

**A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

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

As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, shares allotted to the ESOP Trust but not transferred to employees is required to be reduced from Share Capital and Reserves. Out of the 500,000 equity shares allotted to the ESOP Trust, 204,999 shares have been transferred to employees up to 31<sup>st</sup> 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 <sup>th</sup> January 2007 (First Grant)	244,120 shares
On 27 <sup>th</sup> October 2009 (Second Grant)	33,332 shares
On 12 <sup>th</sup> August 2013 (Third Grant)	33,156 shares

The vesting period for options granted under 1<sup>st</sup> & 2<sup>nd</sup> lot was between one to four years from the date of the grant. Option granted under 3<sup>rd</sup> lot is as per the terms of the Scheme of Amalgamation. As per the Scheme, the stock options granted by erstwhile Fame India Limited ("Fame") to its employees automatically stood cancelled. The Company has issued stock options to the eligible employees of Fame under the existing ESOP Scheme of the Company. These stock options were granted in the ratio of 5 options (each option being equal to one share) of Company for every 8 options (each option being equal to one share) held under ESOP of Fame. All options were exercisable within one year from the date of vesting. The compensation costs of stock options granted to employees were accounted by the Company using the intrinsic value method.

The summary of stock options is as under:

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

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

In respect of the options granted under the Employees' Stock Option Plan, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the accounting value of options is amortized over the vesting period. Consequently, 'Employee benefits expense' in note no 27 includes Rs. 1.36 lacs (previous year Rs. 14.33 lacs) being the amortization of employee compensation.

Had the Company adopted fair value method in respect of options granted, the employee compensation cost would have been higher by Rs. 0.97 lacs, profit before tax lower by Rs. 0.97 lacs and the basic and diluted earnings per share would have been lower less than Re. 0.01 each.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. – NOT APPLICABLE**

C. Details related to ESOS

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

(a) Date of shareholders’ approval	4 <sup>th</sup> January, 2007
(b) Total number of options approved under ESOS	5,00,000
(c) Vesting requirements	As determined by Compensation & Remuneration Committee from time to time
(d) Exercise price or pricing formula	Rs. 15
(e) Maximum term of options granted	4 Years
(f) Source of shares (primary, secondary or combination)	Primary
(g) Variation in terms of options	Not applicable

(ii) Method used to account for ESOS - Intrinsic or fair value.	Intrinsic value.
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(iii) Where the company opts for expensing of the options using the intrinsic value of the options the difference between the employee compensation cost (ECC) so computed and the ECC that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	<b>Difference in ECC:</b> The ECC would have been higher by ` 0.97 Lacs.  <b>Impact of the difference on the Profit:</b> Profit Before Tax would have been lower by ` 0.97 lacs.  <b>Impact on EPS:</b> EPS would have been lower by less than ` 0.01 each.
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(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	16579
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	16579
Number of options exercised during the year	16579
Number of shares arising as a result of exercise of options	16579
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	248,685
Number of options outstanding at the end of the year	Nil
Number of options exercisable at the end of the year	Nil

(v) Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.		Weighted  Average  Exercise  Price	Weighted  Average  Fair Value	
	Exercise price equals market price	Nil	Nil	

	Exercise price exceeds market price	Nil	Nil
	Exercise price is less than the market price	` 15	For options granted on 29 <sup>th</sup> January 2007 - ` 153.01 For options granted on 27 <sup>th</sup> October 2009 - ` 43.91 For options granted on 12 <sup>th</sup> August 2013 - ` 14.86

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - (a) senior managerial personnel; (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	a). Nil  b). Nil  c). Nil
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(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:  a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; b) the method used and the assumptions made to incorporate the effects of expected early exercise;	a) Not Applicable  b) Not Applicable
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c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	c) Not Applicable  d) Not Applicable
<b>Disclosures in respect of grants made in three years prior to IPO under each ESOS</b> (i) Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	Not Applicable.

**D. Details related to ESPS**

NOT APPLICABLE

**E. Details related to SAR**

NOT APPLICABLE

**F. Details related to GEBS / RBS**

NOT APPLICABLE

**G. Details related to Trust**

The following details, *inter alia*, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

**(i) General information on all schemes**

Sl. No.	Particulars	Details
1	Name of the Trust	Inox Leisure Limited - Employees' Welfare Trust
2	Details of the Trustee(s)	Mr. Pavan Jain Mr. Vivek Jain Mr. Siddharth Jain
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Rs. 44,25,015
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

**(ii) Brief details of transactions in shares by the Trust**

(a) Number of shares held at the beginning of the year;	311,580
(b) Number of shares acquired during the year through (i) primary issuance	Nil

(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	
(c) Number of shares transferred to the employees <del>/sold along with the purpose thereof;</del>	16,579 were transferred to the Employees as per ESOP Scheme.
(d) Number of shares held at the end of the year.	295,001

**(iii) In case of secondary acquisition of shares by the Trust**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Not applicable
Acquired during the year	Not applicable
Sold during the year	Not applicable
Transferred to the employees during the year	Not applicable
Held at the end of the year	Not applicable