiplexes which will result in to further energy saving.
- The Company has installed the Harmonic Filters in main power supply at Pune Bund Garden to reduce the Electronic Harmonic Distortions which will give clean power to equipment & will result in reduction of electricity consumption.
- Auto Voltage Regulator (AVR) is installed at Pune & Lucknow 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.
- All the properties of erstwhile Fame India Limited, Façade Signages, Cinema Level 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.
- 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.
- 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.

The 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 Lakh)	
	Current Year	Previous Year
(a) Foreign exchange earnings	Nil	Nil
(b) Foreign exchange outgo		
CIF value of Capital Goods imported	40.79	1519.46
CIF Value of materials purchased	261.11	263.23
Travelling expenses	30.49	19.94
Total	332.39	1802.63

Annexure – E

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for FY 2014-15 (₹ In Lakh)	% increase in remuneration in the financial year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company (i.e. Profit After Tax)
1.	Pavan Jain, Chairman & Non-executive Director	*	*	*	} Not Applicable
2.	Vivek Jain, Non-executive Director	*	*	*	
3.	Deepak Asher, Non-executive Director#	30.00	Not Applicable	13.23:1	
4.	Siddharth Jain, Non-executive Director	*	*	*	
5.	Haigreve Khaitan, Independent Director	*	*	*	
6.	Amit Jatia, Independent Director	*	*	*	
7.	Kishore Biyani, Independent Director	*	*	*	
8.	Sanjeev Jain, Independent Director	*	*	*	
9.	Girija Balakrishnan, Independent Director	*	*	*	
10.	Alok Tandon, Chief Executive Officer	92.46	10%	} Not Applicable	} Profit after tax fell by 32.95% during the year.
11.	Upen Shah, Chief Finance Officer	51.96	10%		
12.	Miket Shashikant Bahuva, Company Secretary	13.51	15%		

* For this purpose, Sitting fees paid to the Director have not been considered as remuneration.

Mr. Deepak Asher is being paid Professional Fees of ₹ 30.00 Lakh p.a. with effect from 1st April, 2014 for his professional services for strategic business planning, formulation and implementation of various growth strategies for the Company as well as financial planning and management of the Company.

- (ii) Percentage increase in the median remuneration of employees in the financial year is 8.00%

- (iii) The number of permanent employees on the rolls of company as on 31st March, 2015 was 1466.

- (iv) The explanation on the relationship between average increase in remuneration and company performance;

Average increment in remuneration during FY 2014-15 was 6.44%.

The average increase in remuneration was as per Nomination and Remuneration Policy of the Company.

- (v) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

Date	Issued Capital	Closing Market Price per Share (BSE)	EPS	P/E Ratio	Market Capitalisation (in Crores)	Closing Market Price per Share (NSE)	EPS	P/E Ratio	Market Capitalisation (in Crores)
31 st March, 2014	96457754	114.30	4.85	23.57	1102.51	115.35	4.85	23.78	1112.64
31 st March, 2015	96457754	169.70	2.70	62.85	1636.89	168.65	2.70	62.46	1626.76
Increase	0	55.40	(2.15)	39.28	534.38	53.30	(2.15)	38.68	514.12
% Increase/(Decrease)	0	48.47%	(44.33)	166.65	48.47%	46.21%	(44.33)	162.66	46.21

The Company had allotted shares under its IPO in February, 2006 at the price of ₹ 120 per equity share. The market quotations/price of the shares of the Company as at 31st March, 2015 compared to the IPO price increased by 41.43% on BSE and by 40.54% on NSE.

Compound Annual Growth Rate (CAGR) is 3.93% on BSE and 3.85% on NSE. This is excluding the dividend accrued thereon.

- (vi) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year is 8% and percentile increase in the managerial remuneration is 10%.

- (vii) The key parameters for any variable component of remuneration availed by the directors;

Not Applicable

- (viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and

There are 15 employees drawing remuneration more than the highest Paid Director. The details of employees is available for inspection by the members at registered office of the company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

- (ix) Affirmation that the remuneration is as per the remuneration policy of the company.

The Company affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

Annexure – F

Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy Rules, 2014

Sr. No.	Particulars	Compliance					
1.	A brief outline of CSR Policy including outline of company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and project or programmes	CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on website of the Company at https://www.inoxmovies.com/Corporate.aspx?Section=3 .					
2.	The Composition of CSR Committee	Mr. Haigreve Khaitan, Independent Director Mr. Pavan Jain, Non-Independent Director Mr. Deepak Asher, Non-Independent Director					
3.	Average net profit of the Company for last three financial years	₹ 3121.93 Lakh					
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above.	₹ 62.44 Lakh					
5.	Details of CSR spent during the financial year						
a.	Total amount to be spent for the financial year	₹ 62.44 Lakh					
b.	Amount unspent, if any	₹ 17.13 Lakh					
c.	Manner in which the amount spent during financial year is detailed below						
(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered – Schedule VII	(4) Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	(5) Amount outlay (budget project or programme wise)	(6) Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	(7) Cumulative expenditure upto the reporting period	(8) Amount spent Direct or through implementing agency
1.	Contribution to Mid-day meal Scheme.	Item no. (i) under “eradicating poverty and malnutrition”	Mumbai, Maharashtra	Not fixed	25.00	25.00	Directly
2.	Contribution for Swachh Bharat Abhiyan.	item no. (i) under “contribution to the Swachch Bharat Kosh”	Vadodara, Gujarat	Not fixed	20.31	20.31	Directly
6.	In case the Company has failed to spend the two percent of the average net profit of last three financial years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report.			The Company has unspent amount of ₹ 17.13 Lakh. During the year under review, as per the decision taken by the CSR Committee and Board, an application was submitted for registration of Inox CSR Trust at the office of Charity Commissioner, Gujarat with an intent to carry out CSR activities through the trust as permitted under Section 135 of the Companies Act, 2013 read with the Rules thereunder. The reason for formation of Trust was to create corpus fund wherein all the Companies of Inox Group were to contribute and carry out its CSR activities. However, the approval of registration of Inox CSR Trust was not received till the end of the year under review and was inordinately delayed. Hence, the amount of CSR remained unspent.			
7.	A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.			The Company has carried out CSR activities as mentioned above in Mumbai and Vadodara. Further, it was decided to form a dedicated CSR Trust and carry out CSR activities through the Trust. However, there is an amount of ₹ 17.13 Lakh remaining unspent during the year due to non-receipt of timely approval of registration of Inox CSR Trust for which an application was pending before Charity Commissioner Office, Vadodara, Gujarat.			

Sd/-
Chief Executive Officer

Sd/-
Chairman-CSR Committee

India Media & Entertainment Industry

Renewed optimism and improved business sentiment flowing throughout the Indian economy have also extended across the Media & Entertainment (M&E) sectors. From ₹ 918 billion in 2013, the industry grew at healthy pace of 11.7% to ₹ 1,026 billion in 2014, led by rapid growth in digital advertising and a strong growth in the television segment, which contributes 53% of the total growth in the industry.

Industry Outlook

Film Exhibition Business

The Indian cinema exhibition industry has 9,400 screens, of which 1,700 are in the multiplex format. The multiplex industry is concentrated, with top four players controlling about 78% of the total screens.

India is highly under-penetrated in terms of screen density. There are only 8 screens per million people in India, compared to 125 screens in the United States. This indicates ample scope for growth for the sector, to capitalise on the significantly lower screen penetration. In FY2014-15, a total of 102 screens were added by leading multiplex chains across the country.

What sustains Box Office Growth

1. Investments being made by multiplex chains in setting up world class exhibition infrastructure
2. Wide releases enabled by digital cinema
3. Quality content
4. Younger demographics and increasing discretionary spends, especially on entertainment
5. Limited alternative entertainment options
6. Movie going is a social activity

Single screens facing Challenging Times

According to the estimates by the Film Federation of India, the number of single-screen theatres has dwindled from 13,000 in 2010 to less than 10,000 currently. Although multiplexes account for 16% of total screens in India, they contribute more than 40-50% of the total revenue. Moving

forward, single screens are expected to close down with changing nature of the crowd, geographic location, facilities offered, ambience and technological innovations. The industry is expected to undergo an inevitable transition towards galvanising new cinema hubs.

Film Exhibition Business – Key Growth Drivers

Good & Services Tax (GST) to Change the Game

High entertainment tax is a major impediment for exhibition industry's growth. The overall tax implication is as high as 40-50% in some States, such as Maharashtra, Uttar Pradesh, and Bihar. Subsuming of entertainment tax with GST will help the industry spur growth. While the rate of GST is not yet clear, input tax credit will be available for set-off against output tax liability, which will help reduce costs.

Tier 2 and 3 Consumers – A Key Focus Area

With the focus shifting to Tier 2 and 3 markets, exhibitors are constantly exploring ideas to target consumers in these cities. Though metro cities contribute a majority of the revenue of a big budget film, the focus is slowly shifting to Tier 2 and 3 cities. With lower real estate prices in smaller towns and the leeway to launch “no-frills” cinema, exhibitors are able to lower the cost per screen significantly.

Occupancy Rates set to Improve

With the length of movies reducing, the number of shows exhibited has increased to five per day. This has improved the convenience of movie goers and also increased the exhibitor's capacity utilisation.

Riding on Improved Content, Wider Screen Releases

Ghajini became the first movie to cross ₹ 1 billion collection at the box office in 2008, setting a new benchmark for Bollywood. Number of ₹ 1 billion movies has risen from one in FY2009 to as high as eight in FY2015. Digitisation enables wider spread of releases, which results in increased number of screens per movie over the period. Since majority of the box office collection happens in the opening week, wider screen releases attract higher footfalls. We believe that going forward as content quality improves, the number of ₹ 1 billion club movies will grow significantly.

With lower real estate prices in smaller towns and the leeway to launch “no-frills” cinema, exhibitors are able to lower the cost per screen significantly.

3D content, Hollywood Movies to drive ATP growth

A significant portion of the total revenue is also earned from Hollywood movies. These have a higher ATP, which drives the overall ATP higher. Most of these movies are also dubbed in at least three Indian languages, thereby increasing the audience base and footfalls. Apart from Hollywood movies, another driver for ATP growth is 3D movies – which command a premium of 15-20% over regular movies due to a better movie experience. The past few years have seen a significant increase in 3D content due to better technology and higher demand for 3D movies by the audiences. Hence, more movies are being developed in the 3D format.

Headroom to increase Advertising and other Operating Revenue per screen

An increased screen presence gives multiplexes higher bargaining power with advertisers and also drives higher advertisement and other operating revenues per screen. Unlike any other medium, advertisers can use the cinema premises to not only display their product on-screen, but also use various off-screen means to enable the audiences engage and interact with their product.

Industry Growth

In 2015, the Indian film industry could see growth improving by 7.8% to ₹ 136.3 billion, up from ₹ 126.4 billion in 2014. Over the next few years, growth is expected to be driven by greater penetration of screens in Tier 2 & 3 cities, increased ticket sales and F&B spends as a result of rising disposable incomes of the Indian population, and enhancement of advertising and other operating revenues. From 2016

onwards, the industry will see more traction and resume double-digit growth touching ₹ 204 billion in revenues by 2019, registering a CAGR growth of 10.6% between 2016 and 2019. (Source: FICCI-KPMG, 2015)

Company Overview

Inox Leisure Limited (INOX), a part of the Inox Group, has attained leadership in India's film exhibition business and is ranked as the second-largest player among multiplex chains. As on March 31, 2015, we operate 96 multiplexes and 372 screens in 52 cities, making us a truly pan-Indian multiplex chain. We operate 33 properties in West India, followed by 22 in South, 24 in North, and 17 in the East.

We command a 23% market share in multiplex screens and ~7-8% share in domestic box office collections. Our vision is to be a leader in the cinema exhibition industry in every aspect - from quality and choice of cinema to varied services offered. Since the launch of our multiplex in Goa in CY2004, INOX has been the venue for the prestigious International Film Festival of India (IFFI) every year.

INOX – At a Glance

- State-of-the-art facilities in modern projection and acoustic systems
- Interiors of international standards
- Stadium-styled high back seating with cup holder arm rests
- High levels of hygiene
- Varied theatre food
- A selection of Hindi, English and regional movies
- Computerised ticketing with high-end services to book tickets online and introduction of paperless ticket entry in some locations
- Pertinently high service standards.
- Use of inherently fire retardant yarn for seat & drapes
- Emphasis on fire and life safety

Our Distinctive Capabilities

- Second largest multiplex player with aggressive growth plans
- Strong improvement in Average Ticket Price (ATP) and Spend Per Head (SPH)

- Addition of 27 screens in FY2015 through organic growth and 38 Screens through acquisition of Satyam Cineplexes Limited.
- Commenced the consolidation phase in the multiplex business, strong ability to take this forward, with an unleveraged balance sheet and robust promoter group support.

Key Threats & Concerns

Ticket pricing and show timings regulated by some States

In many States, governments regulate the ticket pricing and show timing. Industry is hoping state governments will relax regulations that limit the number of shows and cap ticket pricing, and allow exhibitors to fix admission rates and show timings according to demand and supply. Flexible pricing and show timings will help optimising occupancies and also grow tax collections.

High taxation restrains sector's growth

High entertainment tax acts as a major impediment to the growth of the film exhibition industry. Entertainment taxes in India continue to be higher than in most comparable economies. Although with the introduction of GST, this concern will be addressed, however, the visibility on GST implementation is still limited.

Timely execution of expansion plan

We plan to take up space in various upcoming malls. However, any delays in the construction of these malls will impact the execution of its rollout plan.

Quality of content

Good quality content is the key driver of footfalls in multiplexes. While the quality of content is improving, if the content released is commercially unsuccessful in any particular year, it could impact the revenue of multiplexes for that year.

Management Outlook

We are rightly placed to enter the next phase of growth with our footfalls, ATP and SPH set to improve year on year. This will be driven by screen additions across the country,

higher contribution from 3D movies and better performing content. Our acquisition of Satyam in North India will give us superior bargaining power with advertisers, leading to higher earnings growth. Also, an improvement in our operating metrics will better our return ratios. With increased aggression, we believe we are well positioned to gain further market share in the exhibition business.

Financial Overview

Income from Operations, EBITDA, PAT, Interest and Depreciation, Leverage

Income from Operations increased 10% from ₹ 8,688.3 million in FY2014 to ₹ 9,536.85 million in FY2015. The rise in revenues was driven by healthy increase in Gross Box Office and Food & Beverage revenues on the back of increasing average ticket prices and spending per head which grew by 4% and 14%, respectively, during the financial year under review. Advertising was the best performing segment which grew 58% Y-o-Y to touch ₹ 782.91 million, contributing 8% to the total income from operations in FY2015, while Other Operating Revenues continued to grow at a healthy pace, witnessing 7% Y-o-Y growth.

Earnings before Interest Tax Depreciation and Amortisation (EBITDA)

EBITDA decreased by 1.03% from ₹ 1,219.6 million in FY2014 to ₹ 1,207.0 million in FY2015. EBITDA margin for the year declined 138 basis points at 12.51%, compared to 13.89% in FY2014. EBITDA Margins primarily declined due increase in overheads (employee benefits, property rent & conducting fees, CAM, power & fuel, R&M and other overheads), as percentage of Revenues in FY2015. Overheads as percentage of Revenues increased from 42.23% in FY2014 to 45.82% in FY2015.

Interest and Depreciation

Interest Expense increased by 39.0% from ₹ 276.3 million in FY2014 to ₹ 384.2 million in FY2015. Depreciation & Amortisation Expense increased 40.9% from ₹ 506.9 million in FY2014 to ₹ 714.6 million in FY2015.

We are working towards a common platform to enable HR to be driven through online systems. We are also revamping and rebuilding an HR ecosystem with department-wise Standard Operating Procedures.

Profit after Tax

Profit after Tax fell by 32.9% during the year from ₹ 369.4 million in FY2014 to ₹ 247.6 million in FY2015. PAT Margin declined by 164 basis points from 4.2% in FY2014 to 2.5% in FY2015 due to lower EBITDA margins and increasing interest and depreciation and amortisation expenses.

Leverage

Gross Debt declined from ₹ 2,332.9 million in FY2014 to ₹ 2,264.9 million in FY2015. In terms of Leverage, the Company is in a comfortable position with Debt to Equity ratio coming down from 0.6 in FY2014 to 0.4 in FY2015. The low debt to equity ratio enables the Company to borrow, if required, in order to expand its operations in the future.

Human Resources

Our organisational culture is fully geared for the growth we have planned for ourselves. The Company has 5,518 employees (including contract employees). We are encouraging our workforce to innovate and achieve our short-term and long-term objectives. Through our strategised HR processes, our aim is to achieve our business goals. On a ground-level, we are working towards a common platform to enable HR to be driven through online systems. In another initiative, we are revamping and rebuilding an HR ecosystem with department-wise Standard Operating Procedures and also all existing policies and procedures to

ensure quality deliverable at each step. Moving forward, the core of our HR strategy is to implement the processes and prepare deliverables and guidelines, focussing on people management.

Risk Management & Internal Controls

Your Company believes that sound internal controls and systems are related to the principle of good governance, and should be exercised within a framework of proper checks and balances. Accordingly, your Company has devised and implemented such internal control systems as are required in its business processes; the adequacy of these have been confirmed by the Statutory Auditors in their Report. The Company remains committed to ensuring a reasonably effective internal control environment that provides assurance on the operations and safeguarding of its assets. The internal controls have been designed to provide assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorisation and ensuring compliance with corporate policies.

Cautionary Statement

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied.

Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

Source: FICCI-KPMG, 2015

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.

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

2. Board of Directors:

As on the financial year ending 31st March, 2015, the Board of Directors consisted of Eight Directors and all of them were Non-Executive Directors having considerable experience in their respective fields. The Board of Directors consisted of 4 Non-Independent Directors and 4 Independent Directors, including one woman Director. The composition of the Board of Directors consisted of optimum combination of Executive and Non-Executive Directors as required under Clause 49 II A 1 of the Listing Agreement. Further, the Company did not have a regular Non-Executive Chairman. As per the requirements of Clause 49 II A 2 of the Listing Agreement which came into effect from 1st October, 2014, fifty percent of the Board consisted of Independent Directors except for a period from 1st October, 2014 to 2nd December, 2014 where the Company had 4 Non-Independent Directors and 3 Independent Directors.

During the financial year 2014-15, the Board met 8 (Eight) times on following dates namely, 25th April, 2014, 27th May, 2014, 28th July, 2014, 30th July, 2014, 25th September, 2014, 20th October, 2014, 3rd December, 2014 and 16th January, 2015.

The following table gives details of Directors, details of attendance of Directors at Board Meetings, at the Annual General Meeting, and number of memberships held by the Directors in the Board / Committees of various Companies as on 31st March, 2015:

Name of Director	Position		No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other Companies	Membership of other Board Committees*	Chairperson of other Board Committees*
Mr. Pavan Jain	Non-Executive non Independent	-	6	No	16	4	3
Mr. Vivek Jain	Non-Executive non Independent	-	8	No	17	6	0
Mr. Deepak Asher	Non-Executive non Independent	-	8	Yes	7	4	0
Mr. Siddharth Jain	Non-Executive non Independent	-	8	No	11	5	0
Mr. Haigreve Khaitan	Non-Executive Independent	-	6	No	11	6	0
Mr. Amit Jatia	Non-Executive Independent	-	4	No	12	3	0
Mr. Kishore Biyani	Non-Executive Independent	-	2	No	11	2	1
Mr. Sanjeev Jain#	Non-Executive Independent	-	1	No	NA	NA	NA
Ms. Girija Balakrishnan \$	Non-Executive Independent	-	2	No	1	0	0

* Other Committee means Audit Committee and Stakeholders' Relationship Committee.

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

\$ Ms. Girija Balakrishnan was appointed as an Additional Director of the Company at the Meeting of the Board of Directors held on 3rd December, 2014.

Other Directorships, etc.:

None of the Directors are a Director in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Directors act as a Member of more than 10 Committees or acts as a Chairman of more than 5 Committees across all Public Limited Companies.

3. INDEPENDENT DIRECTORS

Formal Letter of Appointment:

Independent Directors of the Company has been issued a formal Letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. A copy of each of these letter have been disclosed on the Company's website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

Separate Meeting of Independent Directors:

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Agreement with the Stock Exchanges, a separate Meeting of the Independent Directors of the Company was held on 16th January, 2015 with the following agenda:

- to review performance of non-Independent Directors and the Board as a whole,
- to review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors of the Company and
- to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programme for Independent Directors:

At the Meeting of the Board of Directors of the Company held on 27th May, 2014, the Board of Directors was presented with a statement showing the duties of Directors as defined under Section 166 of the Companies Act, 2013 and also duties as well as role and functions of Independent Directors as defined under Section 149 read with Schedule IV of the Act. At the Meeting of the Independent Directors of the Company held on 16th January, 2015, a presentation was made by Mr. Alok Tandon, Chief Executive Officer of the Company, on the nature of industry in which the Company operates and its Business Model. Details of Familiarization Programme for Independent Director has been disclosed on the Website of the Company. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

4. The Company has constituted following Board-level Committees, namely

- Audit Committee
- Compensation, Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

a. Audit Committee:

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

The Company held 6 (Six) Audit Committee Meetings during the year, on 16th May, 2014, 28th July, 2014, 25th September, 2014, 20th October, 2014, 3rd December, 2014 and 16th January, 2015.

The composition of Audit Committee is in compliance Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Clause 49 of the Listing Agreement. The details of composition of the Audit Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Number of Meetings Attended
Mr. Haigreve Khaitan, Independent Director	Chairman	5
Mr. Deepak Asher, Non-Independent Director	Member	6
Mr. Amit Jatia, Independent Director	Member	5
Mr. Kishore Biyani, Independent Director	Member	3

The Company Secretary acts as the Secretary to the Audit Committee. Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors at its Meeting held on 27th May, 2014, has redefined terms of reference of the Audit Committee which are given hereunder.

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Mr. Haigreva Khaitan, Chairman of the Audit Committee could not attend the previous Annual General Meeting of the Company held on 10th September, 2014 due to incessant rains in Vadodara which resulted in disruption of air traffic and had created flood-like situation in the City.

b. Compensation, Nomination & Remuneration Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors at its Meeting held on 27th May, 2014, has changed the name of its Compensation & Remuneration Committee to Compensation, Nomination & Remuneration Committee.

The Company held 2 (Two) Compensation, Nomination & Remuneration Committee Meetings during the year on 7th July, 2014 and 3rd December, 2014.

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

Name of Director	Position	Number of Meetings Attended
Mr. Haigreve Khaitan, Independent Director	Chairman	1
Mr. Deepak Asher, Non- Independent Director	Member	2
Mr. Amit Jatia, Independent Director	Member	2

The Terms of Reference of the Compensation, Nomination & Remuneration Committee are in accordance with the referred Section and Clause 49 of the Listing Agreement.

Terms of Reference:

- Implementation, administration and superintendence of the ESOP Scheme and formulate the detailed Terms & Conditions of the ESOP Scheme.
- To frame suitable policies and system to ensure that there is no violation of SEBI (Insider Trading) Regulations, 1992 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 by any employee.
- To exercise roles, powers and duties as vested under Schedule V to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and to take decisions about remuneration payable to managerial personnel from time to time.
- Lay down the Criteria for identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
- Carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devising a policy on Board diversity;

The Board of Directors at its Meeting held on 28th July, 2014 has adopted following Nomination and Remuneration Policy of the Company which was reviewed and recommended by the Compensation, Nomination and Remuneration Committee of the Company.

Nomination and Remuneration Policy:

1. Preface:

- The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.
- This Nomination and Remuneration Policy (NR Policy) has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of Inox Leisure Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

2. Objectives of this Nomination and Remuneration Policy:

- a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by CNR Committee and recommend to the Board their appointment and removal.
- b. To lay down criteria to carry out evaluation of every Director's performance.
- c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

3. Definitions:

- a. "Board" means the Board of Directors of the Company.
- b. "Directors" means the Directors of the Company.
- c. "CNR Committee" means the Compensation, Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.
- d. "Company" means Inox Leisure Limited.
- e. "Key Managerial Personnel"(KMP) means
 - Managing Director; or Chief Executive Officer; or Manager and in their absence, a Whole-time Director;
 - Company Secretary;
 - Chief Financial Officer
- f. "Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management on level below the Executive Directors including the functional heads.
- g. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

4. Nomination and Remuneration Policy

Nomination and Remuneration Policy is divided into three parts as follows:

I. Qualifications

Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

b. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The Company has an Organogram displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the Organogram of the Company.

II. Remuneration

a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

Fixed Component		
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

- Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.
- Remuneration by way of professional fees to the non-executive Directors who, in the opinion of the CNR Committee, possesses the requisite qualifications for the practice of the profession, for providing professional services to the Company.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

III. Evaluation

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

c. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

5. Communication of this Policy

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

6. Amendment

Any change in the Policy shall, on recommendation of CNR Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

The Nomination and Remuneration Policy is placed on the website of the Company and web link is <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

Remuneration to Directors:

All the Directors of the Company are non-executive Directors. Members of the Company have passed a Special Resolution dated 13th January, 2015 approving the payment of Professional Fees to Mr. Deepak Asher, Non-executive Director of the Company. No other non-executive Director is being paid any remuneration except sitting fees. All the Directors are paid sitting fees of ₹ 20,000/- for attending the Meetings of the Board or Committee thereof and adjournments thereto. The details of total remuneration paid to the Directors for the year 2014-15 are given below:

Name of Director	Sitting Fees*	Professional Fees	Total
Mr. Pavan Jain	120,000	-	120,000
Mr. Vivek Jain	180,000	-	180,000
Mr. Deepak Asher	340,000	30,00,000	33,40,000
Mr. Siddharth Jain	160,000	-	160,000
Mr. Haigreve Khaitan	240,000	-	240,000
Mr. Amit Jatia	240,000	-	240,000
Mr. Kishore Biyani	100,000	-	100,000
Mr. Sanjeev Jain #	20,000	-	20,000
Ms. Girija Balakrishnan \$	40,000	-	40,000
Total	14,40,000	30,00,000	44,40,000

* Includes sitting fees paid for Board and Committee Meetings.

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

\$ Ms. Girija Balakrishnan was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 3rd December, 2014.

c. Stakeholders Relationship Committee

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors at its Meeting held on 27th May, 2014, has changed the name of its Share Transfer and Investor Grievance Committee to Stakeholders' Relationship Committee.

The Company held 1 (One) Stakeholders' Relationship Committee Meeting during the year, on 9th July, 2014.

The details of composition of the Stakeholders Relationship Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Number of Meetings attended
Mr. Pavan Jain	Chairman	0
Mr. Vivek Jain	Member	1
Mr. Deepak Asher	Member	1

Terms of Reference:

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, re-materialization, issue of duplicate shares, splitting, consolidation of shares, etc. after the same are processed and approved by the Company's Registrar and Share Transfer Agent.

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

During the year ended 31st March, 2015, the Company has received 1 complaint from the investor and the same was resolved.

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**".

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

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

d. Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with relevant Rules made thereunder, the Board of Directors at its Meeting held on 27th May, 2014, has constituted a Corporate Social Responsibility Committee.

The Company held 1 (One) Corporate Social Responsibility Committee Meeting during the year, on 20th October, 2014.

The details of composition of the Committee together with the Meetings held and attendance is as follows:

Name of Director	Position	Number of Meetings attended
Mr. Pavan Jain	Member	1
Mr. Deepak Asher	Member	1
Mr. Haigreve Khaitan	Member	1

The Board of Directors of the Company at its meeting held on 20th October, 2014 has adopted a Corporate Social Responsibility Policy ("CSR Policy") of the Company which was reviewed and recommended by the Corporate Social Responsibility Committee of the Company. The CSR Policy of the Company is placed on its website and the web link is <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

5. Subsidiary Companies:

In compliance with the provision of Clause 49 (V)(c) of the Listing Agreement, the Company has formulated a policy for determining 'material' subsidiaries and such policy has been put up on the Company's Website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>. The Company has two subsidiaries viz. Satyam Cineplexes Limited and Shouri Properties Private Limited. None of them is a material subsidiary.

6. General Body Meetings:

The particulars of the last three Annual General Meetings (AGM) of the Company and details of Special Resolutions passed, if any, are given hereunder:

Financial Year	Date and Time	Location	Special Resolution Passed
2011-12	13 th AGM on 27 th July, 2012 at 11.00 a.m.	Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	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.
2013-14	15 th AGM on 10 th September, 2014 at 11.00 a.m.		1. Authority to the Board of Directors of the Company to borrow of money in excess of Paid-up Capital and Free Reserves of the Company. 2. Authority to the Board of Directors of the Company to create charge or mortgage in favour of lending institutions or to sell, lease or dispose of undertaking of the Company. 3. Approval of existing transaction with Related Party and also to renew the same from time to time at any time in future. 4. Authority to the Board to enter into the fresh transactions with the Related Parties and to renew the same from time to time in future. 5. Private Placement of Non-convertible Debentures and/ or other Debt Securities.

During the year ended 31st March, 2015, following special resolutions were passed by the Company's Members through postal ballot.

			Resolution No.: 1				
Special Resolution:			Authority to the Board of Directors of the Company to create charge or mortgage in favour of lending institutions or to sell, lease or dispose of undertaking of the Company.				
Date of Passing the Resolution			10 th September, 2014				
Details of voting pattern							
Mode of Voting (E-voting and Postal Ballot)							
Particulars	Total No. of Valid Votes	Votes assenting the Resolution	% of Votes Cast	Votes dissenting the Resolution	% of Votes Cast	Not voted	% of Votes Cast
Votes cast through physical Postal Ballots	296087	295809	99.91	278	0.09	0	0.00
Votes cast through Electronic Mode	73021326	73018532	99.99	2794	0.01	0	0.00
Total	73317413	73314341	100.00	3072	0.00	0	0.00

Resolution No.: 2

Special Resolution -	Approval of payment of Professional Fees to Mr. Deepak Asher, Non-executive Director of the Company.
Date of Passing the Resolution	13 th January, 2015

Details of voting pattern

Mode of Voting (E-voting and Postal Ballot)

Particulars	Total No. of Valid Votes	Votes assenting the Resolution	% of Votes Cast	Votes dissenting the Resolution	% of Votes Cast	Not voted	% of Votes Cast
Votes cast through physical Postal Ballots	6329	5919	93.52	410	6.48	0	0.00
Votes cast through Electronic Mode	58899568	58706921	99.67	192643	0.33	4	0.00
Total	58905897	58712840	99.67	193053	0.33	4	0.00

The Board of Directors had appointed M/s. S. Samdani & Associates, Vadodara, Practicing Company Secretaries, as scrutinizer for conducting the Postal Ballot process in fair and transparent manner in both the cases above.

No special resolution is proposed to be conducted through postal ballot at the current Annual General Meeting of the Company.

The details of results of voting is disclosed on website of the Company. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

7. Other Disclosures:

a) Materially significant related party transactions:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the note 49 to the Standalone Financial Statements and in the Board Report as required under Section 134 of the Companies Act, 2013.

The Board has also approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's Website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

b) Details of non-compliance:

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

c) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy at its Board Meeting held on 27th May, 2014 to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/Employees. No personnel has been denied access to the audit committee. A copy of Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

d) 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.

e) Management Discussion and Analysis Report:

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

f) CEO/CFO Certification:

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

g) Compliance with Governance framework

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

h) Adoption of Non-mandatory requirement:

Audit qualification: For the year ended 31st March, 2015, 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.

8. Means of communication:

The quarterly / annual financial results of the Company during the year ended 31st March, 2015 were submitted with the Stock Exchanges immediately after they were approved by / taken on record by the Board and published in well-circulated Gujarati (Financial Express) and English dailies (Indian Express) as well. The said results along with official news releases and presentations made to the institutional investors / analysts have been posted on the Company's website viz.: www.inoxmovies.com.

9. General Shareholder information:

Annual General Meeting (AGM):

- Date : Monday, 28th September, 2015
- Time : 11.00 a.m.
- Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara - 390 007

Financial year : 31st March, 2015

Book Closure Dates : Tuesday, 22nd September, 2015 to Monday, 28th September, 2015
(both days inclusive)

Listing on Stock Exchanges:

1. National Stock Exchange of India Limited (NSE)

Exchange Plaza, Plot No. C/1, 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' 14	129.00	110.00	129.25	110.50
May' 14	146.00	109.20	145.90	109.00
June' 14	166.80	132.55	166.80	132.75
July' 14	170.85	139.00	168.45	139.00
August' 14	171.80	142.55	171.40	142.30
September' 14	185.50	161.90	185.65	161.00
October' 14	185.60	162.00	185.60	162.15
November' 14	197.65	165.70	197.30	166.10
December' 14	187.00	138.70	186.05	148.15
January' 15	191.80	169.40	192.00	169.65
February' 15	185.00	172.05	185.00	171.00
March' 15	191.85	158.00	190.00	159.05

Performance in comparison to broad-based indices viz. Nifty and BSE Sensex:

Date	Nifty	Company's Share Price on NSE
1 st April, 2014	6729.50	115.00
31 st March, 2015	8491.00	168.65
Change	+26.17%	+46.65%

Date	Sensex	Company's Share Price on BSE
1 st April, 2014	22,455.23	116.25
31 st March, 2015	27,957.49	169.70
Change	+24.50%	+45.98%

Registrar and Transfer Agents:

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

Karvy Computershare Private Limited

Karvy Selenium Tower No. B, Plot No.31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032.

Share Transfer System:

Trading in Company's shares on the Stock Exchange takes place in electronic form. However, the share transfers which are received in physical form are processed and the Share Certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding & Shareholding Pattern:

Distribution of Shareholding as on 31st March, 2015

Shareholding of nominal value	No. of Shareholders	% to total	No. of Shares	Amount in Rupees	% to Total
1 – 5000	29328	91.82	2658066	26580660	2.76
5001 – 10000	1318	4.12	1055059	10550590	1.09
10001 – 20000	678	2.12	1000430	10004300	1.04
20001 – 30000	187	0.58	475400	4754000	0.49
30001 – 40000	85	0.27	297368	2973680	0.31
40001 – 50000	64	0.20	302078	3020780	0.31
50001 – 100000	114	0.36	820812	8208120	0.85
100001 & Above	168	0.53	89848541	898485410	93.15
TOTAL	31942	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, 2015
Mr. Pavan Jain	* 6,45,001
Mr. Vivek Jain	6,50,445
Mr. Siddharth Jain	6,00,000
Mr. Deepak Asher	25,000
Mr. Pavan Jain, Mr. Vivek Jain and Mr. Deepak Asher jointly as a Trustee of Inox Benefit Trust	43,50,092

* Out of these shares 2,95,001 equity shares are held as Trustee of "Inox Leisure Limited – Employees Welfare Trust" (ESOP Trust).

The Company has not issued any convertible instruments.

Shareholding Pattern as on 31st March, 2015

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	72,03,132	7.47%
- Financial Institutions/Banks	96,746	0.10%
- Foreign Institutional Investors	1,99,71,394	20.70%
Sub-Total	2,72,71,272	28.27%
Others		
Directors	16,25,445	1.69%
Bodies Corporate	49,68,111	5.15%
Indian Public	1,04,54,466	10.84%
Non Resident Indians	4,23,452	0.44%
Any other		
- Trusts	46,51,509	4.82%
- Clearing Members	89,571	0.09%
Sub-Total	2,22,12,554	51.30%
Grand Total	9,64,57,754	100.00%

Dematerialization of shares:

The Company's Equity Shares are traded compulsorily in dematerialized form. Approximately 99.68% of the Equity Shares are in dematerialized form. ISIN number for dematerialization of the equity shares of the Company is INE312H01016.

Outstanding GDRs/ADRs/Warrants:

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

Liquidity:

The Company's Equity Shares are traded on BSE Limited and National Stock Exchange of India Limited. Relevant data of BSE Limited and National Stock Exchange for the Financial Year 2014-2015 is given 9.7 above.

Listing Fees:

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

Property Locations:

The Multiplex Cinema Theatres of the 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 1, Sector 1, Kolkata.
5	Goa	Old GMC Heritage Precinct, D. B. Road, Campal, Panaji, Goa.
6	Mumbai	CR2, 2 nd Floor, Opp. Bajaj Bhavan, Nariman Point, Mumbai.
7	Bangalore	4 th 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	3 rd 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	Jaipur	4 th Floor, Crystal Palm, Sahkar Circle Scheme, Sardar Patel Marg, Jaipur.
17	Lucknow	4 th Floor, Riverside Mall, Vipin Khand, Gomti Nagar, Lucknow.
18	Raipur	3 rd Floor, City Mall 36, G. E. Road, NH-6, Raipur.
19	Kolkata	89C, Moulana Abul Kalam Azad Sarani, Kolkata.
20	Vijayawada	Urvashi Theatre Complex, Andhra Ratna Road, Gandhi Nagar, Vijayawada.
21	Faridabad	3 rd Floor, Crown Interiorz Mall, Sec-35, Delhi Mathura Road, Faridabad.
22	Nagpur	Jaswant Tuli Mall, Kamptee Road, Indora Chowk, Nagpur.
23	Bangalore	4 th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bangalore.
24	Burdwan	4 th Floor, Burdwan Arcade, 60, B.B Ghosh Road, Burdwan.
25	Hyderabad	5 th Floor, GVK One Mall, Opposite Water Tank, Road No. 1, Banjara Hills, Hyderabad.
26	Siliguri	5 th Floor, Orbit Mall, 3rd Mile, Sevoke Road, Siliguri.
27	Rajarhath	3 rd Floor, City Centre New Town Mall, New Town, Rajarhat, Kolkata.
28	Indore	4 th Floor, Indore Central, 170, R.N.T. Marg, Regal Square, Indore.
29	Thane	3 rd Floor, Korum Mall, Mangal Pandey Road, Eastern Express Highway, Thane.
30	Vizag	Survey No. 120 & 121, Maharanipet, Rama Krishna Beach Road, Visakhapatnam.
31	Vizag	Survey No. 67, CMR Mall, Maddilapalem, Visakhapatnam.
32	Bangalore	3 rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bangalore.
33	Belgaum	Head Post Office Road, Camp, Belgaum, Karnataka.
34	Jaipur	Pink Square Mall, Raja Park, Jaipur.
35	Kanpur	3 rd Floor, Z Square Mall, Bada Chauraha, M. G. Road, Kanpur.
36	Bangalore	5 th Floor, Bangalore Central, 45 th Cross, J. P. Nagar 2 nd Phase, Bangalore.
37	Liluah	R. D. Mall, 269 G. T. Road, Liluah, Howrah, West Bengal.
38	Siliguri	City Centre, Matigara, Siliguri, West Bengal.
39	Vijaywada	3 rd Floor, LEPL Icon, Patamata, Vijayawada.
40	Hyderabad	5 th Floor, Maheshwari Parameshwari Mall, Kachiguda Cross Road, Hyderabad
41	Navi Mumbai	Glomax Mall, Kharghar, Navi Mumbai
42	Pune	2 nd Floor, Amanora Park Town, East Blok, Hadapsar, Pune
43	Bhubaneswar	4 th Floor, BMC Bhawani Mall, Saheed Nagar, Opp. Arya Samaj, Bhubaneswar
44	Udaipur	5 th Floor, Lake City Mall, Porawalaji Ki Wadi, Ashok Nagar, Udaipur
45	Bhopal	1 st Floor, Century 21 Mall, Hoshangabad Road, Bhopal

Sr. No.	City	Location
46	Nashik	Old Vijay Mamta Theatre, Opp. Prasad Chambers, Nashik Pune Road, Nashik.
47	Mumbai	Raghuleela Mall, Behind Poisar Bus Depot, Off S.V. Road, Kandivali (W), Mumbai.
48	Kolkata	Metropolis Mall, Hiland Park, Opp. Pearlless Hospital, E.M. By Pass, Kolkata.
49	Mumbai	Inorbit Mall, New Link Road, Near Subkuch Market, Malad (West) Mumbai.
50	Pune	Jai Ganesh Vision Mall, Near Olympia Service Station Akurdi, Pune.
51	Aurangabad	Old Anuradha Anupama Cinema, Next To Hotel Windsor Castle, Cidco, Aurangabad.
52	Mumbai	Nakshatra Cine Shoppe, Rande Road, Near Dadar Railway Station, Dadar (W), Mumbai.
53	Anand	City Pulse Theaters Ltd., Nr. Hero Honda Showroom, S.N. Motors, Anand - Vidyanagar Road, Anand.
54	Thane	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira – Bhayander, Thane.
55	Mumbai	CTS No. 809-A-1/1/1, Village Poisar, Kandivali.
56	Bangalore	Next To Ista Hotel, Off M.G. Road, Ulsoor, Bangalore.
57	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata.
58	Navi Mumbai	3 rd Floor, Raghulila Mall, Opp. Vashi Railway station, Vashi, Navi Mumbai.
59	Bangalore	Public Utility Building, M G Road, Bangalore.
60	Pune	1 st Floor, Fun & Shop Mall, Opp. Bhairoba Nallah, Fatima Nagar, Hadapsar, Pune.
61	Mumbai	Neelyog Bulding Patel Chowk, R.B. Road, Ghatkopar (E), Mumbai.
62	Punchkula	4 th Floor, Shalimar Mega Mall, Sector -5 Panchkula.
63	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan.
64	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung, Vadodara.
65	Bharuch	Shalimar Takies, Station Road, Bharuch.
66	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad.
67	Bangalore	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road , Bangalore
68	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai
69	Kolkata	Hind Cinema, Bow Bazar, Kolkata
70	Surat	VR Surat, Dumas Road, Magdalla, Surat, Gujarat
71	Vizianagaram	3 rd Floor, NCS Mall, Bochu Peta, Opp. RTC Complex, Vizianagaram
72	Panchkula	3 rd Floor, NH-22 Mall, Amravati Enclave, Sector 2, Pinjore-Kalka Urban Complex, Panchkula
73	Raipur	1 st Floor, City Centre Mall, Vidhan Sabha Road, Mowa, Raipur
74	Jaipur	3 rd Floor, Elements Mall, Ajmer Road, Jaipur
75	Madurai	5 th Floor, Vishaal de Mal, 31, Gokhale Road, Chinna Chokkikulam, Madurai
76	Noida	3 rd Floor, MSX Mall, Swarn Nagari, Gate No.1, Greater Noida 201 308, Uttar Pradesh.
77	Kolkata	4 th Floor, Quest Mall, 33, Syed Amir Ali Avenue, Kolkata.
78	Manipal	First Floor, Central Cinemas, Laxmindra Nagar, Udupi Main Road, Manipal
79	Gurgaon	3 rd Floor, Gurgaon Dreamz Mall, Sector 4 - 7 Circle, Old Railway Road, Gurgaon
80	Vizag	4 th Floor, Chitralayaa, Suryabagh, Visakhapatnam
81	Jalgaon	2 nd Floor, khandesh Central Station Road, Jalgaon
82	Faridabad	EF – 3 Mall, Sector 20 – A, Mathura Road, Faridabad – 121 001, Haryana
83	New Delhi	First Floor, Eros One (Eros Cinema Building), Jangpura Extension, New Delhi – 110 014
84	Kurnool	3 rd Floor, Jyoti Mall, Opposite Zilla Parishat, Bellary Road, Kurnool – 518 001, Andhra Pradesh
85	Ajmer	3 rd Floor, City Square Mall, Panchsheel Nagar, Ajmer – 305 004
86	Goa	E–Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao, Goa - 403 601
87	Vadodara##	Reliance Mega Mall, 3rd Floor, Old Padra Road, Vadodara – 390 020

Two exclusive Insignia Recliner Screens with lounge at Bund Garden Road, Pune were opened after 31st March, 2015.

Commenced operations after 31st March, 2015.

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

10. Code of Conduct:

Company's Board has laid down a Code of Conduct for all Board Members and senior management of the Company which was amended at its meeting held on 20th October, 2014 by including duties of Independent Directors. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

Declaration by the CEO under Clause 49II (E) 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, 2015.

Place: Mumbai
Date: 10th July, 2015

Alok Tandon
Chief Executive Officer

By Order of the Board of Directors

Date: Mumbai
Place: 17th July, 2015

Pavan Jain
Director

Vivek Jain
Director

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, 2015 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 except that (a) Composition of the Board for the period from 1st October, 2014 to 2nd December, 2014 did not consist of 50% Independent Directors and (b) the Chairman of the audit committee had not attended the Annual General Meeting of the Company for the reasons mentioned in paragraph 4(a) of the Corporate Governance Report.

We state that in respect of investor grievances received during the year ended 31st March, 2015, 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
Dated: 17th July, 2015

(M Y Kulkarni)
Partner
Mem. No. 35524

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Independent Auditor's Report

to the members of Inox Leisure Limited

| 2014-15
ANNUAL REPORT

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 9 and 36 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: Pune
Date: 25th May, 2015

M Y Kulkarni
Partner
Membership No. 35524

Annexure to Independent Auditor's Report

Annexure to Independent Auditor's Report to the members of Inox Leisure Limited on the standalone financial statements for the year ended 31st March 2015 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditors Report) Order, 2015 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. The inventories were physically verified by the management at reasonable intervals during the year. The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act. The party is regular in repayment of principal and payment of interest and there are no overdue amounts.
4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess, entertainment tax and other material statutory dues applicable to it. No payments were due in respect of duty of excise. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.

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

Name of the Statute	Nature of dues and the period to which it relates	Amount (₹. in Lakh)	Forum where dispute is pending
Service-tax (Finance Act, 1994)	Levy of service tax on certain income for period 2002-03 to 2007-08	90.13	Customs, Excise & Service Tax Appellate Tribunal, Mumbai
Service-tax (Finance Act, 1994)	Service tax on renting of immovable properties for the period August 2008 to September 2011	1042.44	Supreme Court of India
Service-tax (Finance Act, 1994)	Service tax on renting of film distributors payments for the period July 2012 to September 2013	2651.92	Commissioner of Service Tax
Customs Act, 1962	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
Customs Act, 1962	Custom duty for the period 2005-06	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, Nhava Sheva

Annexure to Independent Auditor's Report

Name of the Statute	Nature of dues and the period to which it relates	Amount (₹. in Lakh)	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Levy of MVAT on Copy Right for the period 2006-07 to 2007-08	39.38	Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Assessment dues for the year 2008-09	237.06	Deputy Commissioner of Sales Tax
Income Tax Act, 1961	Penalty u/s 271(1)(c) for the year 2009-10	19.48	Commission of Income-tax (Appeals) - Vadodara

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

The amount required to be transferred to Investor Education & Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.

8. The Company does not have accumulated losses. The Company has not incurred cash losses during the current year and in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to banks and the Company did not have any borrowings from financial institutions or by way of debentures.
10. The Company has not given any guarantee for loans taken by others from banks and financial institutions.
11. In our opinion, the term loan availed during the year by the Company was applied for the purpose for which it was raised.
12. No fraud on or by the Company has been noticed or reported during the year. However, after the end of the year the Company has detected a fraud perpetrated by an employee of the Company in respect of travelling expenses, as detailed in note no. 40 to the financial statements. Further, as explained in the said note, pending completion of the investigation of the matter, the amount involved is not yet ascertained.

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

Place: Pune
Date: 25th May, 2015

M Y Kulkarni
Partner
Membership No. 35524

Standalone Balance Sheet

as at 31st March 2015

(₹ in Lakh)

Particulars	Note No.	As at 31 st Mar 2015	As at 31 st Mar 2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	4	9,616.28	9,614.62
(b) Reserves and Surplus	5	61,741.75	44,444.39
(c) Interest in Inox Benefit Trust, at cost	30 (a)	(3,266.98)	(14,968.89)
		68,091.05	39,090.12
2 Non-Current Liabilities			
(a) Long-term borrowings	6	20,050.56	21,482.99
(b) Deferred tax liabilities (net)	7	2,308.87	2,900.30
(c) Other long term liabilities	8	415.23	2,400.92
(d) Long-term provisions	9	541.17	413.43
		23,315.83	27,197.64
3 Current Liabilities			
(a) Short term borrowings	10	1,410.06	887.69
(b) Trade payables	11	7,729.96	7,204.69
(c) Other current liabilities	12	8,769.05	9,322.33
(d) Short-term provisions	9	1,490.82	2,106.42
		19,399.89	19,521.13
TOTAL		110,806.77	85,808.89
II ASSETS			
1 Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	13	55,973.81	58,291.32
(ii) Intangible assets	13	317.25	320.61
(iii) Capital work-in-progress	14	5,027.43	4,854.29
		61,318.49	63,466.22
(b) Non-current investments	15	18,884.99	98.27
(c) Long term loans and advances	16	16,352.86	14,432.88
(d) Other non-current assets	17	349.89	225.13
		96,906.23	78,222.50
2 Current Assets			
(a) Current investments	15	641.37	272.91
(b) Inventories	18	689.43	858.93
(c) Trade receivables	19	5,652.64	3,341.83
(d) Cash and bank balances	20	1,217.64	1,655.97
(e) Short-term loans and advances	21	5,524.38	1,276.21
(f) Other current assets	22	175.08	180.54
		13,900.54	7,586.39
TOTAL		110,806.77	85,808.89

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

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

For **Inox Leisure Limited**

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Pune
Date: 25th May, 2015

Place: Mumbai
Date: 25th May, 2015

Standalone statement of Profit and Loss

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

(₹ in Lakh)

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

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

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

For **Innox Leisure Limited**

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Pune
Date: 25th May, 2015

Place: Mumbai
Date: 25th May, 2015

Standalone Cash Flow statement

for the year ended 31st March 2015

(₹ in Lakh)

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

Standalone Cash Flow statement

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

(₹ in Lakh)

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

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

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

For **Inox Leisure Limited**

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Pune
Date: 25th May, 2015

Place: Mumbai
Date: 25th May, 2015

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition:

Income from Box Office is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the Company's Multiplexes and the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser. Dividend income is recognised when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest-bearing securities is recognised on time proportion basis.

b) Fixed Assets:

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

c) Depreciation and amortization:

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

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

- I. On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule II part C of the Companies Act, 2013, whichever is shorter.
- II. On other fixed assets, on the basis of useful life as per Schedule II part C of the Companies Act, 2013

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

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

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

- I. On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule XIV of the Companies Act, 1956, whichever is shorter.

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

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

d) Impairment of assets :

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

e) 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.

f) Inventories :

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

g) Employee Benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss in the year in which related services are rendered. Company's contribution towards provident fund paid / payable during the year are charged to the statement of profit and loss. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the statement of profit and loss at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the statement of profit and loss.

h) 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.

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) 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.

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) Treasury shares:

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (refer note 30), equity shares of the Company have been issued to Inox Benefit Trust (the Trust) against the equity shares of Fame held by the Company. These shares are recognised as Interest in Inox Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by Inox Benefit Trust are classified and are presented as a deduction from Shareholders' Funds. Difference between the cost and the amount received at the time sale of shares by the Trust, is recorded separately as 'Reserve on Sale of Treasury Shares' under Reserve and Surplus.

m) 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.

n) Use of estimates:

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

4 : SHARE CAPITAL

(₹ in Lakh)

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

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

(₹ in Lakh)

Particulars	31 st Mar 2015		31 st Mar 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	96,146,174	9,614.62	61,562,391	6,156.24
Add:				
a) Shares issued pursuant to Amalgamation of Fame India Limited	-	-	34,562,206	3,456.22
b) Issued during the year under ESOP	16,579	1.66	21,577	2.16
	96,162,753	9,616.28	96,146,174	9,614.62
Less: Interest in Inox Benefit Trust - shares of Company held by the Trust (see note no. 33)	4,350,092	435.01	19,931,570	1,993.16
	91,812,661	9,181.27	76,214,604	7,621.46

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

(₹ in Lakh)

Particulars	31 st Mar 2015		31 st Mar 2014	
	Nos.	Amount	Nos.	Amount
Gujarat Fluorochemicals Limited (holding company) - see note no. 30(b)	46,386,467	4,638.65	46,386,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	587,461	58.75	587,461	58.75

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

3,45,62,206 shares of ₹ 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

(₹ in Lakh)

Particulars	31 st Mar 2015		31 st Mar 2014	
	Nos.	%	Nos.	%
Gujarat Fluorochemicals Limited	46,386,467	48.09%	46,386,467	48.09%
Inox Benefit Trust	4,350,092	4.51%	19,931,570	20.66%
Reliance Capital Limited	Nil	Nil	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. 34

Notes to the standalone financial statements

for the year ended 31st March 2015

5 : RESERVES & SURPLUS

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

6 : LONG-TERM BORROWINGS

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

Nature of Security and terms of repayment for secured borrowings:

Term loans from Axis Bank amounting to ₹ 6,400.11 Lakh (previous year ₹ 5,980.67 Lakh) carries interest @ bank base rate + 1.25 % p.a which presently is 11.40%. The loans are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/property financed by the said term loans and escrow of entire cash flows relating to such multiplexes. The repayment schedules are as under:

Particulars	Outstanding Amount (in Lakh)	Repayment terms
Term Loan 1	2,997.11	Repayable in 16 equal quarterly instalments of ₹ 374.64 Lakh each beginning from 30 th June 2013
Term Loan 2	100.00	Repayable in 10 equal quarterly instalments of ₹ 50.00 Lakh each beginning from 1 st April 2013
Term Loan 3	3,303.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 st October 2014

Terms of repayment for unsecured borrowings:

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

7 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

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

8 : OTHER LONG-TERM LIABILITIES

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
Security deposits received	111.98	19.08
Retention money	45.70	43.73
Creditors for capital expenditure	257.55	2,338.11
Total	415.23	2,400.92

9 : PROVISIONS

(₹ in Lakh)

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

Notes to the standalone financial statements

for the year ended 31st March 2015

10 : SHORT TERMS BORROWINGS

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
Loans repayable on demand from banks (secured)		
- Bank overdraft	1,410.06	887.69
Total	1,410.06	887.69

- a) Bank overdraft is secured against first charge on the entire current assets of the Company, both present and future; and extension of first charge by way of mortgage of property at Vadodara and Anand, Gujarat.
- b) During the year, the Company had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 9.30% to 10.25% and maximum balance outstanding during the year was ₹ 32,000 Lakh (previous year ₹ Nil).

11 : TRADE PAYABLES

(₹ in Lakh)

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

12 : OTHER CURRENT LIABILITIES

(₹ in Lakh)

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

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

13 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		(₹ in Lakh)
	As at 1 st Apr 2014	Additions	Other Adjustments Exchange Fluctuations	Deductions 31 st Mar 2015	As at 1 st Apr 2014	For the year	Adjustments	Deductions	As at 31 st Mar 2015	As at 31 st Mar 2014	
a) Tangible Assets											
Land (Freehold)	2,669.66	-	-	-	-	-	-	-	-	2,669.66	2,669.66
Land (Leasehold)	367.58	-	-	-	51.77	7.06	-	-	58.83	308.75	315.81
Buildings (*)	13,542.06	95.98	-	59.07	1,844.66	222.63	-	16.37	2,050.92	11,528.05	11,697.40
Leasehold improvements	24,220.73	1,395.67	-	39.26	9,191.68	1,745.41	-	32.68	10,904.41	14,712.30	15,029.05
Plant & Equipment	29,920.05	2,443.98	141.54	100.49	8,714.47	2,995.01	406.38	60.48	12,055.38	20,386.42	21,205.58
Furniture & Fixtures	7,916.56	873.18	-	34.12	8,772.60	1,186.44	69.51	28.80	4,585.18	4,187.42	4,558.53
Vehicles	149.49	27.91	-	14.14	163.26	45.68	-	12.34	58.60	104.66	103.81
Office Equipments	4,714.35	484.16	29.76	11.08	5,217.19	2,002.87	869.66	279.06	3,140.64	2,076.55	2,711.48
Sub-total	83,500.48	5,320.88	171.30	258.16	88,827.77	25,209.16	7,051.47	754.95	32,853.96	55,973.81	58,291.32
b) Intangible Assets											
Software	709.62	65.17	-	-	774.79	475.85	60.51	21.61	-	557.97	233.77
Negative rights	2.66	-	-	2.66	-	2.66	-	-	2.66	-	-
Web site	-	47.70	-	-	47.70	-	1.70	-	-	1.70	46.00
Movie Script	155.50	-	-	-	155.50	68.66	32.41	-	-	101.07	86.84
Sub-total	867.78	112.87	-	2.66	977.99	547.17	94.62	21.61	2.66	660.74	320.61
Total	84,368.26	5,433.75	171.30	260.82	89,805.76	25,756.33	7,146.09	776.56	164.28	33,514.70	58,611.93
Previous year	76,070.73	7,661.70	692.47	148.48	84,368.26	20,795.29	5,068.90	-	107.86	25,756.33	-

Notes:

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

(b) For adjustment during the year in accumulated depreciation - see note no. 33(a)

14: CAPITAL WORK-IN-PROGRESS

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

15 (a) : NON-CURRENT INVESTMENTS

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

	(₹ in Lakh)	
Particulars	31 st Mar 2015	31 st Mar 2014
a) Investment in subsidiaries (trade investments) (in fully paid up equity shares of ₹ 10 each)		
45,95,533 (previous year Nil) equity shares of Satyam Cineplexes Limited	18,800.59	-
1,50,000 (previous year Nil) equity shares of Shouri Properties Private Limited	15.00	-
b) Investments in joint venture		
10,15,000 equity shares of Swanston Multiplex Cinemas Private Limited	279.52	279.52
Add: Share application money	-	15.00
Less: Provision diminution in value of the investment	(279.52)	(289.00)
c) Investments in government securities		
National Savings Certificates	108.88	110.79
(Held in the name of directors/ex-director/employees and certificates worth ₹108.88 Lakh (previous year ₹ 110.79 Lakh) are pledged with Government authorities)		
Less: Current Portion disclosed in note no. 15(b)	(39.48)	(18.04)
	69.40	92.75
Total	18,884.99	98.27

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

15 (b): CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
a) Investment in mutual funds (in fully paid up units of ₹ 1,000 each) (Non-trade, unquoted, at lower of cost and fair value)		
39,945 (Previous year Nil) units of Taurus Liquid Fund -Growth Plan	601.89	-
Nil (Previous year 14,796) units of Religare Invesco Liquid Fund-Growth Plan	-	254.87
b) Current portion of non-current Investment - from note no. 15(a)	39.48	18.04
Total	641.37	272.91

16 : LONG-TERM LOANS AND ADVANCES

(unsecured, considered good, unless otherwise stated)

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
Capital Advances	55.03	71.87
Security Deposits		
- Considered Good	9,171.52	8,753.51
- Considered Doubtful	311.88	-
	9,483.40	8,753.51
Advances recoverable in cash or in kind	565.18	384.85
Balance in cenvat credit account	-	287.32
Entertainment Tax refund claimed	2,920.81	1,414.47
Income Tax paid (net of provision)	294.27	441.22
MAT credit entitlement	2,956.22	2,689.81
Electricity charges refund claimed - see note no. 36(i)	389.83	389.83
	16,664.74	14,432.88
Less: Provision for doubtful deposits	311.88	-
Total	16,352.86	14,432.88

17 : OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
Non-current bank balances (from note no. 20)	173.73	62.22
Interest accrued:		
on long term investments	12.60	19.33
on bank fixed deposits	6.40	4.66
others	157.16	138.92
Total	349.89	225.13

Notes to the standalone financial statements

for the year ended 31st March 2015

18 : INVENTORIES

(valued at lower of cost and net realizable value)

	(₹ in Lakh)	
	31 st Mar 2015	31 st Mar 2014
Particulars		
Food & beverages	468.77	486.71
Stores, spares & fuel	220.66	372.22
Total	689.43	858.93

19 : TRADE RECEIVABLES

(unsecured, considered good, unless otherwise stated)

	(₹ in Lakh)	
	31 st Mar 2015	31 st Mar 2014
Particulars		
Considered Good		
Outstanding for a period exceeding six months	1,416.03	786.40
Others	4,236.61	2,555.43
	5,652.64	3,341.83
Considered Doubtful		
Outstanding for a period exceeding six months	76.42	53.36
	5,729.06	3,395.19
Less: Provision for doubtful trade receivables	76.42	53.36
Total	5,652.64	3,341.83

20 : CASH & BANK BALANCES

	(₹ in Lakh)	
	31 st Mar 2015	31 st Mar 2014
Particulars		
Cash and Cash equivalents		
Balances with banks		
In current accounts	702.54	909.67
Deposit accounts with original maturity of less than 3 months	-	124.56
	702.54	1,034.23
Cash on Hand	190.70	423.10
Total cash and cash equivalents	893.24	1,457.33
Other bank balances		
in Unpaid dividend accounts	2.15	3.74
Deposits with original maturity for more than 3 months but less than 12 months	298.61	150.85
Deposits with original maturity for more than 12 months	197.37	106.27
Total other bank balances	498.13	260.86
Total cash and bank balances	1,391.37	1,718.19
Less: Amount disclosed under note no. 17 "Other non-current assets"	(173.73)	(62.22)
Total	1,217.64	1,655.97
Other bank balances include margin money deposits given as security as under:		
Deposits with original maturity for more than 3 months but less than 12 months	28.06	25.99
Deposits with original maturity for more than 12 months	197.37	106.27
	225.43	132.26

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

21 : SHORT-TERM LOANS & ADVANCES

(unsecured, considered good, unless otherwise stated)

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
(a) Loans and advances to related parties- see note no. 49		
Inter-corporate deposits to a subsidiary company	4,580.11	-
(b) Others		
Prepaid expenses	213.32	160.25
Security Deposits	20.86	-
Balance in cenvat credit account	20.13	287.32
Advances recoverable in cash or in kind	184.04	157.68
Advances to suppliers	505.92	670.96
Total	5,524.38	1,276.21

22 : OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	31 st Mar 2015	31 st Mar 2014
Fixed assets held for disposal	131.14	148.17
Interest accrued		
on bank fixed deposits	4.19	3.61
on long term investments	19.52	13.10
others	20.23	15.66
Total	175.08	180.54

23 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	2014-2015	2013-2014
a) Sale of services		
Box Office revenue	62,593.03	59,656.19
Conducting fees	1,689.76	1,544.17
Advertising income	7,829.15	4,954.84
Management fees	205.58	194.98
Parking charges	126.88	144.49
	72,444.40	66,494.67
b) Sale of products (see note no. 41)		
Food & beverages	17,868.56	16,232.61
Sale of power	6.81	3.64
	17,875.37	16,236.25
c) Refund of entertainment tax for earlier years (see note no. 37(c)) "	616.74	-
d) Other operating revenue	4,432.08	4,151.99
Total	95,368.59	86,882.91

Notes to the standalone financial statements

for the year ended 31st March 2015

24 : OTHER INCOME

	(₹ in Lakh)	
Particulars	2014-2015	2013-2014
Interest		
On bank fixed deposits	44.63	36.21
On long-term investments	10.85	9.40
On income-tax refunds	27.89	-
On Inter-corporate deposits	337.40	8.02
Other interest	78.51	51.65
	499.28	105.28
Gain on sale of current investments	376.57	53.43
Liabilities and provisions, no longer required, written back		
- for amalgamation expenses	-	227.44
- other provisions and liabilities	219.99	505.89
Bad debts recovered	8.43	-
Miscellaneous income	0.28	2.74
Total	1,104.55	894.78

25 : EXHIBITION COST

	(₹ in Lakh)	
Particulars	2014-2015	2013-2014
Distributors' share	22,372.05	21,712.48
Other exhibition cost	666.96	562.32
Share of joint venture investors (see note below)	51.17	74.12
Total	23,090.18	22,348.92

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

26 : COST OF FOOD AND BEVERAGES

(see note no. 41)

	(₹ in Lakh)	
Particulars	2014-2015	2013-2014
Opening Stock	486.71	355.22
Add: Purchases	4,591.56	4,795.67
	5,078.27	5,150.89
Less: Closing stock	468.77	486.71
Total	4,609.50	4,664.18

27 : EMPLOYEE BENEFITS EXPENSE

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

28 : FINANCE COSTS

(₹ in Lakh)

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

29 : OTHER EXPENSES

(₹ in Lakh)

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

30. TREASURY SHARES

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

In terms of Accounting Standard (AS31) 'Financial Instruments' (which is not yet mandatory), internationally generally accepted accounting practices and for more appropriate presentation of the financial statements, the Company's interest in the Trust (at cost), being akin to Treasury Shares, in accordance with their substance and economic reality, is deducted from Shareholders' Fund. Any profit or loss arising from sale of Treasury Shares by the Trust is being recorded separately as 'Reserve on sale of Treasury Shares' under Reserves and Surplus, being transactions relating to the capital of the Company. Accordingly, the profit of ₹ 14872.92 Lakh (previous year loss of ₹ 458.34 Lakh) on sale of 1,55,81,478 (previous year 45,00,000) Treasury Shares is directly recognised in 'Reserve on sale of Treasury Shares' under Reserves and Surplus.

- (b) On allotment of above 3,45,62,206 equity shares of the Company, Gujarat Fluorochemicals Limited ("GFL") ceased to be the holding company on 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. ACQUISITIONS DURING THE YEAR

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

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

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

32. EXCEPTIONAL ITEMS:

- a) The Company's joint venture Swanston Multiplex Cinemas Private Limited (SMCPL), which was running Fame Big Cinemas Multiplex at Citi Mall, Oshiwara Link Road, Andheri (West), Mumbai, has stopped operations w.e.f. 13th July 2012 as the lease agreement of the property was terminated. Estimated provision of ₹ 39.00 Lakh (in addition to provision of ₹ 250.00 Lakh made in earlier year) for diminution in the value of investment in the joint venture was made during the year ended 31st March, 2014 and was shown as an exceptional item. The investment in SMCPL included share application money of ₹ 15.00 Lakh which was refunded by SMCPL during the current year. Consequently, there is a reduction in the carrying amount of investment in SMCPL and amount of ₹ 9.48 Lakh, being the amount of surplus provision for diminution in the value of investment, is reversed and the same is included in the exceptional items.
- b) During the year, the Company has given following donations aggregating to ₹ 60.00 Lakh and the same has been shown as an exceptional item:
- ₹ 50.00 Lakh to an electoral trust
 - ₹ 7.00 Lakh to Maharashtra Navnirman Kamgar Sena, which in the opinion of management is affiliated with Maharashtra Navnirman Sena, a political party.

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

- iii. ₹ 3.00 Lakh to Maharashtra Samarth Kamgar Sanghatana, which in the opinion of management is affiliated with Nationalistic Congress Party, a political party.

33. CHANGE IN THE ESTIMATE OF USEFUL LIFE OF FIXED ASSETS

- a) Company has adopted the useful lives of various fixed assets as specified in Schedule II of the Companies Act, 2013, with effect from April 1, 2014, as against the useful lives adopted earlier as per Schedule XIV to the Companies Act, 1956. The carrying amount of fixed assets, where the remaining useful life as at 1st April 2014 as per Schedule II is Nil, aggregating to ₹ 512.56 Lakh (net of deferred tax credit of ₹ 264.00 Lakh), is recognized in the opening balance of retained earnings. Further, the carrying amount of fixed assets as at 1st April 2014 is being depreciated over the revised remaining useful life of the assets. Consequently, depreciation charge for the year is higher by ₹ 1707.01 Lakh.
- b) In accordance with Accounting Standard (AS) 22: Taxes on Income, the deferred tax liability on account of timing difference in depreciation, to the extent reversing during the tax holiday period, is not recognized. Consequent to the above change in the estimated useful life of fixed assets, such timing difference reversing during the tax holiday period is recomputed and there is increase in the deferred tax liability of ₹ 22.76 Lakh and the same is included in the amount of deferred tax credit in the Statement of Profit and Loss.

34. EMPLOYEES' STOCK OPTION PLAN

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

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the ESOP Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 500,000 equity shares allotted to the ESOP Trust, 204,999 shares have been transferred to employees up to 31st March 2015. Accordingly, for the balance number of shares, the Company has reduced the Share Capital by the amount of face value of equity shares and Share Premium Account by the amount of share premium on such shares. The Company has also given effect to the above in the calculation of its Basic and Diluted earnings per share.

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

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

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

The summary of stock options is as under:

Outstanding on 1 st April 2014	16,579
Granted during the year	Nil
Lapsed during the year	Nil
Exercised during the year	16,579
Outstanding as on 31 st March 2015	Nil
Exercisable as on 31 st March 2015	Nil
Weighted average exercise price of all stock options	₹ 15

All stock options are exercised during the year at the exercise price of ₹ 15 per option.

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no 27 includes ₹ 1.36 Lakh (previous year ₹ 14.33 Lakh) 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 ₹ 0.97 Lakh, profit before tax lower by ₹ 0.97 Lakh and the basic and diluted earnings per share would have been lower less than Re. 0.01 each.

35. IN RESPECT OF TAXATION MATTERS

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

	(₹ in Lakh)	
Particulars	2014-15	2013-2014
Income-tax	(267.10)	(48.00)
Deferred tax	--	96.55
MAT Credit entitlement	(585.41)	(38.00)
Net charge / (credit)	(852.51)	10.55

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

36. CONTINGENT LIABILITIES:

- a. Claims against the Company not acknowledged as debt – ₹ 7235.70 Lakh (previous year ₹ 7262.90 Lakh), comprising of:
 - i. The Company has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of ₹ 60.07 Lakh and reimbursement of the cost of fit-outs of ₹ 823.27 Lakh incurred by the Company and carried forward as capital work-in-progress. The party has made a counter claim of ₹ 6943.44 Lakh towards rent for lock in period and other costs which is included in the amount above. At present the matter is pending before the Arbitrator.
 - ii. In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay ₹ 116.36 Lakh towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.
 - iii. Other claims by owners of the multiplex premises which are under negotiations with the respective parties.
- b. Property Tax demands – ₹ 569.72 Lakh (previous year ₹ 757.34 Lakh)
The Company has disputed the quantum of property tax levied in case of one multiplex and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. The Company has received revised demands during the year which also is contested by the Company. Estimated provision for the same is made by the Company – see note no. 51. The amount of demand not provided for is ₹ 569.72 Lakh (previous year ₹ 741.16 Lakh)
- c. Entertainment Tax demands – ₹ 2259.12 Lakh (previous year ₹ 1977.52 Lakh). This includes:
 - i. Demand of ₹ 1752.24 Lakh (previous year ₹ 1583.83) in respect of some multiplexes pertaining to exemption period and the Company is contesting the matter by way of appeal before appropriate authorities.
 - ii. Demand of ₹ 477.34 (previous year ₹ 391.47) in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the Company is contesting the matter by way of appeal before appropriate authorities.

- d. Service Tax matters – ₹ 4826.40 Lakh (previous year ₹ 97.31 Lakh). This includes:
 - i. Amount of ₹ 3234.28 Lakh (previous year ₹ Nil) for which the Company has received notices from Commissionerate of Service tax regarding levy of service tax on film distributor's share paid by the Company. The Company is in the process of filing replies to these show cause notices.
 - ii. Amount of ₹ 1502.00 Lakh (previous year ₹ Nil) for which the Company has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises. The Company is in the process of filing replies to these show cause notices.
 - iii. Amount of ₹ 90.13 Lakh (previous year ₹ 90.13 Lakh) in respect of service tax on payment of architect fee to foreign architects by the Company and receipt of pouring and signing fee. Out of a total demand of 104.33 Lakh, the Company has already paid a sum of 14.20 Lakh and stayed the recovery of the balance demand. The Company has filed an appeal before Customs Excise and Service Tax Appellate Tribunal ("CESTAT") and the matter is pending.
 - e. Stamp duty demand – ₹ 263.81 Lakh (previous year ₹ 263.81 Lakh)
Authority has raised the demand for non-payment of stamp duty in respect of Leave & License Agreement in respect of one multiplex holding the same as lease transaction. Stay has been granted and the matter is pending before the Board of Revenue.
 - f. Custom duty demands – ₹ 4.36 Lakh (previous year ₹ 4.36 Lakh)
In addition to above, the Company has received a notice in respect of custom duty payable on import of cinematographic films. The amount of duty is not quantified by the authorities and the company has filed an appeal before the Appellate Tribunal under and the same is pending hearing.
 - g. VAT demand – ₹ 237.06 Lakh (previous year ₹ 135.66 Lakh). This includes,
Demand of ₹ 237.06 Lakh (previous year ₹ Nil) pursuant to reassessment order for the year 2008-09. The Company is in the process of filing an appeal against the said reassessment order.
 - h. Income-tax matters – ₹ 19.48 Lakh (previous year ₹ 11.32 Lakh).
This includes demand of ₹ 19.48 Lakh (previous year ₹ Nil) towards penalty levied for assessment year 2010-11 which is being contested by the Company before appellate authority.
 - i. The Company may be required to charge additional cost of ₹ 389.83 Lakh (previous year ₹ 389.83 Lakh) 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 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances')
 - j. Counter-guarantee given to bank for guarantee taken by a subsidiary company - ₹ 751.90 Lakh (previous year ₹ Nil)
In respect of above matters, no provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing of further cash outflows, if any, in respect of these matters.
37. In respect of Entertainment-tax exemption claimed by the Company and its treatment in these accounts:
- a. The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of ₹ 923.57 Lakh (previous year ₹ 520.25 Lakh) being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March 2015 is ₹ 4575.19 Lakh (previous year ₹ 3909.42 Lakh).
 - b. In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Hon'ble High Court of judicature at Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Hon'ble Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.

Notes to the standalone financial statements

for the year ended 31st March 2015

- c. In respect of two multiplexes being operated by the Company in Uttar Pradesh: In view of the revised eligibility norms notified during the year, these multiplexes have now become eligible for exemption from payment of entertainment tax, w.e.f. the date of commencement of commercial operations. Accordingly, the amount of ₹ 616.74 Lakh, being entertainment tax paid in respect of these two multiplexes in earlier years, is credited to the statement of Profit and Loss.

38. The arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of ₹ 18.24 Lakh (previous year ₹ 18.24 Lakh). Total amount of interest receivable upto 31st March, 2015 is ₹ 166.30 Lakh (previous year ₹ 148.06 Lakh). The said award has been challenged before the District Court and the matter is pending.

39. COMMITMENTS:

- a. Capital commitments:
Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - ₹ 1772.30 Lakh (previous year ₹ 963.34 Lakh)
- 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 - ₹ 14786.01 Lakh (previous year ₹ 17197.99 Lakh).

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

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

(₹ in Lakh)

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

(₹ in Lakh)

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

42. Expenditure in foreign currency:

	(₹ in Lakh)	
Particulars	2014-15	2013-2014
Travelling expenses	30.49	19.94
CIF value of capital goods	40.79	1519.46
CIF value of materials purchased	261.11	263.23

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

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

44. Particulars of payment to Auditors :

	(₹ in Lakh)	
Particulars	2014-15	2013-2014
Statutory Audit (including consolidated accounts)	17.50	15.00
Tax Audit and other audits under Income-tax Act	8.50	7.50
Limited Review & Corporate Governance Report	6.25	6.00
For taxation matters	2.75	2.00
Certification matters	2.68	1.11
Fees for other matters	1.00	5.40
Out of pocket expenses	0.19	0.31
Total	38.87	37.32

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

45. 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 ₹ 11.27 Lakh (previous year ₹ 6.49 Lakh) 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 ₹ 12379.39 Lakh (previous year ₹ 10761.54 Lakh) 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 Lakh)	
Particulars	2014-15	2013-2014
Not later than one year	11900.61	10494.89
Later than one year and not later than five years	43434.17	42023.43
Later than five years	113945.09	106575.07
Total	169279.87	159093.39

46. Segment Information

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

47. Employee Benefits:

- a) Defined Contribution Plans: Contribution to Provident Fund of ₹ 331.47 Lakh (previous year ₹ 282.12 Lakh) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 17.35 Lakh (previous year ₹ 16.06 Lakh) is included in pre-operative expenses.

- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment are as under:

(₹ in Lakh)

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

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

48. Interest in joint ventures

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

The interest in the joint venture is reported as non-current investment (refer note 15) and stated at cost, less provision for diminution, other than temporary, in the value of investment. The Company has 50% ownership interest in SMCPL. The Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in the joint ventures, based on audited financial statements is as under:

(₹ in Lakh)

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

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

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

49. Related Party Disclosure:

(i) Where Control Exists

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

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

Fellow Subsidiaries

- Inox Wind Limited – subsidiary of Gujarat Fluorochemicals Limited

Joint Venture

- Swanston Multiplex Cinemas Private 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

Relatives of KMP

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

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

- Inox India Ltd

(iii) Particulars of transactions:-

(₹ in Lakh)

Particulars	Holding/ultimate holding and subsidiary companies		Key management personnel (KMP) / relatives of KMP		Fellow subsidiaries / joint venture		Enterprises over which KMP, or his relative, has significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
A) Transactions during the year										
1. Interest paid										
Gujarat Fluorochemicals Limited	1624.90	1758.33	-	-	-	-	-	-	1624.90	1758.33
Inox Leasing & Finance Limited	108.58	121.00	-	-	-	-	-	-	108.58	121.00
Total	1733.48	1879.33	-	-	-	-	-	-	1733.48	1879.33
2. Remuneration paid										
Mr. Alok Tandon	-	-	97.65	88.76	-	-	-	-	97.65	88.76
Mr. Rajeev Patni	-	-	N.A	6.84	-	-	-	-	N.A	6.84
Total	-	-	97.65	95.60	-	-	-	-	97.65	95.60
3. Interest received -										
Satyam Cineplexes Limited	320.72	N.A	-	-	-	-	-	-	320.72	N.A
4. Purchase of Refrigerant Gas										
Gujarat Fluorochemicals Limited	Nil	0.94	-	-	-	-	-	-	Nil	0.94
5. Sales and services										
Gujarat Fluorochemicals Limited	4.86	4.75	-	-	-	-	-	-	4.86	4.75
Satyam Cineplexes Limited	0.60	N.A	-	-	-	-	-	-	0.60	N.A
Inox Wind Limited	-	-	-	-	71.07	28.72	-	-	71.07	28.72
Inox India Limited	-	-	-	-	-	-	2.58	2.12	2.58	2.12
Total	5.46	4.75	-	-	71.07	28.72	2.58	2.12	79.11	35.59
6. Equipment Lease Rent Received										
Satyam Cineplexes Limited	1.30	N.A	-	-	-	-	-	-	1.30	N.A
7. Internet Sales Charges paid										
Satyam Cineplexes Limited	32.04	N.A	-	-	-	-	-	-	32.04	N.A
8. Advertisement Expenses paid										
Satyam Cineplexes Limited	1.54	N.A	-	-	-	-	-	-	1.54	N.A
9. Conducting Fees paid										
Shouri Properties Pvt. Ltd	107.44	N.A	-	-	-	-	-	-	107.44	N.A
10. Counter-guarantee given for bank guarantee taken by the subsidiary company										
Shouri Properties Pvt. Ltd	751.90	N.A	-	-	-	-	-	-	751.90	N.A
11. Share allotment money paid										
Shouri Properties Pvt. Ltd	15.00	N.A	-	-	-	-	-	-	15.00	N.A
12. Reimbursement of expenses received										
Swanston Multiplex Cinemas Pvt. Ltd					Nil	0.04			Nil	0.04
Satyam Cineplexes Limited	0.38	N.A							0.38	N.A
Total	0.38				Nil	0.04			0.38	0.04
13. Inter-corporate deposits repaid										
Gujarat Fluorochemicals Limited	Nil	3421.00							Nil	3421.00
Inox Leasing & Finance Limited	1100.00	Nil							1100.00	Nil
Total	1100.00	3421.00							1100.00	3421.00

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

(₹ in Lakh)

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

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

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

Notes to the standalone financial statements

for the year ended 31st March 2015

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

(₹ in Lakh)

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

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

52. Particulars in respect of provision for expenses

(₹ in Lakh)

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

53. Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 62.44 Lakh.

(b) Amount spent during the year on:

(₹ in Lakh)

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

Notes to the standalone financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

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

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

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

55. Calculation of Earnings Per Share (EPS):

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

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

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

M. Y. Kulkarni
Partner

Place: Pune
Date: 25th May, 2015

For **Inox Leisure Limited**

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Mumbai
Date: 25th May, 2015

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled company for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group, and a jointly controlled company as at 31st March, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 8039.40 Lakh as at 31st March, 2015, total revenues of ₹ 6333.05 Lakh and net cash outflows amounting to ₹ 263.02 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has

Independent Auditor's Report

to the members of Inox Leisure Limited

| 2014-15
ANNUAL REPORT

been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's report of the Holding Company, subsidiary companies and a jointly controlled company incorporated in India, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on audit and on the consideration of the report of the other auditor on separate financial statements, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and a jointly controlled company, none of the directors of any companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements of the Group and its jointly controlled company – Refer Note 9 and 35 to the consolidated financial statements;
 - ii. The Group and the jointly controlled company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and jointly controlled company.

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

Place: Pune
Date: 25th May, 2015

MY Kulkarni
Partner
Membership No. 35524

Annexure to Independent Auditor's Report

Annexure to Independent Auditor's Report to the members of Inox Leisure Limited on the consolidated financial statements for the year ended 31st March 2015 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditors Report) Order, 2015 ("the Order"), as stated in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements", based on the comments in the auditor's report of the Holding Company, subsidiary companies and a jointly controlled company, except in the case of one subsidiary company where the Order is not applicable, we state as under:

1. The Holding Company and its subsidiary company have maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management of the Holding Company and its subsidiary company at reasonable intervals and no material discrepancies have been noticed on such verification. The jointly controlled company does not have any fixed assets.
2. The inventories were physically verified by the management of the Holding Company and its subsidiary company at reasonable intervals during the year. The procedures of physical verification followed by them are reasonable and adequate in relation to the size of the respective companies and their nature of business. The Holding Company and its subsidiary company have maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records. The jointly controlled company does not have any inventories.
3. The Holding Company, its subsidiary company and jointly controlled company have not granted any loans, secured or unsecured, to other parties outside the Group and covered in the register maintained under section 189 of the Companies Act.
4. The Holding Company, its subsidiary company and jointly controlled company have an adequate internal control procedures commensurate with the respective size of the each company and nature of their business for purchase of inventory and fixed assets and for the sale of goods and services, as applicable, and no major weakness has been noticed in the internal control systems in respect of these areas.
5. The Holding Company, its subsidiary company and jointly controlled company have not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Group.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Holding Company, its subsidiary company and jointly controlled company.
7. The Holding Company, its subsidiary company and jointly controlled company are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, wealth-tax, service tax, duty of customs, value added tax, cess, entertainment tax and other material statutory dues applicable to it, except that in case of a subsidiary company, there have been delays in initial months of the financial year in respect of provident fund, employee's state insurance, income-tax, service tax, value added tax, entertainment tax, show tax, advertisement tax, labour cess and professional tax. No payments were due in respect of duty of excise. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.

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

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

Annexure to Independent Auditor's Report

2014-15
ANNUAL REPORT

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

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

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

8. The Holding Company and its subsidiary company do not have accumulated losses on standalone basis. In case of jointly controlled company, the accumulated losses at the end of the financial year are more than fifty per cent of its net worth on standalone basis. The Holding Company and jointly controlled company have not incurred cash losses during the current year on standalone basis and the subsidiary company has incurred cash losses during the current year on standalone basis. The Holding Company and its subsidiary company have not incurred cash losses in the immediately preceding financial year on standalone basis and the jointly controlled company had incurred cash losses in the immediately preceding financial year on standalone basis. On a consolidated basis, the Holding Company, its subsidiary company and jointly controlled company do not have accumulated losses and have not incurred cash losses during the current year.
9. The Holding Company and its subsidiary company have not defaulted in repayment of dues to banks and they did not have any borrowings from financial institutions or by way of debentures. The jointly controlled company did not have any borrowings from bank or financial institutions or by way of debentures.
10. The Holding Company, its subsidiary company and jointly controlled company have not given any guarantee for loans taken by others from banks and financial institutions.
11. In our opinion, the term loans availed during the year by the Holding Company were applied for the purposes for which it were raised. The subsidiary company and jointly controlled company have not availed any term loans during the year.
12. No fraud on or by the Holding Company, its subsidiary company and jointly controlled company has been noticed or reported during the year. However, after the end of the year the Company has detected a fraud perpetrated by an employee of the Company in respect of travelling expenses, as detailed in note no. 39 to the financial statements. Further, as explained in the said note, pending completion of the investigation of the matter, the amount involved is not yet ascertained.

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

Place: Pune
Date: 25th May, 2015

M Y Kulkarni
Partner
Membership No. 35524

Consolidated Balance Sheet

as at 31st March 2015

(₹ in Lakh)

Particulars	Note No.	As at 31 st Mar 2015
I EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	4	9,616.28
(b) Reserves and Surplus	5	61,269.79
(c) Interest in Inox Benefit Trust, at cost	30	(3,266.98)
		67,619.09
2 Non-Current Liabilities		
(a) Long-term borrowings	6	20,050.56
(b) Deferred tax liabilities (net)	7	2,432.47
(c) Other long term liabilities	8	432.90
(d) Long-term provisions	9	613.40
		23,529.33
3 Current Liabilities		
(a) Short term borrowings	10	1,469.91
(b) Trade payables	11	8,926.07
(c) Other current liabilities	12	9,055.91
(d) Short-term provisions	9	1,550.03
		21,001.92
TOTAL		112,150.34
II ASSETS		
1 Goodwill on consolidation		16,520.98
2 Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	13	61,309.43
(ii) Intangible assets	13	393.61
(iii) Capital work-in-progress	14	5,107.66
		66,810.70
(b) Non-current investments	15	70.63
(c) Long term loans and advances	16	18,130.23
(d) Other non-current assets	17	396.25
		85,407.81
3 Current Assets		
(a) Current investments	15	641.37
(b) Inventories	18	759.11
(c) Trade receivables	19	6,231.88
(d) Cash and bank balances	20	1,344.32
(e) Short-term loans and advances	21	1,068.06
(f) Other current assets	22	176.81
		10,221.55
TOTAL		112,150.34

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

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

For **Inox Leisure Limited**

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Pune
Date: 25th May, 2015

Place: Mumbai
Date: 25th May, 2015

Consolidated of Profit and Loss

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

(₹ in Lakh)

Particulars	Note No.	As at 31 st Mar 2015
INCOME		
Revenue from operations	23	101,681.29
Other Income	24	826.51
Total revenue		102,507.80
EXPENSES		
Entertainment tax		12,145.12
Exhibition cost	25	24,932.44
Cost of food and beverages	26	4,954.91
Employee benefits expense	27	6,581.56
Finance costs	28	3,861.00
Depreciation & amortization	13/32(a)	7,583.64
Other expenses	29	40,790.12
Total expenses		100,848.79
Profit before exceptional items and tax		1,659.01
Less: Exceptional items	31	60.00
Profit before tax		1,599.01
Tax expenses		
Current tax		839.00
MAT credit entitlement		-
Deferred tax	32(b)	(332.61)
Taxation pertaining to earlier years	34(b)	(911.19)
		(404.80)
Profit for the year		2,003.81
Earnings per equity share of ₹ 10 each (₹)	47	
Basic		2.18
Diluted		2.18

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

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

For **Innox Leisure Limited**

M. Y. Kulkarni
Partner

Pavan Jain
Director

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Pune
Date: 25th May, 2015

Place: Mumbai
Date: 25th May, 2015

Consolidated Cash Flow statement

for the year ended 31st March 2015

(₹ in Lakh)

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

Consolidated Cash Flow statement

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

(₹ in Lakh)

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

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

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

M. Y. Kulkarni
Partner

Place: Pune
Date: 25th May, 2015

For **Inox Leisure Limited**

Pavan Jain
Director

Place: Mumbai
Date: 25th May, 2015

Deepak Asher
Director

Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

1. CORPORATE INFORMATION

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

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

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

Subsidiaries:-

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

Joint Venture: ILL has a Joint Venture interest of 50% in Swanston Multiplex Cinemas Private Limited ("SMCPL"), a company incorporated in India. As at 31st March, 2015 the Company has invested a sum of ₹ 279.52 Lakh in the share capital of SMCPL. SMCPL was engaged in the business of operating a multiplex.

(B) Changes during the year:-

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

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

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

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

(₹ in Lakh)

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

2. BASIS OF PREPARATION AND PRINCIPLES OF CONSOLIDATION :-

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

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

The CFS have been prepared on the following basis.

- a) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealised profits are fully eliminated. Unrealised losses resulting from Inter-company transactions are eliminated unless cost cannot be recovered.
- b) Interest in joint venture is reported using proportionate consolidation method.
- c) Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, and is recognized as an asset in the consolidated financial statements. The Goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired. When the cost to the parent of its investment in a subsidiary is less than that the parent's portion of equity of the subsidiary, the difference is treated as capital reserve in the consolidated financial statements.
- d) The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances, except where it is not practicable to do so. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- e) The Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to minority at the date on which investment in subsidiary is made and the minority's share of movement in equity since the date the parent subsidiary relationship comes into existence. The losses applicable to the minority, to the extent they exceed the minority interest in the equity of the subsidiary, are adjusted against the majority interest, until the minority's share of losses so absorbed by the majority has been recovered.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition:

Income from Box Office is recognized as and when the movie is exhibited. Income from Sale of Food & Beverages is accounted at the point of sale. Income is net of refunds and complimentary. Conducting fees are in respect of charges received from parties to conduct business from the multiplex premises and the revenue is recognized as per the contractual arrangements. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser. Dividend income is recognised when the unconditional right to receive payment is established. Income from interest on deposits, loans and interest-bearing securities is recognised on time proportion basis.

b) Fixed Assets:

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

c) Depreciation and amortization:

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

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

- I. On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule II part C of the Companies Act, 2013, whichever is shorter.
- II. On other fixed assets, on the basis of useful life as per Schedule II part C of the Companies Act, 2013

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

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

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

- I. On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Schedule XIV of the Companies Act, 1956, whichever is shorter.
- II. On other fixed assets, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- III. Individual items of fixed assets, costing upto ₹ 5,000, were fully depreciated in the first year. Based on technical opinion, windmill was considered as a continuous process plant and depreciation was provided at the rate applicable thereto.

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

d) Impairment of assets :

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

e) 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.

f) Inventories :

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

g) Employee Benefits :

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss in the year in which related services are rendered. Contribution towards provident fund paid / payable during the year are charged to the statement of profit and loss. Post employment benefits in the form of Gratuity and Leave Encashment are recognized as an expense in the statement of profit and loss at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the statement of profit and loss.

h) Taxes on Income :

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the entity's gross total income is subject to the deduction

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

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) 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.

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 Group has exercised the option to adopt the following policy irrevocably:

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

l) Treasury shares:

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (refer note 30), equity shares of the Company have been issued to Inox Benefit Trust (the Trust) against the equity shares of Fame held by the Company. These shares are recognised as Interest in Inox Benefit Trust at the amount of consideration paid by the Company to acquire the shares of erstwhile Fame. These shares of the Company held by Inox Benefit Trust are classified and are presented as a deduction from Shareholders' Funds. Difference between the cost and the amount received at the time sale of shares by the Trust, is recorded separately as 'Reserve on Sale of Treasury Shares' under Reserve and Surplus.

m) Provisions and contingent Liabilities :

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

n) 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.

4 : SHARE CAPITAL

(₹ in Lakh)

Particulars	Year ended 31 st Mar 2015
Authorised Capital	
14,00,50,000 equity shares of ₹ 10/- each	14,005.00
10,000 preference shares of ₹ 10/- each	1.00
	14,006 .00
Issued, subscribed and fully paid up shares	
9,64,57,754 equity shares of ₹ 10/- each	9,645.78
Less: 2,95,001 equity shares of ₹ 10/- each, issued to ESOP Trust but not allotted to employees (see note no. 33)	29.50
Adjusted Issued, subscribed and paid-up Capital	9,616.28

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

(₹ in Lakh)

Particulars	31 st Mar 2015	
	Nos.	Amount
At the beginning of the year	96,146,174	9,614.62
Add:		
Shares issued during the year under ESOP	16,579	1.66
	96,162,753	9,616.28
Less: Interest in Inox Benefit Trust - shares of Company held by the Trust (see note no. 30)	4,350,092	435.01
	91,812,661	9,181.27

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

(₹ in Lakh)

Particulars	31 st Mar 2015	
	Nos.	Amount
Gujarat Fluorochemicals Limited (holding company)	46,386,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	587,461	58.75

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

3,45,62,206 shares of ₹ 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.

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

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

(₹ in Lakh)

Particulars	31 st Mar 2015	
	Nos.	%
Gujarat Fluorochemicals Limited	46,386,467	48.09%
Inox Benefit Trust	4,350,092	4.51%

f) Shares reserved for issue under options

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

5 : RESERVES & SURPLUS

(₹ in Lakh)

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

6 : LONG-TERM BORROWINGS

(₹ in Lakh)

Particulars	31 st Mar 2015
Term Loans from Banks (secured)	6,400.12
Loans & Advances from related parties (unsecured)	
Inter-corporate deposits	
- from holding company	16,249.00
- from ultimate holding company	-
	16,249.00
Total borrowings	22,649.12
Less: Current maturities disclosed under the note no. 12 "Other current liabilities"	(2,598.56)
Total	20,050.56

Nature of Security and terms of repayment for secured borrowings:

Term loans from Axis Bank amounting to ₹ 6,400.11 Lakh carries interest @ bank base rate + 1.25 % p.a which presently is 11.40%. The loans are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/property financed by the said term loans and escrow of entire cash flows relating to such multiplexes. The repayment schedules are as under:

Particulars	Outstanding Amount (in Lakh)	Repayment terms
Term Loan 1	2,997.11	Repayable in 16 equal quarterly instalments of ₹ 374.64 Lakh each beginning from 30 th June 2013
Term Loan 2	100.00	Repayable in 10 equal quarterly instalments of ₹ 50.00 Lakh each beginning from 1 st April 2013
Term Loan 3	3,303.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 st October 2014

Terms of repayment for unsecured borrowings:

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

7 : DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

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

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

8 : OTHER LONG-TERM LIABILITIES

(₹ in Lakh)

Particulars	31 st Mar 2015
Security deposits received	129.64
Retention money	45.70
Creditors for capital expenditure	257.56
Total	432.90

9 : PROVISIONS

(₹ in Lakh)

Particulars	Longterm 31 st Mar 2015	Shortterm 31 st Mar 2015
for Gratuity	436.52	72.16
for Leave benefits	176.88	76.81
for Municipal tax - see note no. 46(a)	-	183.00
for MVAT - see note no.46(b)	-	39.38
for Service tax - see note no. 46(c)	-	1,042.44
for Taxation (net of payments)	-	85.20
	613.40	1,498.99
Share of Joint Venture	-	51.04
Total	613.40	1,550.03

10 : SHORT TERMS BORROWINGS

(₹ in Lakh)

Particulars	31 st Mar 2015
Loans repayable on demand from banks (secured)	
- Bank overdraft	1,410.06
Other Loans and advances (unsecured)	
- Inter corporate deposits	59.85
Total	1,469.91

- 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.
- During the year, the Company had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 9.30% to 10.25% and maximum balance outstanding during the year was ₹ 32,000 Lakh (previous year ₹ Nil).
- Inter-corporate deposits are repayable on demand and carry interest @ 12%

Notes to the consolidated financial statements

for the year ended 31st March 2015

11 : TRADE PAYABLES

(₹ in Lakh)

Particulars	31 st Mar 2015
Trade payables	
- Dues to Micro and Small Enterprises (see note no. 41)	1.80
- Others	8,906.22
	8,908.02
Share of Joint Venture	18.05
Total	8,926.07

12 : OTHER CURRENT LIABILITIES

(₹ in Lakh)

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

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 the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

13 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK (₹ in Lakh)
	As at 1 st Apr 2014	On Acquisition (see note)	Additions	Other Adjustments Exchange Fluctuations	Deductions Borrowing Costs	As at 1 st Apr 2014	On Acquisition	Adjustments For the year	Deductions As at 31 st Mar 2015
a) Tangible Assets									
Land (Freehold)	2,669.66	-	-	-	-	-	-	-	2,669.66
Land (Leasehold)	367.58	-	-	-	-	51.77	-	7.06	308.75
Buildings (*)	13,542.06	2,291.68	380.97	-	-	1,844.66	307.81	297.48	13,722.07
Leasehold improvements	24,220.73	-	1,395.67	-	39.58	9,191.68	-	1,745.41	14,712.30
Plant & Equipment	29,920.05	2,381.20	2,673.90	141.55	36.72	8,714.47	1,034.93	3,174.16	21,783.48
Furniture & Fixtures	7,916.56	876.61	970.99	-	16.99	3,358.03	349.24	1,265.67	4,733.38
Vehicles	149.49	18.67	27.92	-	-	45.68	5.37	26.83	115.00
Office Equipments	4,714.35	1,746.58	526.93	29.77	-	2,002.87	509.66	961.06	3,264.85
Sub-total	83,500.48	7,314.74	5,976.38	171.32	93.29	25,209.16	2,207.01	7,477.67	61,309.43
b) Intangible Assets									
Software	709.62	118.94	80.38	-	-	475.85	46.44	21.61	293.19
Negative rights	2.66	-	-	-	-	2.66	-	-	-
Web site	-	-	47.70	-	-	-	-	1.70	46.00
Movie Script	155.50	-	-	-	-	68.66	-	32.42	54.42
Sub-total	867.78	118.94	128.08	-	-	547.17	46.44	105.97	393.61
Total	84,368.26	7,433.68	6,104.46	171.32	93.29	25,756.33	2,253.45	7,583.64	61,703.04

Notes:

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

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

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

14: CAPITAL WORK-IN-PROGRESS

(₹ in Lakh)

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

15 (a) : NON-CURRENT INVESTMENTS

(Non-trade, at cost, unquoted)

(₹ in Lakh)

Particulars	31 st Mar 2015
Investments in Government Securities	
National Savings Certificates	110.11
(Held in the name of Directors/Ex-Director/Employees and certificates worth ₹ 110.11 Lakh are pledged with Government Authorities)	
Less: Current portion disclosed in note no. 15(b)	(39.48)
	70.63
Total	70.63

15 (b): CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	31 st Mar 2015
a) Investment in mutual funds (in fully paid up units of ₹ 1,000 each)	
(Non-trade, unquoted, at lower of cost and fair value)	
39,945 units of Taurus Liquid Fund - Growth Plan	601.89
b) Current portion of Non-current Investment from note no. 15(a)	39.48
Total	641.37

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

16 : LONG-TERM LOANS AND ADVANCES

(unsecured, considered good, unless otherwise stated)

(₹ in Lakh)

Particulars	31 st Mar 2015
Capital Advances	55.03
Security Deposits	
- Considered Good	10,475.57
- Considered Doubtful	311.88
	10,787.45
Advances recoverable in cash or in kind	622.25
Entertainment Tax refund claimed	2,998.37
Income Tax paid (net of provision)	430.88
MAT credit entitlement	3,142.11
Electricity charges refund claimed - see note no 35(i)	389.83
	18,425.92
Less: Provision for doubtful deposits	311.88
	18,114.04
Share of Joint Venture	16.19
Total	18,130.23

17 : OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	31 st Mar 2015
Non-current bank balances (from note no. 20)	220.10
Interest accrued:	
on long term investments	12.59
on bank fixed deposits	6.40
others	157.16
Total	396.25

18 : INVENTORIES

(valued at lower of cost and net realizable value)

(₹ in Lakh)

Particulars	31 st Mar 2015
Food & beverages	503.63
Stores, spares & fuel	255.48
Total	759.11

Notes to the consolidated financial statements

for the year ended 31st March 2015

19 : TRADE RECEIVABLES

(unsecured, considered good, unless otherwise stated)

(₹ in Lakh)

Particulars	31 st Mar 2015
Considered good	
Outstanding for a period exceeding six months	1,811.83
Others	4,420.05
	6,231.88
Considered doubtful	
Outstanding for a period exceeding six months	76.42
	6,308.30
Less: Provision for doubtful trade receivables	76.42
Total	6,231.88

20 : CASH & BANK BALANCES

(₹ in Lakh)

Particulars	31 st Mar 2015
Cash and cash equivalents	
Balances with banks	
In current accounts	729.06
Cheques on hand	29.72
Cash on Hand	210.52
	969.30
Share of Joint Venture	50.62
Total cash and cash equivalents	1,019.92
Other bank balances	
in Unpaid dividend accounts	2.15
Deposits with original maturity for more than 3 months but less than 12 months	298.61
Deposits with original maturity for more than 12 months	243.74
Total other bank balances	544.50
Total cash and bank balances	1,564.42
Less: Amount disclosed under note no. 17 "Other non-current assets"	(220.10)
Total	1,344.32
Other bank balances include margin money deposits given as security as under:	
Deposits with original maturity for more than 3 months but less than 12 months	28.06
Deposits with original maturity for more than 12 months	243.74
	271.80

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

21 : SHORT-TERM LOANS & ADVANCES

(unsecured, considered good)

(₹ in Lakh)

Particulars	31 st Mar 2015
Prepaid expenses	223.10
Security Deposits	30.96
Balance in cenvat credit account	27.26
Advances recoverable in cash or in kind	256.30
Advances to suppliers	530.44
Total	1,068.06

22 : OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	31 st Mar 2015
Assets held for disposal	131.14
Interest accrued	
on bank fixed deposits	5.93
on long term investments	19.51
others	20.23
Total	176.81

23 : REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	2014-2015
a) Sale of services	
Box Office revenue	67,307.82
Conducting fees	1,696.56
Advertising income	8,149.03
Management fees	205.58
Parking charges	126.88
	77,485.87
b) Sale of products	
food & beverages	19,103.02
Sale of power	6.81
	19,109.83
c) Refund of entertainment tax (see note no 36 (c))	616.74
d) Other operating revenue	4,468.85
Total	101,681.29

Notes to the consolidated financial statements

for the year ended 31st March 2015

24 : OTHER INCOME

	(₹ in Lakh)
Particulars	2014-2015
Interest	
On Bank fixed deposits	51.04
On Long- term investments	10.85
On Income tax refunds	31.70
On Inter-corporate deposits	16.67
Other interest	78.51
	188.77
Gain on sale of current investments	376.57
Liabilities and provisions, no longer required, written back	237.26
Bad debts recovered	8.43
Miscellaneous Income	0.28
	811.31
Share of Joint Venture	15.20
Total	826.51

25 : EXHIBITION COST

	(₹ in Lakh)
Particulars	2014-2015
Distributors' share	24,148.37
Other exhibition cost	732.90
Share of joint venture investors (see note below)	51.17
Total	24,932.44

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

	(₹ in Lakh)
Particulars	2014-2015
Opening Stock	486.71
Add : On acquisition	44.87
Add: Purchases	4,926.96
	5,458.54
Less: Closing stock	503.63
Total	4,954.91

27 : EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakh)
Particulars	2014-2015
Salaries and wages	5,732.49
Contribution to Provident and other funds	416.60
Expense on ESOP (net)	1.36
Gratuity	166.86
Staff welfare expenses	264.25
Total	6,581.56

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

28 : FINANCE COSTS

(₹ in Lakh)

Particulars	2014-2015
Interest on borrowings	2,374.08
Discounting charges on commercial paper	1,181.96
Interest on deferred credit	182.54
Other interest	61.14
Other borrowing cost	61.28
Total	3,861.00

29 : OTHER EXPENSES

(₹ in Lakh)

Particulars	2014-2015
Outsourced personnel cost	2,616.23
Power & fuel	7,253.04
Water charges	171.58
Property rent and conducting fees	13,426.91
Common facility charges	4,151.29
Rates & taxes	718.25
Service tax	3,049.90
Travelling & conveyance	611.44
Communication expenses	323.70
Printing & stationery	379.16
Advertising & sales promotion	984.13
House keeping expenses	1,642.55
Security expenses	1,635.43
Repairs & maintenance - buildings	191.78
Repairs & maintenance - plant and equipments	1,318.89
Repairs & maintenance - others	341.32
Legal & professional fees & expenses	705.28
Directors' sitting fees	14.40
Insurance	135.70
Amalgamation expenses	12.43
Loss of retirement/disposal of fixed assets (net)	4.89
Provision for dimunition in value of assets held for disposal	17.03
Deposits and advances written off	40.57
Provision for doubtful debts	23.06
Provision for doubtful deposits	311.88
Net loss on foreign currency transactions and translation	2.35
Corporate social responsibility (CSR) expenses - see note no. 48	45.31
Miscellaneous expenses	651.42
	40,779.92
Share of Joint Venture	10.20
Total	40,790.12

30. TREASURY SHARES

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

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

- b. On allotment of above 3,45,62,206 equity shares of the Company, Gujarat Fluorochemicals Limited ("GFL") ceased to be the holding company on 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 year, the Company has given following donations aggregating to ₹ 60.00 Lakh and the same has been shown as an exceptional item:

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

32. CHANGE IN THE ESTIMATE OF USEFUL LIFE OF FIXED ASSETS

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

33. EMPLOYEES' STOCK OPTION PLAN

During the year ended 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 Lakh 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,

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

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

The summary of stock options is as under:

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

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 ₹ 1.36 Lakh 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 ₹ 0.97 Lakh, profit before tax lower by ₹ 0.97 Lakh and the basic and diluted earnings per share would have been lower by 0.001 each.

34. IN RESPECT OF TAXATION MATTERS

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

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

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

35. CONTINGENT LIABILITIES:

- a. Claims against the Company not acknowledged as debt – ₹ 7235.70 Lakh, comprising of:
 - i. The Company has issued termination notice for one of its proposed multiplexes seeking refund of security deposit of ₹ 60.07 Lakh and reimbursement of the cost of fit-outs of ₹ 823.27 Lakh incurred by the Company and carried forward as capital work-in-progress. The party has made a counter claim of ₹ 6943.44 Lakh towards rent for lock in period and other costs which is included in the amount above. At present the matter is pending before the Arbitrator.
 - ii. In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against the Company and directed the Company to pay ₹ 116.36 Lakh towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed the Company to pay the amount of difference between the rent payable by the Company as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. The Company has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.
 - iii. Other claims by owners of the multiplex premises which are under negotiations with the respective parties.
- b. Property Tax demands – ₹ 569.72 Lakh
The Company has disputed the quantum of property tax levied in case of one multiplex and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. The Company has received revised demands during the year which also is contested by the Company. Estimated provision for the same is made by the Company – see note no. 46. The amount of demand not provided for is ₹ 569.72 Lakh
- c. Entertainment Tax demands – ₹ 2448.10 Lakh. This includes:
 - i. Demand of ₹ 1941.22 Lakh in respect of some multiplexes pertaining to exemption period and the Company is contesting the matter by way of appeal before appropriate authorities.
 - ii. Demand of ₹ 477.34 in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the Company is contesting the matter by way of appeal before appropriate authorities.
- d. Service Tax matters – ₹ 7170.09 Lakh. This includes:
 - i. Amount of ₹ 5577.97 Lakh for which the Company has received notices from Commissionerate of Service tax regarding levy of service tax on film distributor's share paid by the Company. The Company is in the process of filing replies to these show cause notices.
 - ii. Amount of ₹ 1502.00 Lakh for which the Company has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises. The Company is in the process of filing replies to these show cause notices.
 - iii. Amount of ₹ 90.13 Lakh in respect of service tax on payment of architect fee to foreign architects by the Company and receipt of pouring and signing fee. Out of a total demand of 104.33 Lakh, the Company has already paid a sum of 14.20 Lakh and stayed the recovery of the balance demand. The Company has filed an appeal before Customs Excise and Service Tax Appellate Tribunal ("CESTAT") and the matter is pending.
- e. Stamp duty demand – ₹ 263.81 Lakh
Authority has raised the demand for non-payment of stamp duty in respect of Leave & License Agreement in respect of one multiplex holding the same as lease transaction. Stay has been granted and the matter is pending before the Board of Revenue.
- f. Custom duty demands – ₹ 4.36 Lakh
In addition to above, the Company has received a notice in respect of custom duty payable on import of cinematographic films. The amount of duty is not quantified by the authorities and the company has filed an appeal before the Appellate Tribunal under and the same is pending hearing.

- g. VAT demand – ₹ 261.87 Lakh. This includes, Demand of ₹ 237.06 Lakh pursuant to reassessment order for the year 2008-09. The Company is in the process of filing an appeal against the said reassessment order.
- h. Income-tax matters – ₹ 19.48 Lakh.
This includes demand of ₹ 19.48 Lakh towards penalty levied for assessment year 2010-11 which is being contested by the Company before appellate authority.
- i. The Company may be required to charge additional cost of ₹ 389.83 Lakh 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 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'long term loans and advances')
- j. Group's share in the contingent liability of Joint Venture – Income-tax demand – ₹ 5.60 Lakh.

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

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

- a. The Entertainment Tax exemption in respect of some of the Multiplexes of the Company has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final Orders yet to be received from respective authorities. Accordingly the amount of ₹ 923.57 Lakh being Entertainment Tax in respect of such Multiplexes has not been charged to the statement of profit and loss. Cumulative amount as on 31st March 2015 is ₹ 4575.19 Lakh.
 - b. In respect of the Multiplex Cinema Theatre at Vadodara, the issues in respect of the eligibility for exemption from payment of entertainment tax and the method of computing the exemption availed, have been decided in favour of the Company by the Hon'ble High Court of judicature at Gujarat vide its order dated 26th June, 2009. The matter regarding method of computation of eligibility amount is challenged by the Government Department before the Hon'ble Supreme Court. Pending receipt of final eligibility certificate the figures indicated in the (a) above include the figures pertaining to the said Multiplex.
 - c. In respect of two multiplexes being operated by the Company in Uttar Pradesh: In view of the revised eligibility norms notified during the year, these multiplexes have now become eligible for exemption from payment of entertainment tax, w.e.f. the date of commencement of commercial operations. Accordingly, the amount of ₹ 616.74 Lakh, being entertainment tax paid in respect of these two multiplexes in earlier years, is credited to the statement of Profit and Loss.
37. The arbitration award in the matter of disputed recoveries pertaining to one of the multiplex of the Company has been received in favour of the Company and the arbitrator has further granted interest claimed on the unpaid amount at the rate of 15% p.a. The Company has accordingly accounted interest of ₹ 18.24 Lakh. Total amount of interest receivable upto 31st March, 2015 is ₹ 166.30 Lakh. The said award has been challenged before the District Court and the matter is pending.
38. Commitments:
- a. Capital commitments:
Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances - ₹ 1791.88 Lakh
 - 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 – ₹ 15889.77 Lakh.
39. The Company has, in May 2015, detected a fraud perpetrated by one of its employees, in respect of travel bills from travel agencies who were otherwise booking air tickets for bona-fide travel undertaken by employees and other persons for and on behalf of the

Notes to the consolidated financial statements

for the year ended 31st March 2015

Company. Following a confession statement given by the employee concerned, the Company has filed a First Information Report (FIR) with the Police Station on 5th May 2015 and terminated the services of the employee with immediate effect. At present the matter is under further investigation by the Company as well as Police. Pending completion of such investigation, it is not possible to assess the quantum of the fraud, the period thereof, as well as its impact, if any, on the accounts of the company. Necessary entries in the books of accounts in this regard will be made on completion of the investigation and after assessing the impact, if any, of the same on the accounts of the Company.

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

(₹ in Lakh)

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

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

(₹ in Lakh)

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

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

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

- 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 ₹ 11.27 Lakh 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 ₹ 13415.64 Lakh 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 Lakh)

Particulars	2014-2015
Not later than one year	13299.98
Later than one year and not later than five years	46059.49
Later than five years	115983.71
Total	175343.18

43. **Employee Benefits:**

- Defined Contribution Plans: Contribution to Provident Fund of ₹ 366.20 Lakh is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 17.35 Lakh is included in pre-operative expenses.

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

(₹ In Lakh)

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

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

44. SEGMENT INFORMATION

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

45. RELATED PARTY DISCLOSURE:

- (i) Where Control Exists
 - a. Gujarat Fluorochemicals Limited – Holding Company
 - b. Inox Leasing & Finance Limited – Ultimate Holding Company
- (ii) Other related parties with whom there are transactions:
 - Fellow Subsidiaries
 - a. Inox Wind Limited – subsidiary of Gujarat Fluorochemicals Limited

Notes to the consolidated financial statements

for the year ended 31st March 2015

Key Management Personnel (KMP)

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

Relatives of KMP

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

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

- a. Inox India Ltd

(iii) Particulars of transactions:

(₹ in Lakh)

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

Notes to the consolidated financial statements

for the year ended 31st March 2015

2014-15
ANNUAL REPORT

46. PARTICULARS IN RESPECT OF PROVISION FOR EXPENSES

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

47. CALCULATION OF EARNINGS PER SHARE :

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

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

48. CORPORATE SOCIAL RESPONSIBILITY (CSR)

- (a) The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) is ₹ 62.44 Lakh.
- (b) Amount spent during the year on:

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

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

M. Y. Kulkarni
Partner

Place: Pune
Date: 25th May, 2015

For **Inox Leisure Limited**

Pavan Jain
Director

Deepak Asher
Director

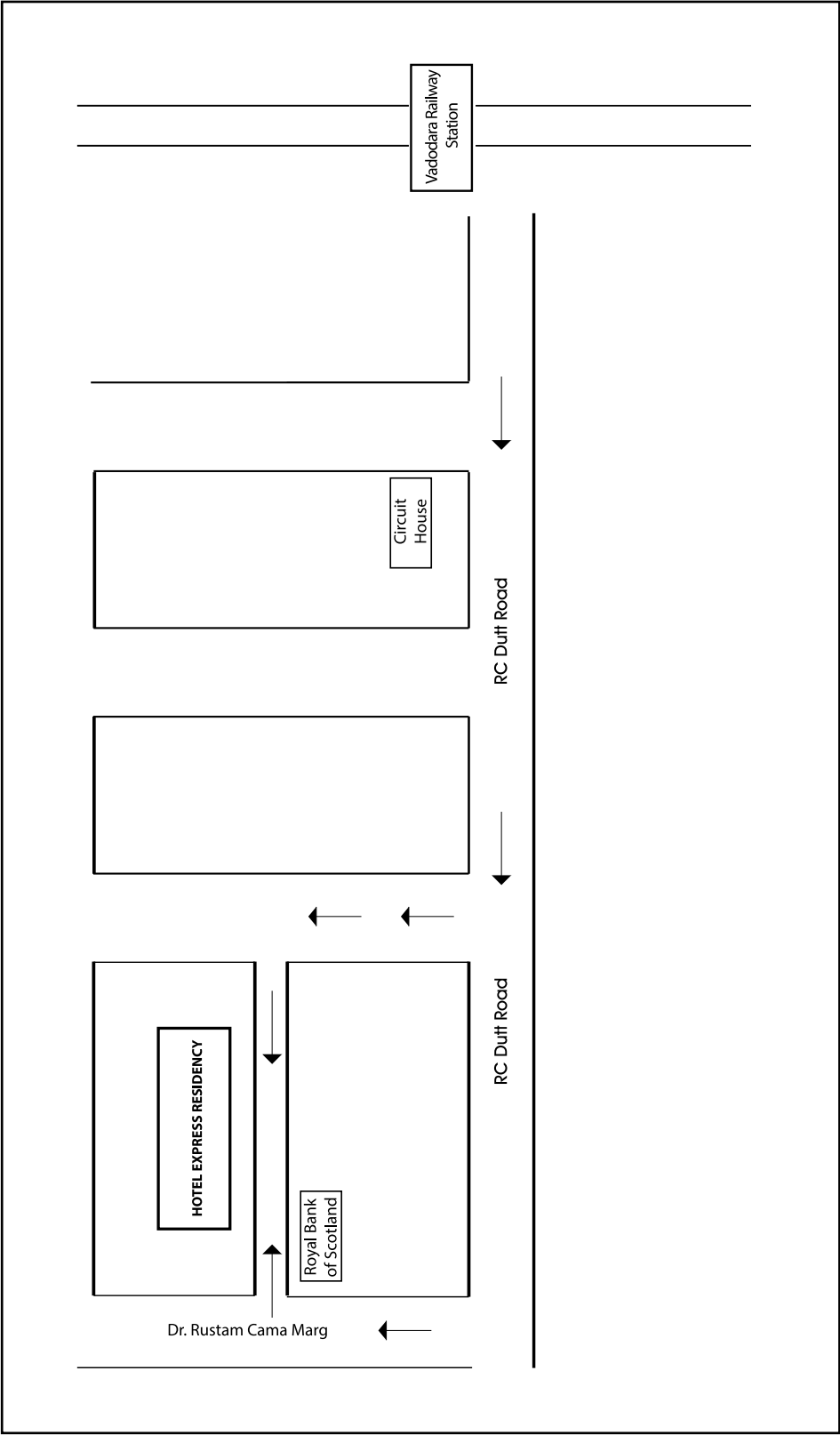
Upen Shah
Chief Finance Officer

Miket Bahuva
Company Secretary

Place: Mumbai
Date: 25th May, 2015

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

Route Map to the Venue of the Annual General Meeting





If undelivered, please return to:

INOX Leisure Ltd.

5th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (East),
Mumbai - 400093, India.

www.inoxmovies.com