

SHOURI PROPERTIES PRIVATE LIMITED

15th

ANNUAL REPORT

2015 - 2016

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Shouri Properties Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, 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 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 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 financial statements based on our audit.

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

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



Independent Auditor's Report to the members of Shouri Properties Private Limited on the Financial Statements for the year ended 31st March 2016 (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2016 and its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



Independent Auditor's Report to the members of Shouri Properties Private Limited on the Financial Statements for the year ended 31st March 2016 (continued)

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 10 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.

Place: Mumbai
Date: 25th April 2016



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


S S Agrawal
Partner
Membership No. 049051

Annexure I to Independent Auditor's Report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31st March 2016 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. The Company does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loan, or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax. No payments were due in respect of provident fund, employees' state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31st March 2016 for a period of more than six months from the date they become payable.

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

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



Annexure I to Independent Auditor's Report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31st March 2016 (continued)

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has made preferential allotment of shares and the requirements of section 42 of the Companies Act, 2013 have been complied with. The amount raised has been used for the purpose for which the funds were raised. The Company has not made any private placement of shares or fully or partly convertible debentures during the year.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Place: Mumbai
Date: 25th April 2016



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


S S Agrawal
Partner
Membership No. 049051

Annexure II to Independent Auditor's Report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31st March 2016 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

We have audited the internal financial controls with reference to financial statements over financial reporting of **Shouri Properties Private Limited** ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Annexure II to Independent Auditor's Report to the members of Shouri Properties Private Limited on the financial statements for the year ended 31st March 2016 (continued)

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: 25th April 2016



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


S S Agrawal
Partner
Membership No. 049051

Shouri Properties Private Limited
Balance Sheet as at 31st March 2016

(Amounts in Rs.)

Particulars	Note No	As at 31st March 2016	As at 31st March 2015
I. Equity and liabilities			
(1) Shareholders' funds			
(a) Share capital	4	1,41,00,000	16,00,000
(b) Reserves and surplus	5	(71,44,560)	(56,93,283)
		69,55,440	(40,93,283)
(2) Non Current liabilities			
(a) Other Long term liabilities	6	79,07,400	79,07,400
		79,07,400	79,07,400
(3) Current liabilities			
(a) Short term borrowings	7	-	59,85,280
(b) Trade payables			
Dues to Micro and Small Enterprises	8	-	-
Dues to Others	8	50,78,006	29,99,845
(c) Other current liabilities	9	98,836	63,15,195
		51,76,842	1,53,00,320
TOTAL		2,00,39,682	1,91,14,437
II. Assets			
(1) Non current assets			
Long term loans and advances	10	1,69,70,695	1,45,47,289
(2) Current assets			
(a) Cash and bank balances	11	14,99,347	32,71,016
(b) Short term loans and advances	12	15,69,640	12,96,132
		30,68,987	45,67,148
TOTAL		2,00,39,682	1,91,14,437
The accompanying notes are an integral part of the financial statements			

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


Sanjay Agrawal
Partner

Place: Mumbai
Dated: 25th April 2016



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


Alok Tandon
Director

Place: Mumbai
Dated: 25th April 2016


Upen Shah
Director


Shouri Properties Private Limited

Statement of Profit and Loss for the year ended 31st March 2016

(Amounts in Rs.)

Particulars	Note No	Year ended 31st March 2016	Year ended 31st March 2015
Revenue			
Revenue from operations	13	3,54,69,031	4,05,01,806
Other income	14	-	40,36,972
Total Revenue		3,54,69,031	4,45,38,778
Expenses			
Leave and licence fees paid		3,51,08,455	4,00,99,228
Finance costs	15	8,01,790	60,12,081
Other expenses	16	10,10,063	6,15,169
Total Expenses		3,69,20,308	4,67,26,478
Loss for the year		(14,51,277)	(21,87,700)
Basic and diluted loss per equity share of Rs.10 each	23	(2.12)	(34.95)
<i>The accompanying notes are an integral part of the financial statements</i>			

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



Sanjay Agrawal
Partner



Place: Mumbai
Dated: 25th April 2016

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


Alok Tandon
Director


Upen Shah
Director

Place: Mumbai
Dated: 25th April 2016

Shouri Properties Private Limited
Cash Flow Statement for the year ended 31st March 2016

(Amounts in Rs.)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
A Cash flow from operating activities		
Net loss before tax	(14,51,276)	(21,87,700)
Adjustments for:		
Liabilities written back	-	(28,087)
Finance cost	8,01,790	60,12,081
Interest income	-	(40,08,885)
Operating profit / (loss) before working capital changes	(6,49,486)	(2,12,591)
Adjustments for:		
Trade receivables	-	76,84,421
Short-term loans and advances	(2,73,508)	(7,46,043)
Trade payables	20,78,161	1,75,993
Other current liabilities	(8,05,486)	8,57,455
Cash generated from operating activities	3,49,681	77,59,235
Direct taxes (paid) / refund - net	(24,23,406)	24,85,595
Net cash from / (used in) operating activities	(20,73,725)	1,02,44,830
B Cash flow from investing activities		
Interest received	-	1,23,36,143
Movement in deposit with original maturity - for more than 12 months	-	4,08,92,280
Net cash generated from investing activities	-	5,32,28,423
C Cash flow from financing activities		
Proceed from Issue of equity share capital	1,25,00,000	15,00,000
Proceeds from short term borrowings	-	3,91,10,000
Repayment of short term borrowings	(1,13,96,153)	(10,05,98,000)
Finance cost paid	(8,01,790)	(6,01,208)
Net cash from / (used in) financing activities	3,02,057	(6,05,89,208)
Net change in cash and cash equivalents	(17,71,668)	28,84,045
Cash and cash equivalents at the beginning of the year	32,71,016	3,86,971
Cash and bank balances at the end of the year	14,99,347	32,71,016
Notes: a) The above cash flow statement has been prepared and presented under 'Indirect Method'. b) The components of cash and cash equivalents are as per note no. 11. c) The accompanying notes are an integral part of the financial statements		

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


Sanjay Agrawal
Partner

Place: Mumbai
Dated: 25th April 2016



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


Alok Tandon
Director

Place: Mumbai
Dated: 25th April 2016


Upen Shah
Director

Shouri Properties Private Limited

Notes to the financial statements for the year ended 31st March 2016

1 Corporate Information

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

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 of the previous year have been regrouped or reclassified, wherever necessary, to confirm to the classification of the current year.

3 Significant accounting policies

3.1 Revenue recognition

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

3.2 Leases

Lease rentals in respect of assets acquired on operating lease are recognized as expense in the Statement of Profit and Loss as per the terms of the lease agreement.

3.3 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the statement of profit and loss.

3.4 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.



Shouri Properties Private Limited

Notes to the financial statements for the year ended 31st March 2016

3 Significant accounting policies - continued

3.5 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.

3.6 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 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.



Shouri Properties Private Limited

Notes to financial statements for the year ended 31st March 2016

(Amounts in Rs.)

	As at 31st March 2016	As at 31st March 2015
4 : Share Capital		
Authorised Capital		
16,00,000 equity shares (previous year 11,00,000) of Rs. 10/- each	1,60,00,000	1,10,00,000
Total	1,60,00,000	1,10,00,000

Issued, Subscribed and fully paid up shares		
14,10,000 (previous year 160,000) equity shares of Rs. 10/- each	1,41,00,000	16,00,000
Total	1,41,00,000	16,00,000

a) The reconciliation of the number of equity shares outstanding is as under:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos	Rupees	Nos	Rupees
At the beginning of the year	1,60,000	16,00,000	10,000	1,00,000
Shares issued during the year	12,50,000	1,25,00,000	1,50,000	15,00,000
At the end of the year	14,10,000	1,41,00,000	1,60,000	16,00,000

b) Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion to their shareholding.

c) Equity shares held by holding company

	As at 31st March 2016		As at 31st March 2015	
	Nos	Rupees	Nos	Rupees
Inox Leisure Limited - holding company w.e.f. 24th November, 2014	14,00,000	1,40,00,000	1,50,000	15,00,000

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	Nos	% of holding	Nos	% of holding
Inox Leisure Limited	14,00,000	99.29%	1,50,000	93.75%



Shouri Properties Private Limited

Notes to financial statements for the year ended 31st March 2016

(Amounts in Rs.)

5 : Reserves & surplus

	As at 31st March 2016	As at 31st March 2015
Deficit in statement of profit and loss		
Opening balance	(56,93,283)	(35,05,583)
Add: Loss for the year	(14,51,277)	(21,87,700)
Balance as at the end of the year	(71,44,560)	(56,93,283)
	<u>(71,44,560)</u>	<u>(56,93,283)</u>

6 : Other Long-term liabilities

Security deposit	79,07,400	79,07,400
	<u>79,07,400</u>	<u>79,07,400</u>

Note: The security deposit is received from Inox Leisure Limited which has become the holding company w.e.f. 24th November, 2014

7 : Short term borrowings

Inter Corporate Deposit (unsecured)	-	59,85,280
	<u>-</u>	<u>59,85,280</u>

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

8 : Trade payables

Others	50,78,006	29,99,845
	<u>50,78,006</u>	<u>29,99,845</u>

There is no amount due to "Micro, Small and Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. Further no interest is paid/payable in terms of section 16 of the said Act.



Shouri Properties Private Limited

Notes to financial statements for the year ended 31st March 2016

(Amounts in Rs.)

9 : Other current liabilities

	As at 31st March 2016	As at 31st March 2015
Interest accrued and due on borrowings	-	54,10,873
Statutory dues and Taxes payable	98,836	9,04,322
	<u>98,836</u>	<u>63,15,195</u>

10 : Long-term loans and advances (unsecured, considered good)

Security deposit	79,07,400	79,07,400
Service tax - disputed amount paid	22,06,924	22,06,924
Income-tax deducted at source	68,56,371	44,32,965
	<u>1,69,70,695</u>	<u>1,45,47,289</u>

Note: Service tax - disputed amount paid is in respect of service tax on renting of immovable properties. The same is recoverable, either from the Government authorities or the lessee.

11 : Cash & bank balances

Cash and Cash equivalents

Balances with Bank in

- Current account	73,179	2,87,408
Cheques on hand	14,14,713	29,72,153
Cash on hand	11,455	11,455
	<u>14,99,347</u>	<u>32,71,016</u>

12 : Short-term loans & advances

Balance in Service-tax credit account	8,15,413	7,12,314
Prepaid expenses	7,54,227	5,83,818
	<u>15,69,640</u>	<u>12,96,132</u>



Shouri Properties Private Limited

Notes to financial statements for the year ended 31st March 2016

(Amounts in Rs.)

13 : Revenue from operations

2015-2016

2014-2015

Sale of service:

Conducting fees received

3,54,69,031

4,05,01,806

3,54,69,031

4,05,01,806

14 : Other income

Interest received on

- bank fixed deposit

-

36,27,807

- Income tax refund

-

3,81,078

Liabilities written back

-

28,087

-

40,36,972

15 : Finance costs

Interest on borrowings

8,01,790

60,12,081

8,01,790

60,12,081

16 : Other Expenses

Rates and taxes

2,500

2,500

Bank guarantee charges

7,35,904

4,69,529

Legal and professional fees and expenses

1,49,300

1,31,500

Miscellaneous expenses

1,22,359

11,640

10,10,063

6,15,169



Shouri Properties Private LimitedNotes to the financial statements for the year ended 31st March 2016**17 Related party disclosures****(A) List of related parties****(i) Where Control Exists**

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

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

- a. Kalpataru Retail Ventures Private Limited – an enterprise over which major shareholders of the Company are able to exercise significant influence (classified as a 'related party' upto 23rd November, 2014)

(B) Transaction with the related parties

(Amounts in Rs.)

Particulars of transactions during the year	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Inox Leisure Limited (ILL)		
a) Transactions during the year		
Conducting fees received	3,54,69,031	1,07,44,077
Shares allotted	1,25,00,000	15,00,000
Counter-guarantee given for bank guarantee taken by the Company	3,36,69,004	7,51,89,884
b) Outstanding as at the end of the year – Deposit Received	79,07,400	79,07,400
Counter-guarantee given by ILL	10,88,58,891	7,51,89,884
Note: For the year ended 31 st March 2015, transactions w.e.f. 24 th November, 2014 are considered		
Kalpataru Retail Ventures Private Limited		
a) Transactions during the year		
License fee paid for premises	N.A.	2,94,42,607
b) Amounts outstanding as at the end of the year – Trade payables	N.A.	N.A.
Note: For the year ended 31 st March 2015, transactions upto 23 rd November, 2014 are considered		

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



Shouri Properties Private LimitedNotes to the financial statements for the year ended 31st March 2016**18 Particulars of remuneration to auditors**

(Amounts in Rs.)

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Statutory audit fees	25,000	25,000
Tax audit fees	25,000	25,000
Certification fees	10,000	-
Total	60,000	50,000

Note: The above amounts are exclusive of service tax.

19 Commitments

The Company holds a license to operate a multiplex cinema theatre which is eligible for exemption from payment of entertainment tax, subject to fulfilment of the terms and conditions of the State Government Policy. The amount of Entertainment Tax exemption availed so far under the said license, which is liable to be paid if the multiplex ceases operations prior to completing the minimum period of operations in terms of the policy – Rs.13,12,33,644/- (previous year Rs.11,03,75,514/-).

20 Segment information

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

21 Disclosure pursuant to Accounting Standard AS-19 for Leases

The Company has taken a multiplex cinema theatre on operating lease. As per the leave and license agreement, the license fee comprises of fixed license fee and variable license fee which is computed on the basis of annual net sales/turnover of the multiplex. The agreement is for a period of 5 years with a renewal clause. The amount of license fee of Rs.3,51,08,455/- is paid during the year (previous year Rs. 4,00,99,228/-) and charged as expenditure in the Statement of Profit and Loss.

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

(Amounts in Rs.)

Particulars	As at 31 st March 2016	As at 31 st March 2015
Not later than one year	1,88,23,572	1,63,68,318
Later than one year and not later than five years	8,09,41,368	7,81,17,799
Later than five years	18,22,14,564	20,38,61,573
Total	28,19,79,504	29,83,47,690

The above multiplex premises are sub leased on operating lease. As per the conducting agreement, the conducting fee comprises of fixed conducting fee and variable conducting fees which is computed on the basis of annual net sales/turnover of the multiplex. The agreement is



Shouri Properties Private Limited**Notes to the financial statements for the year ended 31st March 2016**

for a period of 18 years with a lock-in period of 10 years. The amount of license fee of Rs.3,54,69,031/- is received during the year (previous year Rs.4,05,01,806/-) and included in Note no.13 in the Statement of Profit and Loss.

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

(Amounts in Rs.)

Particulars	As at 31 st March 2016	As at 31 st March 2015
Not later than one year	1,88,23,572	1,63,68,318
Later than one year and not later than five years	8,09,41,368	7,81,17,799
Later than five years	18,22,14,564	20,38,61,573
Total	28,19,79,504	29,83,47,690

- 22 The Company is entitled to carry forward its business loss as per the provisions of the Income-tax Act, 1961 and consequently has a net deferred tax asset as on 31st March 2016. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized.

23 **Calculation of Earnings/(Loss) Per Share (EPS):**

Particulars	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Loss as per Statement of Profit and Loss (Rs.)	(14,51,278)	(21,87,700)
Number of shares outstanding at the beginning of the year	1,60,000	10,000
Number of shares allotted during the year	12,50,000	1,50,000
Number of shares outstanding at the end of the year	14,10,000	1,60,000
Weighted average number of equity shares used in computing earnings per shares (nos.)	6,85,956	62,603
Basic and diluted loss per share – nominal value Rs. 10/- per share (Rs.)	(2.12)	(34.95)

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

Sanjay Agrawal
Partner

Place: Mumbai
Dated : 25th April, 2016



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

Alok Jandon
Director

Place: Mumbai
Dated : 25th April, 2016

Upen Shah
Director