

6th September, 2018

To,
The Secretary
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No C/1,
G Block, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400 051

Stock Code: 532706

Stock Code: INOXLEISUR

Dear Sirs,

Sub: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed herewith the Annual Report of INOX Leisure Limited for Financial Year 2017-18 as approved and adopted by the Members of the Company at the 19th Annual General Meeting ('AGM') of the Company held on Friday, 31st August, 2018 at 10.00 a.m. at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007.

The said Annual Report is also uploaded on the website of the Company.

We request you to kindly take the above on record.

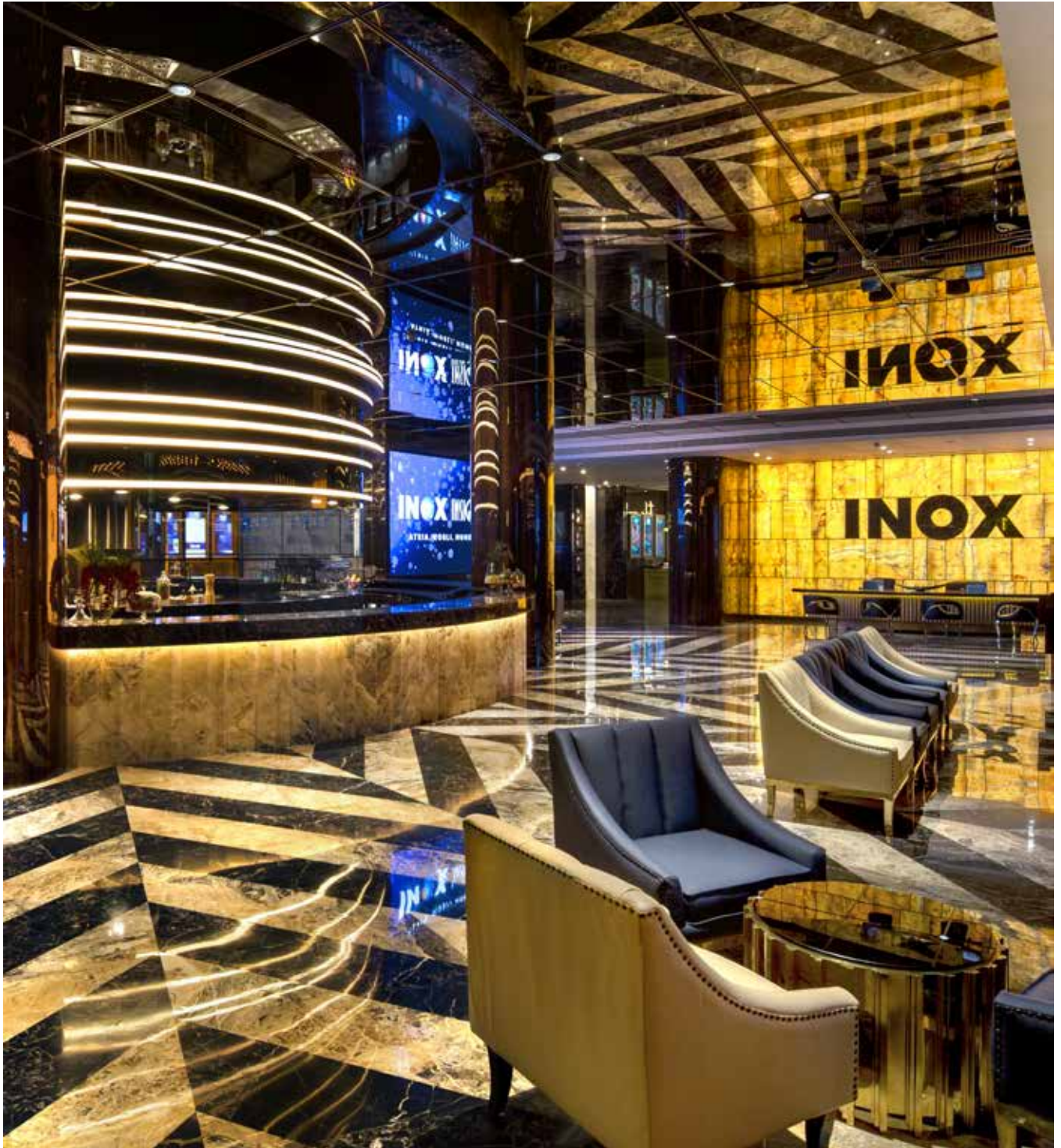
Yours faithfully,
For INOX Leisure Limited



Parthasarathy Iyengar
Company Secretary

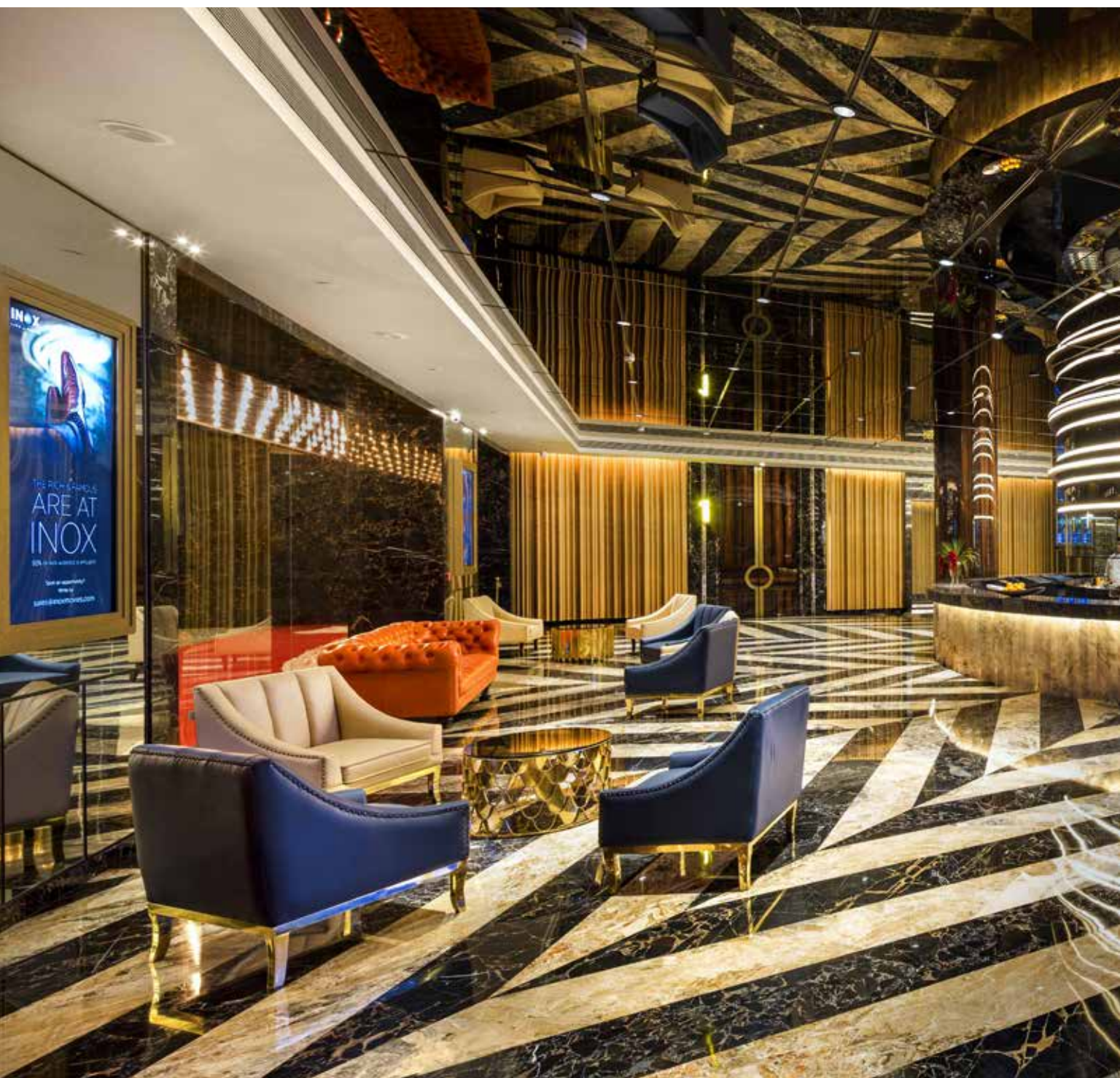
Encl: Annual Report 2017-2018





Cinemas. Redefined. Period.

Cinemas. Redefined. Period.





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Step Into The



STARLIGHT... with INOX

INNOVATION.

Innovation in film technology is at the forefront of INOX's mission to deliver a premium viewing experience.

INOX has redefined the way cinema is viewed in India with the best & the latest in technology.

Our premium multiplex properties, state-of-the-art technology, unmatched service and ambience, along with strong partnerships with leading brands gives us a competitive edge in the marketplace.

GROWTH.

INOX is one of the largest multiplex operators in India with 128 properties, 512 screens and 1,25,508 seats in 64 cities and 19 states as on date.

Over the last decade, INOX has aggressively scaled up its presence through organic and inorganic expansion. We expect the momentum to continue on the back of a strong content release pipeline. We have an encouraging outlook for capacity expansion, substantiated with signed agreements for new screens.

Working to add 12 properties with 59 screens and 10579 seats during FY2019. Our key focus during FY2019 will be to further improve all our revenue streams to ensure bottom-line improvement.

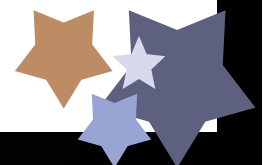
OPULENCE.

INOX has a 360° strategy to ensure our multiplexes are destinations of opulence.

The introduction of INOX's new signature experience- INSIGNIA has surpassed the expectations for a luxury film viewing experience.

At INOX, watching a movie will never be just that, but so much more.

With offerings like a Master Chef curated menu, Butler-on-Call service, interactive screens & new applications for mobile devices, etc., Sitting back on a Italian-leather recliner is just the cherry on top.



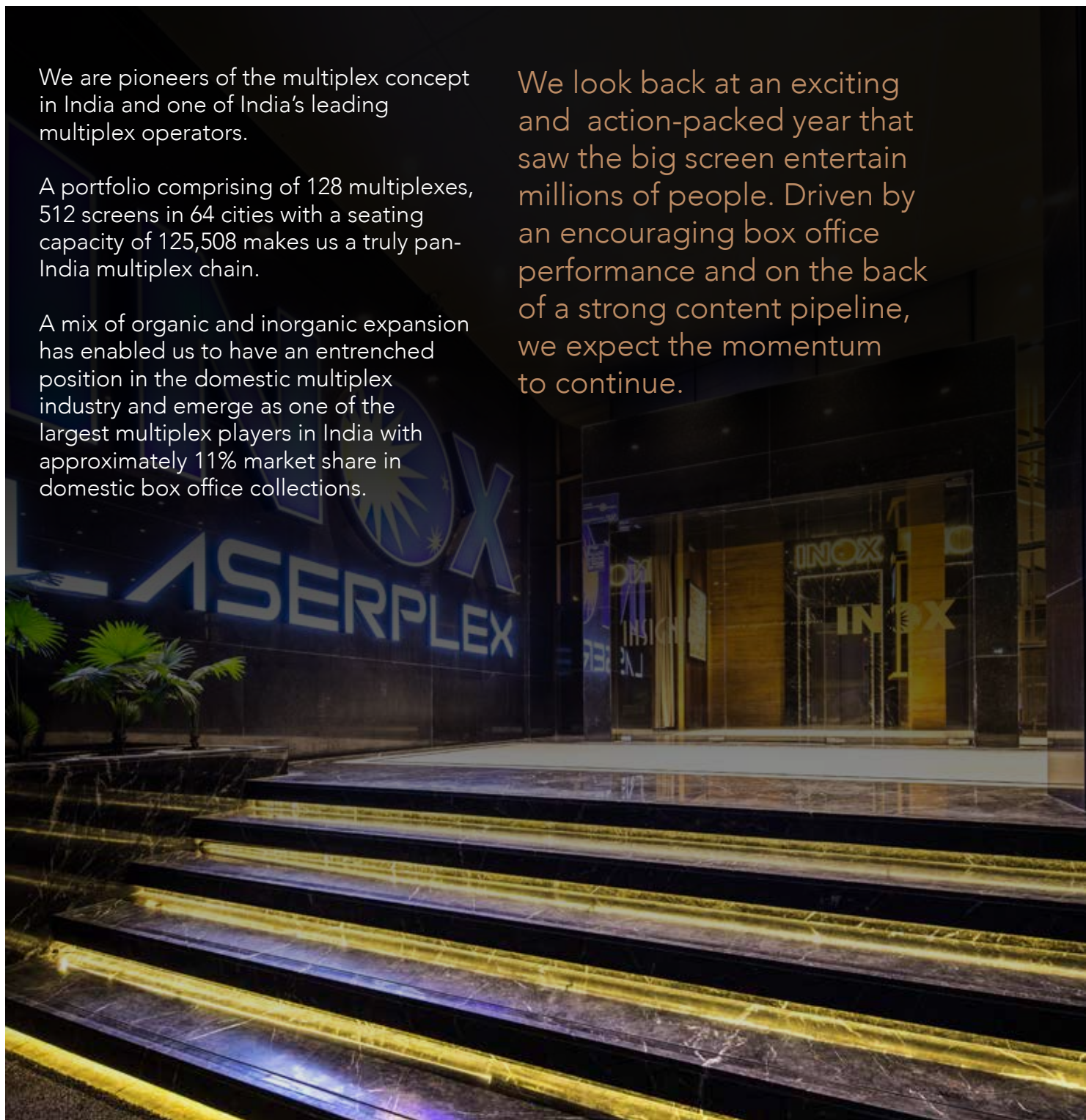
AT A GLANCE

We are pioneers of the multiplex concept in India and one of India's leading multiplex operators.

A portfolio comprising of 128 multiplexes, 512 screens in 64 cities with a seating capacity of 125,508 makes us a truly pan-India multiplex chain.

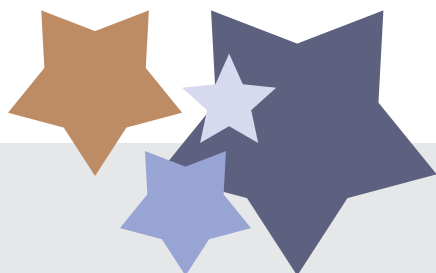
A mix of organic and inorganic expansion has enabled us to have an entrenched position in the domestic multiplex industry and emerge as one of the largest multiplex players in India with approximately 11% market share in domestic box office collections.

We look back at an exciting and action-packed year that saw the big screen entertain millions of people. Driven by an encouraging box office performance and on the back of a strong content pipeline, we expect the momentum to continue.



INOX Leisure – In a Nutshell

- ★ Strong management team belonging to a recognised and trusted group
- ★ Well diversified distribution of multiplexes across India
- ★ Premium multiplex properties, with state-of-the-art technology
- ★ Unmatched service and ambience
- ★ Access to wide variety of regional content
- ★ Strong partnerships with approximately 100 leading Indian and global brands



Our Service Levels

7 star experience with unmatched service and ambience



High level of hygiene



Curated and wide variety of F&B



Interactive & paperless ticketing



Interactive menus



Butler on Call



Kiddles: Fun zone for children



Plush ergonomic recliners with USB charging port and ample leg space



Consistently high service standards



₹ **25.5** Billion

Market Capitalisation
(As on March 31, 2018)
(Source: BSE Website)

₹ **114.6** Crs.

Profit After Tax

533 Lakhs


Number of Patrons in FY18

61 Cities

As of 31st Mar'18



INOX is one of India's largest multiplex chains in the cinema exhibition industry, with a wide presence and strong ability to deliver growth.



All our properties benefit from a strong management team, premium technology, and unmatched service and ambience.

₹ **1348.1** Crs.
Revenue from Operations

121,573
Seats
As of 31st Mar'18

123
Properties
As of 31st Mar'18

492 Screens
As of 31st Mar'18

19 States

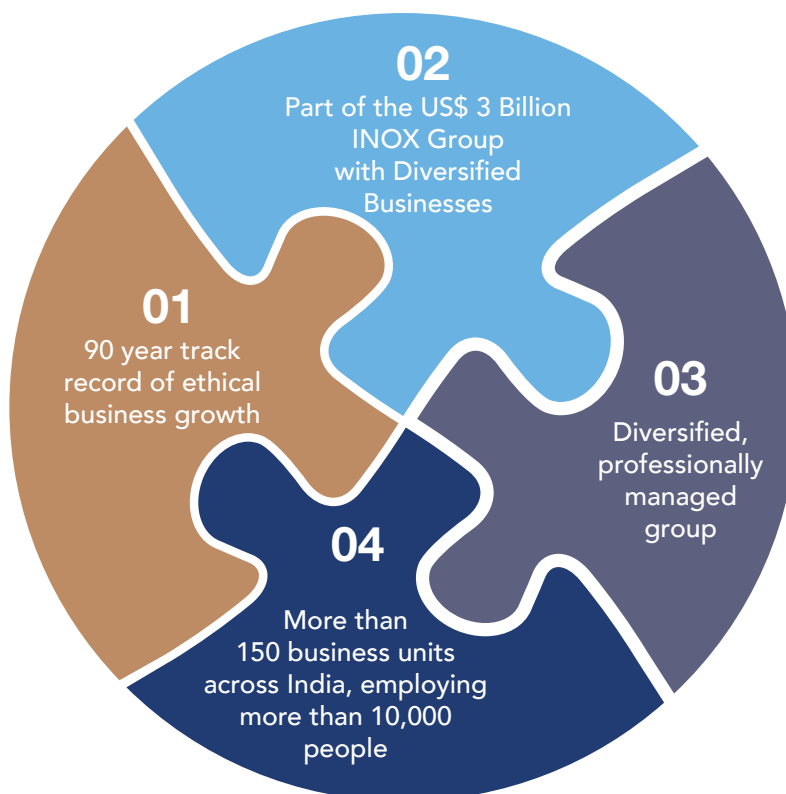
OUR PRIDE OF PARENTAGE

We are a subsidiary of Gujarat Fluorochemicals Limited, a part of the US\$ 3 Billion INOX Group with a rich lineage of diversified and successful businesses.

The INOX Group is a family owned, professionally managed business group, with market leadership in diverse businesses including Industrial Gases, Engineering Plastics, Refrigerants, Chemicals, Cryogenic Engineering, Renewable Energy and Entertainment.

The Group includes three public-listed companies – Gujarat Fluorochemicals Limited, INOX Leisure Limited and INOX Wind Limited.

It employs more than 10,000 people at more than 150 business units in India and has a distribution network that is spread across more than 50 countries across the globe.



THE INOX GROUP COMPANIES

LISTED COMPANIES

GUJARAT FLUOROCHEMICALS LIMITED



- Largest producer of (by volume) chloromethane, refrigerants and Polytetrafluoroethylene in India

INOX LEISURE LIMITED



- One of the largest multiplex chain in India
- In the business of setting up, operating and managing a national chain of multiplexes under the brand name 'INOX'
- Present in 64 cities with 128 multiplexes and 512 screens

INOX WIND LIMITED



- Fully integrated player in the wind energy market
- State-of-the-art manufacturing plants near Ahmedabad (Gujarat), Una (Himachal Pradesh) and in Madhya Pradesh, which is one of the largest in Asia
- Ability to provide end-to-end turnkey solutions for wind farms

OTHER KEY COMPANIES

INOX AIR PRODUCTS LIMITED



- 50:50 joint venture with Air Products Inc., USA
- Largest producer of industrial gases in India
- 40 plants spread throughout the country

INOX INDIA PRIVATE LIMITED

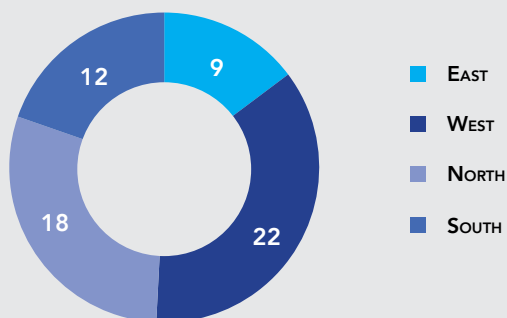


- Largest producer of cryogenic liquid storage and transport tanks in India
- Offers comprehensive solutions in cryogenic storage, vaporization and distribution engineering
- Has operations in India, USA, Netherlands and Brazil

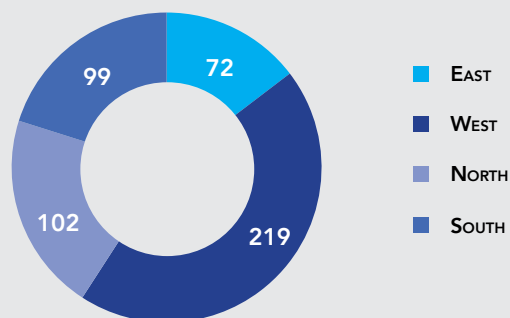
OUR OPERATING METRICS

AS ON FY18

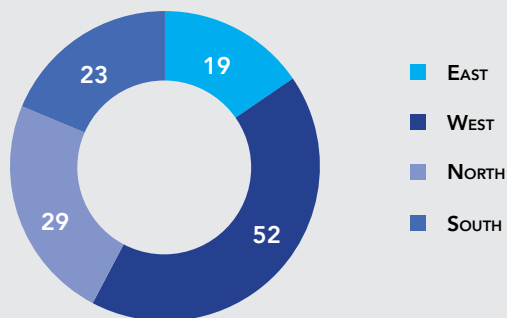
61 Cities



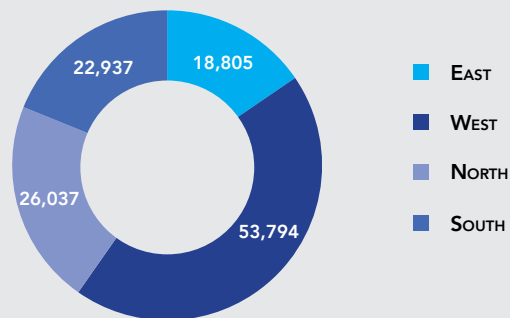
492 Screens



123 Properties

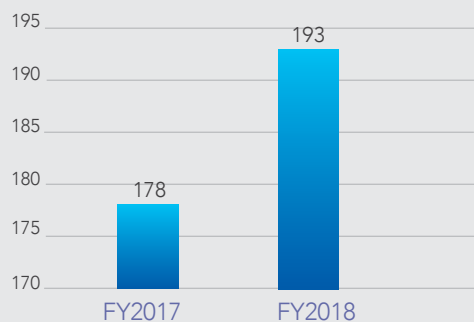


121,573 Seats



Average Ticket Price (₹)

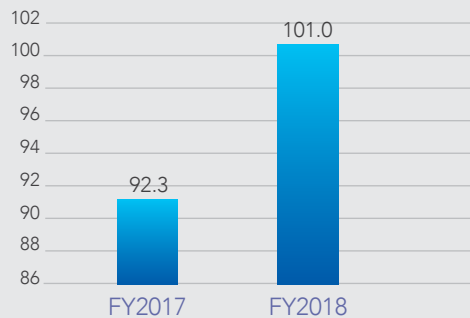
Up **8.2%**



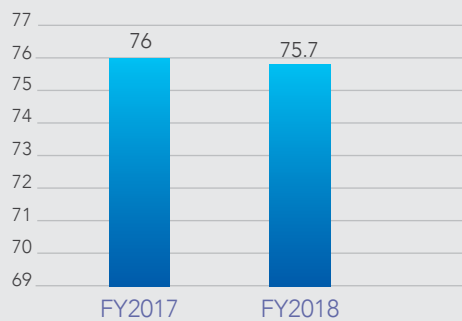
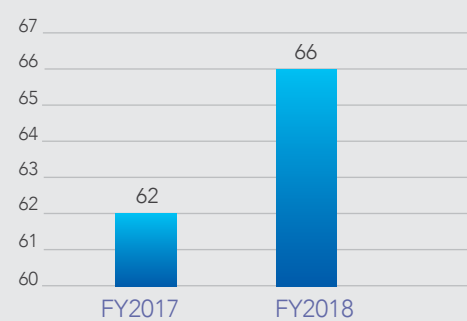
Over FY18, our average ticket price increased by 8.2%, advertisement revenue increased by 44.4%, and other operating revenues increased by 9.4%.

Other Operating Revenue

(₹ Crores)

Up **9.4%****Advertisement Revenue**

(₹ Crores)

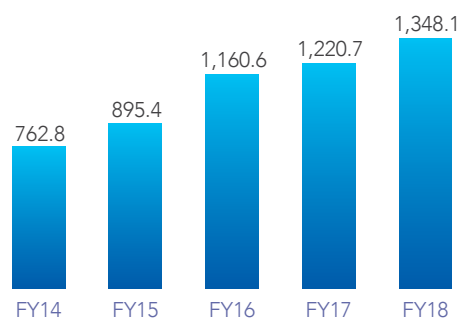
Up **44.4%****Food & Beverages Net Contribution to Revenue (%)****Spend Per Head (₹)**Up **7.3%**

OUR REPORT CARD

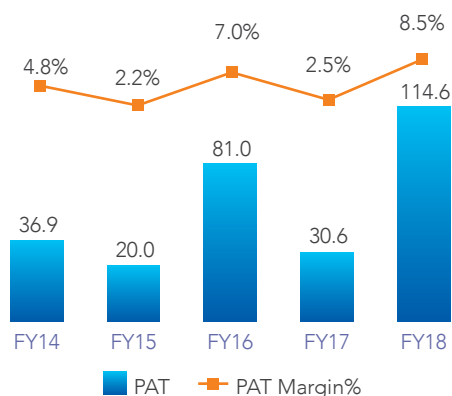
Our growth in high quality cinema properties and emphasis on excellent customer service are the key factors that have propelled positive operating results for us over a long term. Our standing as one of the leading multiplex players in the country is backed by high quality revenues, excellent operational delivery standards and an encouraging content pipeline.

Financial Highlights:

Revenue (₹ Crores)

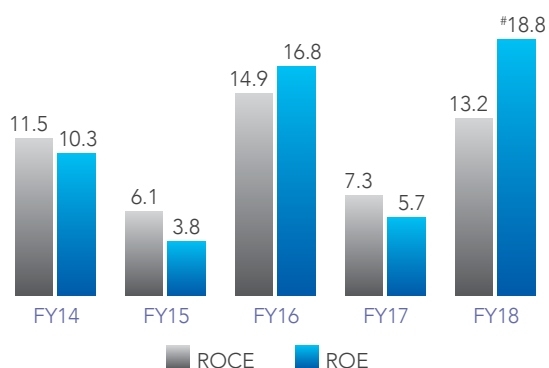


PAT and PAT Margins (₹ Crores)



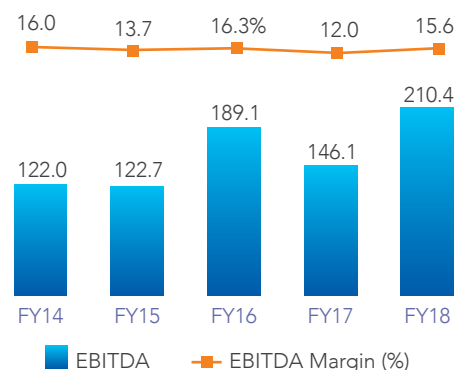
The focus has been on consistent and profitable growth as well as effective execution of strategy. This has led to delivering a sustainable financial performance, while navigating a challenging business environment over the year.

Return Metrics (%)



includes Tax write back pertaining to earlier years of ~₹ 54crs

EBITDA (₹ Crores) and EBITDA Margin (%)

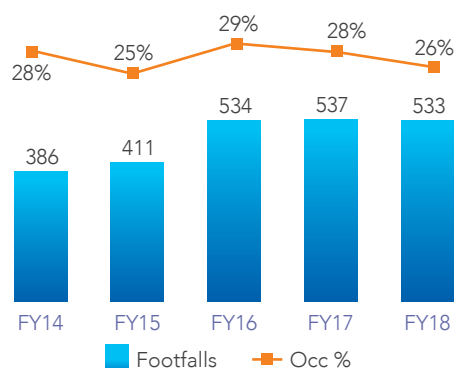


OUR REPORT CARD

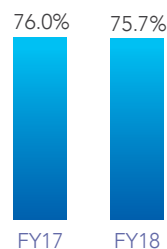
Operational Highlights:

Footfalls and Occupancy Rate

CAGR 8%

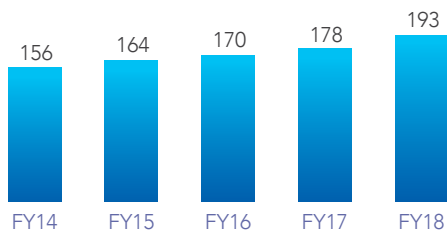


F&B Net Contribution (%)

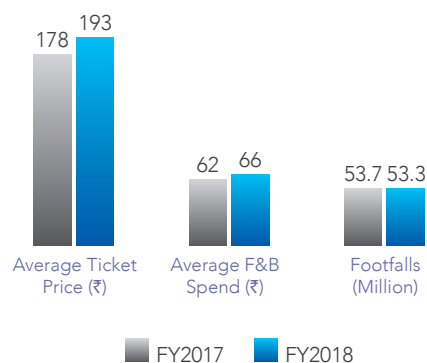


Average Ticket Price (₹) (ATP)

CAGR 5%

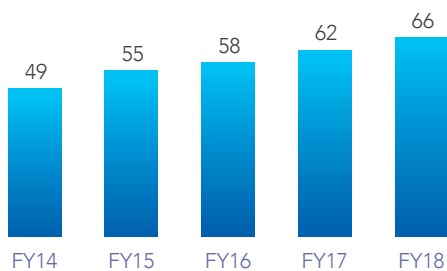


Operational Metrics

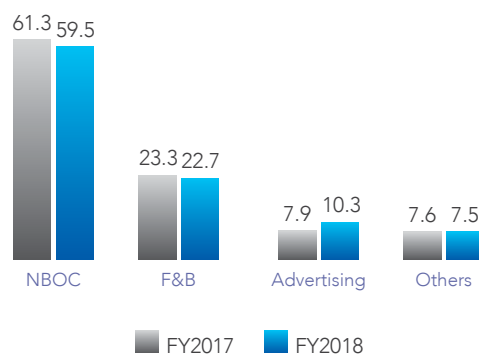


Spend Per Head (₹) (SPH)

CAGR 8%

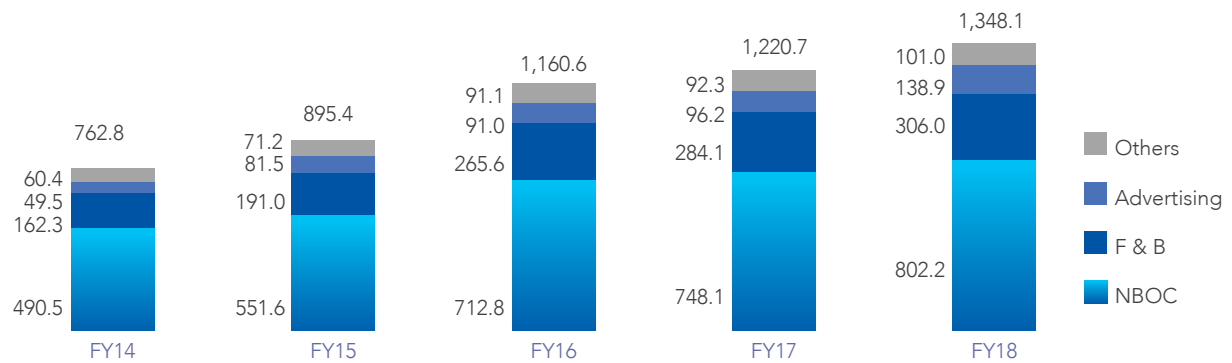


Revenues- Segment Breakup (%)



Segment-wise Revenues (₹ Crores)

CAGR **15%**



OUR PRESENCE ACROSS INDIA

AS ON FY18

19

States

61

Cities

123

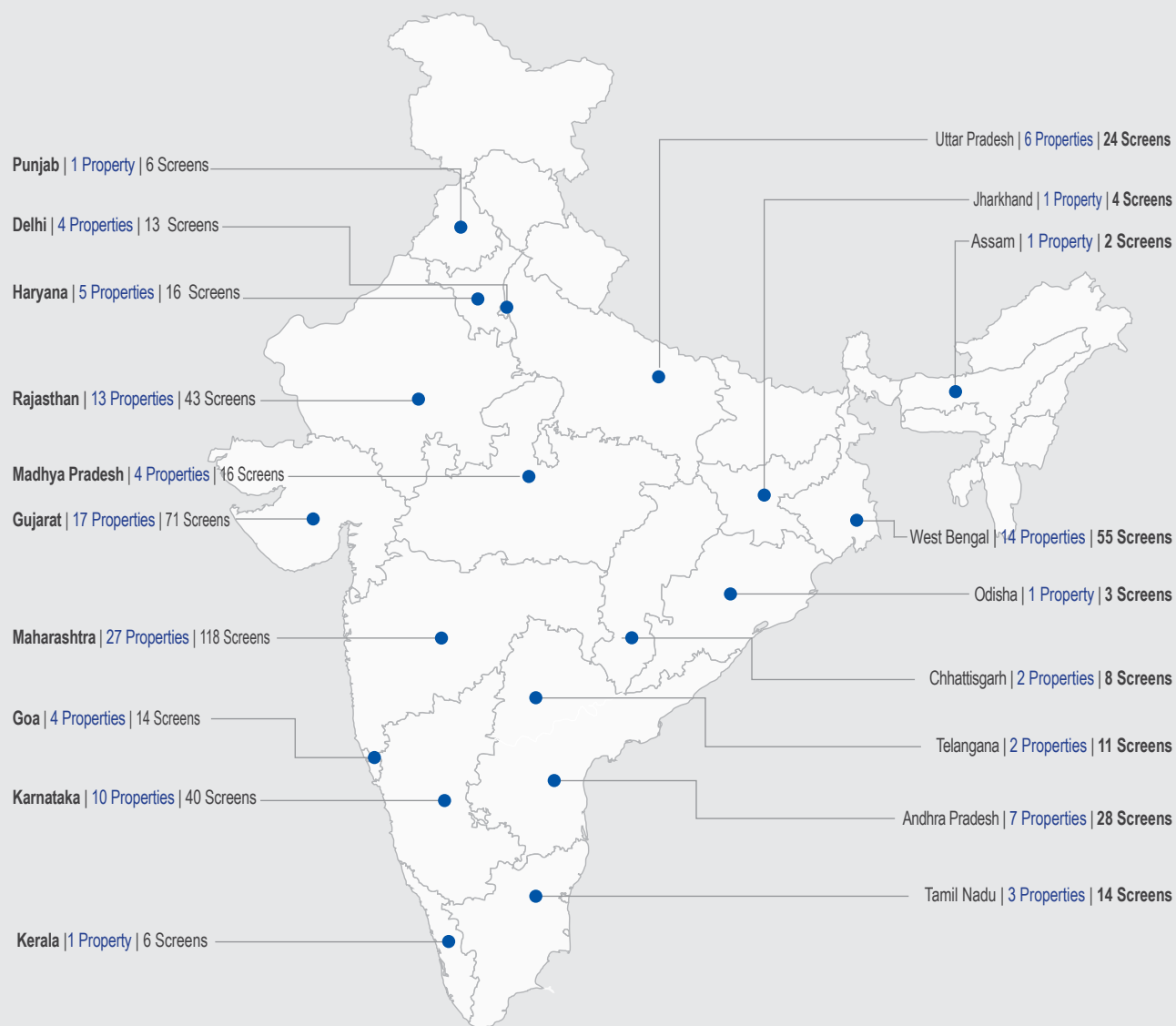
Properties

492

Screens

121,573

Seats



OUR BRAND PARTNERSHIPS

Automobiles	Media	FMCG	Consumer Durables	BFSI	Ecommerce & Telecom	Others



BOARD OF DIRECTORS



Mr. Pavan Jain
Chairman

Mr. Pavan Jain, Chairman of the INOX Group, is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 40 years of experience. With over 30 years of experience as the Managing Director of INOX Air

Products Private Limited, he has steered the company's growth from a single plant business to one of the leading domestic players in the Industrial Gases business. In addition, he has been instrumental in diversifying the INOX Group into various industries such as Refrigerant

Gases, Chemicals, Cryogenic Engineering, Entertainment and Renewable Energy.



Mr. Vivek Jain
Director

Mr. Vivek Jain has graduated in Economics from St. Stephens, New Delhi, and did his post-graduation in business administration from IIM, Ahmedabad, where he specialized in Finance. He

has over 35 years of business experience and is currently the Managing Director of Gujarat Fluorochemicals Limited.



Mr. Siddharth Jain
Director

Mr. Siddharth Jain earned a Bachelor's Degree in Mechanical Engineering at The University of Michigan, USA and an MBA from INSEAD, France. He is currently a Whole-Time Director of INOX Air Products Private Limited and also

holds Directorship in other Group Companies as well. He has over 16 years of experience in working with various Business Units across the Group.



Mr. Deepak Asher
Director

Mr. Deepak Asher, in addition to being a Commerce and Law graduate, is an eminent Chartered Accountant and Cost and Works Accountant with more than 32 years of rich experience in the field of strategic business planning,

formulation and implementation of various growth strategies as well as financial planning and management. He is a Director and Group Head (Corporate Finance) of the INOX Group of Companies, comprising of three listed companies and three international joint ventures. He has been instrumental in setting up various

businesses for the INOX Group including the cinema exhibition business, the renewable energy business and the path-breaking carbon credit business. He is a founder president of Multiplex Association of India and a member of the FICCI Entertainment Committee.



Mr. Haigreve Khaitan
Director

Mr. Haigreve Khaitan is a Senior Partner of Khaitan & Co, one of India's oldest, largest and most prestigious full service law firms. Mr. Haigreve Khaitan heads the Corporate/M&A and Private Equity practice at the

Firm. He advises companies, boards of directors and financial institutions on a wide range of corporate matters, including mergers and acquisitions, private equity investments, corporate governance, corporate restructuring and other corporate and securities laws matters. He has been involved in some

of the most high profile and complex public M&A and private equity transactions in India and is sought after for his expertise by some of the most prominent Indian promoters, Indian and international companies as well as some of the largest global funds investing in India.



Mr. Amit Jatia
Director

Mr. Amit Jatia has over 25 years of experience in the QSR industry. As Vice-Chairman of Westlife Development Ltd., he has been responsible for providing strategic leadership to the company on all aspects from operations to product development to brand building of McDonald's restaurants in western and southern India. He is the interface between

internal operations and external stakeholders. Mr. Amit Jatia has been vital in providing financial leadership and aligning business and finance strategy to grow the business of Westlife Development Ltd.

He has been recognised for his achievements with the 'Young Achievers Award', bestowed by the Indo-American Society in 2003, Business World's 'Most Respected Company' award for the

Food Sector in 2005, for the third consecutive year, as well as Images 'Retailer of the Year' award in 2004 and 2005.

He holds a B. Sc in Business Administration (Finance) from the University of Southern California. He has completed programmes on Management Control Systems at the Indian Institute of Management and on strategy, leadership and governance at Harvard Business School.



Mr. Kishore Biyani
Director

Mr. Kishore Biyani is the Chairman and Managing Director of Future Retail Limited and founder of Future Group. He is considered as a pioneer of modern retail in India. He has led the Group's foray into organized retail with the opening

of the Big Bazaar, FBB, Foodhall Central, Home Town and many other formats in fashion, food and homeware categories. His efforts also brought the evolution of the Group in the areas such as insurance, logistics, food processing, FMCG brands, among others. He has been regularly ranked among India's most

admired CEOs, he is the author of the book 'It Happened in India'. He has won numerous awards from government bodies and the private sector in India.



Ms. Girija Balakrishnan
Director

After graduating from the prestigious National Law School of India University in 1993, she joined Malvi Ranchoddas & Co. as an associate in November 1993 and became a partner of the Firm in April 2001. She is a member of the Bar Council of Karnataka.

She presently heads the corporate and commercial law practice at the firm. She specializes in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures

and Foreign Collaboration. She has advised clients across a spectrum of industries including Consulting Companies, Chemical Industry, Wholesale and Retail Companies, Gas Industry, Power sector, the Hotel Industry, the Advertisement Industry, Storage Tanks & Terminal Business, Computer Industry, Business Process Outsourcing sector, Real Estate Development sector, Insurance Sector etc. She also has immense experience in advising promoters of leading family owned business houses on restricting their businesses and in family settlement matters.

In her spare time, 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. Recently, she was an integral part of Fight for RERA (now Forum for People's Collective Efforts (FPCE) that actively campaigned for the adoption of the Real Estate (Regulation & Development) Act. She also advised and assisted FPCE in meeting the constitutional challenge to the Act.

LEADERSHIP TEAM



Mr. Alok Tandon
Chief Executive Officer

Mr. Alok Tandon is a Graduate in Mechanical Engineering with over 30 years of experience across Entertainment, Hospitality and Pharmaceutical industries. Mr. Tandon has been part of the start-up team of the Company and

has helped build and develop the Company since its inception. He played a very active role in all the three Merger & Acquisitions made by the Company viz. Calcutta Cine Pvt. Ltd. in 2007, Fame India Ltd, in 2010 and Satyam Cineplexes Ltd. in August 2014. Spearheading the Company's expansion and

consolidation, Mr. Tandon, has been successfully steering the growth momentum of INOX over the years and by being true to its motto of 'LIVE THE MOVIE'.



Ms. Daizy Lal Puri
Chief Operating Officer

Ms. Daizy Lal Puri comes with over 22 years of well-rounded experience in the field of Entertainment and Hospitality sector. She started her stint at INOX as VP- Operations Support in 2005 and moved up the ladder as the Chief Operating Officer in 2010.

She is responsible for the overall operations of the organization such as food and beverage, regular interaction with human resource department for human potential management, training/development, policy development, service levels – guest feedback and management feedback and employee morale also forms an important part of her profile.

Prior to her stint at INOX, Daizy was associated with Old World Hospitality Private Limited, E-City Entertainment (I) Pvt. Ltd., The Great Eastern Shipping Co. Ltd. and Hotel Taj Mahal. Daizy holds a Diploma in Hotel Management from National Council for Hotel Management and Catering Technology –Mumbai.



Mr. Kailash B. Gupta
Chief Financial Officer

Mr. Kailash B. Gupta has over 21 years of experience in Business Strategy, Commercials, Fund raising, Financial Planning & Analysis, Accounting, MIS, IFRS, Budgeting, Controlling, Treasury & Taxation functions & commercial negotiations. Prior to joining INOX, Mr. Gupta worked with Entertainment Network (India) Limited (ENIL) since 2011 as the Vice President where he

was heading the overall finance, accounting, controlling and taxation.

At INOX, he is responsible for Strategic Planning, Finance & Accounts, Legal & Compliances and Investor Relations. He led numerous initiatives including Planning, Investments / Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation.

Recently, he has been awarded as the best 'CFO in the Media & Entertainment sector' for Exceptional Performance & Achievements by The Institute of Chartered Accountants of India (ICAI) and has also been identified among the 'Top 20 CFOs' in India in the 12th Edition CFO Leadership Summit.



Mr. Muralikrishna Yammanuru
Chief People Officer

Mr. Muralikrishna Yammanuru has more than 26 years of experience in Hospitality, Entertainment, Aviation, Manufacturing Industries in the field of HR.

He has Master's degree in Human Resource from Mumbai University.

He joined INOX in 2005 as Vice President and got promoted as Chief People Officer in 2013. He has worked with companies

like Hyatt Regency, The Regent, Cambata Aviation Ltd, G Claridge Ltd and others before joining INOX



Mr. Jitender Verma
Chief Information Officer

Mr. Jitender Verma has over 22 years of experience across Media & Entertainment Industry. He leads Technology function with strategic responsibility of new product innovation/evaluation and operational responsibility of IT Service Management.

He holds a Bachelor's degree in Science from Delhi University, an MBA from Amity University, and various awards to his credit. Latest being 'CIO Of The Year'

at Images Retail Tech Awards 2017, 'Samsung Mobility Mavens Special Award' at CIO100 IDG Conference 2017, 'Best Mobile Technology Implementation Of The Year' at Images Retail Tech Awards 2017 and 'Best Technology Adopter Of The Year' at Big Cine Expo Awards 2017.

Mr. Jitender Verma has been instrumental in digital transformation at INOX and plays a vital role in introducing technology innovation to the business in the form of new and

enhanced IT services that enables the business to operate, engage and grow in B2C space.

Queue Buster, Serve-On-Seat, Paperless Check-in, Assisted and Non-Assisted Kiosks, Beacons Deployment, Laser Projection, High Efficiency 3D Systems, High Gain Projection Screens, Immersive Sound – ATMOS, DTSX are few initiatives under his leadership to enhance Customer Experience through latest Digital Sound, Projection, Mobile and In-store Technologies.



Mr. Rajender Singh Jyala
Chief Programming Officer

Mr. Rajender Singh Jyala has more than 23 years of experience in cinema exhibition and film distribution sector.

He has a Bachelor's degree in Commerce from Delhi University and a Diploma in Computer Applications from NIIT, New Delhi. He joined INOX in 2010 and held various positions in the company. He has worked with companies like UTV Software

Communications Ltd., Reliance MediaWorks etc. before joining INOX.



Mr. Shirish Handa
Chief Business Development Officer

A Management post-graduate with more than 22 years of experience across industries.

The scope of work over his tenure in the Cinema

Exhibition sector spans business strategy, expansions, pricing & promotional strategies, branding and e-commerce. The years preceding cinema were spent in advertising to create launch and sustenance for brands - especially in the Entertainment and Retail sectors.

Mr. Shirish Handa is currently leading rapid expansion for INOX Leisure Limited across India and is also developing new Cinema concepts for the ever-evolving consumer.



Mr. Saurabh Varma
Chief Marketing Officer

Mr. Saurabh Varma currently oversees Pan India marketing operations. He comes with 23 years of total work experience. He has adorned multiple hats such as Content Creation, Production, Film Marketing, Film Distribution, Film Programming, Content Acquisition, Cinema Management,

Movie Promotions, Strategy Development, Advertising, Corporate Communications, Event Management, Visual Merchandising, Merchandise Development and Promotion and many others. This is Mr. Saurabh Varma's second stint with INOX, in his previous stint he was the Head of Film Distribution and Programming. Prior to joining INOX, he was an entrepreneur and has directed feature films

such as '7 HOURS TO GO' (June 2016), 'MICKEY VIRUS' (Oct 2013) and Solid Patels (Unreleased). He also has written and directed digital short films, TV Shows and music videos. He was associated with Reliance Entertainment & PVR Cinemas as Head of Marketing in his past assignments.

INDIAN FILM EXHIBITION INDUSTRY & MULTIPLEX OPPORTUNITY

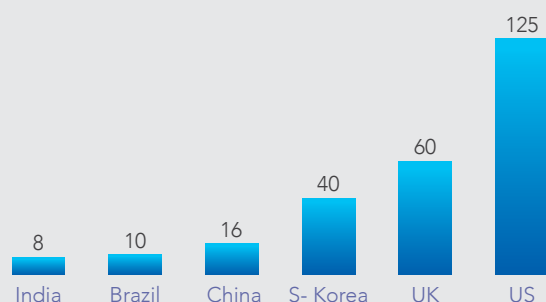
With the highest number of films produced, and second highest number of theatre footfalls, India still has one of the lowest screen density numbers in the world.¹ We, at INOX, believe there is significant head room for growth in the Indian multiplex industry

¹ FICCI & EY, "Re-imagining India's M&E Sector"



India has one of the lowest number of screens per capita when compared to other developed markets such as China and USA. Standing out as a highly under-penetrated market, the opportunity for film exhibition companies to fix the limited screen is immense.

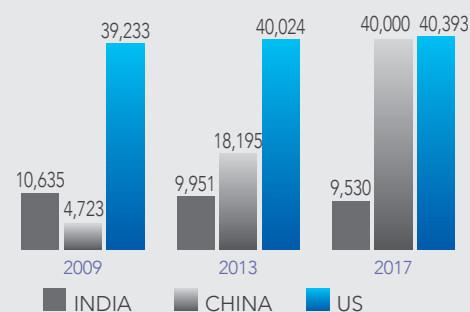
Screens per million of population



Source: Crisil Report

India has only eight screens per million of population despite producing the most number of movies in a year while China almost has double. However, as the number of single screens in India decrease, they are being replaced by an increasing number of Multiplexes. In 2017², although multiplexes only accounted to 29% of screen market-share, they contributed to more than 50% box office collections of domestic theatricals. This helps outline the significant head room for growth in the Indian multiplex industry.

Screen-count in China, USA & India



Source: FICCI & EY, "Re-imagining India's M&E Sector" Pg. 81, March 2018

INDIAN FILM EXHIBITION INDUSTRY & MULTIPLEX OPPORTUNITY



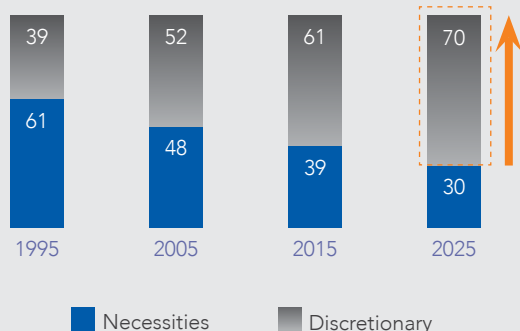
India currently has one the youngest demographics for a country of its size.

This is the demography that agrees to spend money on services that offer value for money. As more number of people enter the working age group, we expect incomes to increase, improving the discretionary spending capability of individuals and households. It also leads to greater footfalls and greater spending power.

The Middle & Affluent Class is estimated to grow from approximately 280 million in 2015 to 600 million in 2025.

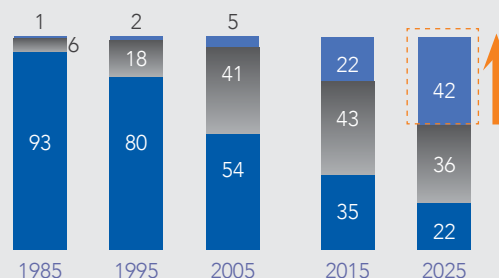
We believe it is this cohort which forms the core of the market that will be consumers of multiplex industry. Additionally, it is expected that as much as 70% of household income will be spent on discretionary spending in 2025, further improving the Indian population's ability to use our multiplexes.

% Share of Average Annual Household Consumption



Source: McKinsey – Tracking the growth of India's Middle Class - 2017

% Share of Population by Income Bracket



Base on Annual Household Income

- Lower Class: < Rs.90,000
- Lower Middle Class: Rs. 90,000 to Rs. 1999,999
- Middle & Affluent Class: > Rs. 200,000

Legend: ■ Lower Class ■ Lower Middle Class ■ Middle & Affluent Class

Source: McKinsey – Tracking the growth of India's Middle Class - 2017

Diversified content will improve occupancy rates.

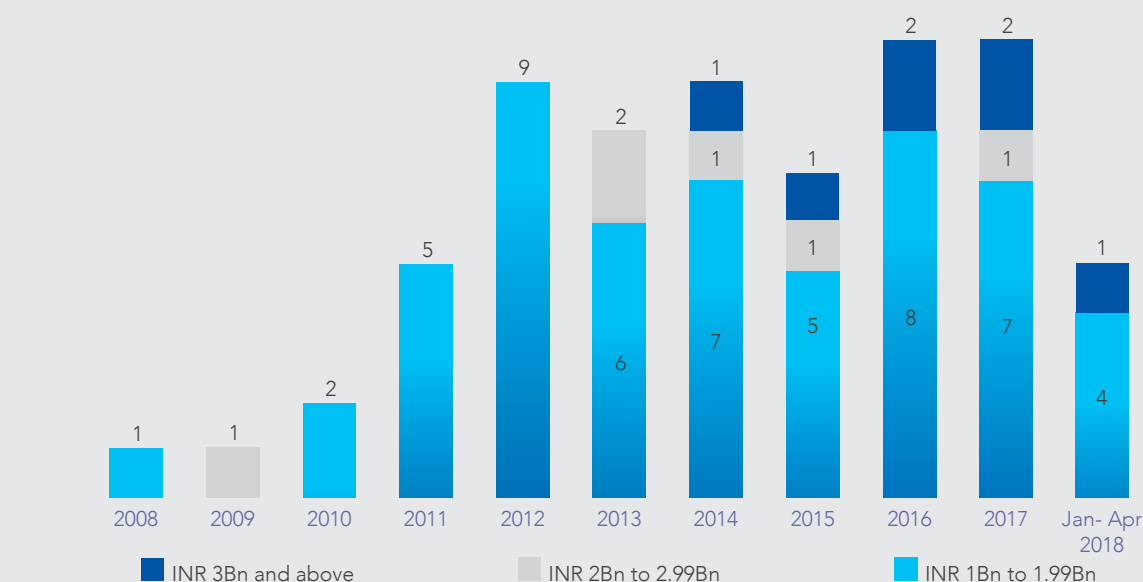
As is widely understood in the industry, good content drives people to the theatres.

India produces the most number of movies in the World per annum. However, this is a misleading notion. Unlike in other countries, this number is an aggregation of movies made in different languages. Thus, while Hindi movies may find an audience in non-Hindi speaking areas in India, a Telugu or a Tamil movie's appeal is restricted to film patrons from that particular language group. To increase the accessibility of all movies there have been attempts made at dubbing some regional movies into English and Hindi with some notable successes. The biggest

grosser for the year was Bahubali 2, a Telugu film that sold 52.5 million tickets at the box office for its Hindi language release⁶.

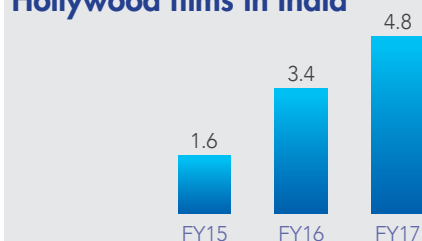
Typically, the revenues for multiplexes have been driven by Bollywood movies. In 2017, the top 50 films contributed to approximately 97.75% of the total net box office collections of Bollywood movies, a growth of 11.6% from 2016. Continuing on this trend, Indian multiplexes benefit from these blockbuster releases, and increasing the number of screens will increase average footfalls and consumer spends.

Higher Number Of INR 1 Bn + Movies



Source: Industry

Box office collection of top 10 Hollywood films in India



Net collection in ₹ Billion

Source: "Box Office Collections", February 2018, www.bollywoodhungama.com

Additionally, over the past few years, Bollywood content has further diversified with the increase of Hollywood and regional movies revenue share. With four or five screens at each property, the exhibitors are able to mix and match the needs of the audience based on demand.



⁶ FICCI & EY, "Re-imagining India's M&E Sector"

PERFECTING LUXURY & TECHNOLOGY: INOX'S COMPLETE FILM VIEWING EXPERIENCE

At INOX, delivering an all-encompassing, world-class film experience is at the core of our business strategy, helping us strengthen our position as the premiere movie chain.



INOX has opened 27 INSIGNIA screens. Additionally, we introduced our first IMAX screen in R-City Mall Mumbai followed by Mantri Mall, Bengaluru; Inorbit Mall, Mumbai; and South City Mall, Kolkata.

Pioneering the industry trend, INOX is at the forefront introducing more opulence, comfort and technology into the film viewing experience. With a 360° approach, we offer our customers the ease of booking, a pleasant ambience, curated F&B offerings, and an overall luxurious cinema viewing experience. Never complacent, we are constantly ideating new audience engagement strategies with an over-arching objective to always create a new "wow-factor" for our patrons.

INOX INSIGNIA: A 7-star movie experience

INOX believes that the perfect Multiplex experience is made through an optimal combination of the latest technology and utmost comfort. The introduction of India's first ever Laserplex (in INOX, Nehru Place, Delhi) does just that.

Checking All The Boxes... With Technology...

These theatres are fitted with the latest technology, including Laser projection format with 300% enhanced picture quality; best of surround sound with Dolby Atmos; Volfoni smart crystal diamond solutions, with the brightest 3D screens bringing movies to life like never before.

and Beyond.

Apart from the latest technology, these theatres exude exclusivity and opulence. With plush, ergonomic recliners crafted in Italian stitch-art leather, micro-adjustable headrests and touch-screen panel controls; an array of plated gourmet food, specially curated by celebrity chef Vicky Ratnani; friendly and stylish staff that provide impeccable service to guests in uniforms exclusively crafted by celebrity designer Arjun Khanna; and a dedicated, in-theatre butler-on-call service, we have created the ultimate environment that goes beyond "just watching a film".



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pavan Jain
Chairman

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

KEY MANAGERIAL PERSONNEL

CHIEF EXECUTIVE OFFICER
Mr. Alok Tandon

CHIEF FINANCIAL OFFICER
Mr. Kailash B. Gupta

COMPANY SECRETARY
Mr. Parthasarathy Iyengar

AUDITORS

M/s. Kulkarni and Company
Chartered Accountants
Firm Reg.No. 140959W
Plot No. 9, Anand Baug,
Co-Op. Hsg. Society. 999,
Navi Peth, 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 of Directors for Operations

Mr. Pavan Jain, Chairman
Mr. Siddharth 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. Siddharth Jain, Member

Stakeholders' Relationship Committee

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

Corporate Social Responsibility (CSR) Committee

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

Business Responsibility Report Committee

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

NOTICE

INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)

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

Telephone: 0265 6198111 | Fax: 0265 2310312

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

Notice is hereby given to the Members of INOX Leisure Limited that the Nineteenth ANNUAL GENERAL MEETING of the Company will be held on Friday, 31st August, 2018 at 10.00 a.m. at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 on to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements.

To consider and adopt

- a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018, 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, 2018 and the report of the Auditors thereon.

2. Re-appointment of Mr. Vivek Jain as a Director of the Company.

To appoint a Director in place of Mr. Vivek Jain (DIN: 00029968), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. To consider and approve re-appointment of Mr. Haigreve Khaitan (DIN: 00005290) as an Independent Director for a period of 5 consecutive years from 1st April, 2019 to 31st March, 2024.

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) 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 Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Haigreve Khaitan (DIN: 00005290) who was appointed as an Independent Director of the Company and who holds office of Independent Director upto March 31, 2019 and being eligible for re-appointment, and whose re-appointment is approved by the Board based on the recommendation of the Compensation, Nomination and Remuneration Committee, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five (5) consecutive years on the Board of the Company from 1st April 2019 upto 31st March, 2024.”

4. To consider and approve re-appointment of Mr. Amit Jatia (DIN: 00016871) as an Independent Director for a period of 5 consecutive years from 1st April, 2019 to 31st March, 2024.

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) 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 Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Amit Jatia (DIN: 00016871) who was appointed as an Independent Director of the Company and who holds office of Independent Director up to March 31, 2019, and being eligible for re-appointment, and whose re-appointment is approved by the Board based on the recommendation of the Compensation, Nomination and Remuneration Committee be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five (5) consecutive years on the Board of the Company from 1st April 2019 upto 31st March, 2024.”

5. To consider and approve re-appointment of Mr. Kishore Biyani (DIN: 00005740) as an Independent Director for a period of 5 consecutive years from 1st April, 2019 to 31st March, 2024.

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") 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 Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kishore Biyani (DIN: 00005740) who was appointed as an Independent Director of the Company and who holds office of Independent Director up to March 31, 2019, and being eligible for re-appointment, and whose re-appointment is approved by the Board based on the recommendation of the Compensation, Nomination and Remuneration Committee be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five (5) consecutive years on the Board of the Company from 1st April 2019 upto 31st March, 2024."

6. To approve payment of Remuneration to Non-executive Directors of the Company.

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

"RESOLVED THAT pursuant to provisions of Section 197 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or any re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to pay a remuneration upto a sum not exceeding one percent per annum of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 to the Non-executive Directors of the Company and that the Compensation, Nomination & Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to finalise and decide on payment of such remuneration either to any of the Non-executive Directors or all of the Non-executive Directors of the Company subject to the overall ceiling of one percent of the Net Profits of the Company for a period of five Financial Years commencing from Financial Year 2018-19.

RESOLVED FURTHER THAT the above remuneration shall be in addition to the Sitting fees payable to the director(s) for attending the meetings of the Board or any Committee thereof as may be decided by the Board of Directors and reimbursement of expenses for participation in such Board and Committee meetings.

By Order of the Board of Directors
For INOX Leisure Limited

Place: Mumbai
Date: 24th July, 2018

Parthasarathy Iyengar
Company Secretary

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 carrying voting rights. 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 a proxy and such person shall not act as a 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 Nos. 3 to 6 hereinabove is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25th August, 2018 to Friday, 31st August, 2018 (both days inclusive).
5. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 28th September, 2017.
6. SEBI vide Notification dated 8th June, 2018 amended the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 to state that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the above and to avail various benefits of dematerialisation, the Members are advised to dematerialise the shares held by them in physical form.
7. Information as required to be provided under the Secretarial Standard – 2 / Regulation 26(4) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of Director being re-appointed is annexed hereto.
8. 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 Report for Financial Year 2017- 2018 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.
9. 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 and Regulation 44 of the Listing Regulations, 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 Friday, 24th August, 2018.

The instructions for shareholders voting electronically are as under:

In case of Members receiving e-mail:

- (i) The voting period begins on Tuesday, 28th August, 2018 at 09:00 a.m. and ends on Thursday, 30th August, 2018 at 5:00 p.m. During this period the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 24th August, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.
- (iii) The Members should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) 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.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both 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).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual Shareholders (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 emailed 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 linked in the login should be emailed 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.
- (xxi) 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.
- A. 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 Friday, 24th August, 2018. For all others who are not holding shares as on Friday, 24th August, 2018 and receive the Annual Report of the Company, the same is for their information.
 - B. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
 - C. M/s. Samdani Shah & Kabra, (erstwhile Samdani Shah & Associates), Practicing Company Secretaries have been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
 - D. The Scrutinizer shall, immediately after the conclusion of voting at the 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.
 - E. 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 communicated to the BSE Limited and National Stock Exchange of India Limited.
- (xxii) Member may address their grievances connected with the e-voting to Mr. Parthasarathy Iyengar, Company Secretary, 5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093, Email ID – parthasarathy.iyengar@inoxmovies.com, Phone Number – 022 40626900.
10. 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.
 11. 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.
 12. Members / Proxies are requested to bring their filled in Attendance Slip and their copy of Annual Report to the Meeting.
 13. 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.
 14. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.
 15. 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 the Annual General 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.
 16. 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.

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO. 3 TO 6 OF THE NOTICE

Item Nos. 3 to 5:

Mr. Haigreave Khaitan (DIN:00005290), Mr. Amit Jatia (DIN: 00016871) and Mr. Kishore Biyani (DIN: 00005740) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to 31st March, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Compensation, Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of highly satisfactory performance evaluation of Independent Directors, has recommended re-appointment of Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Compensation, Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani are independent of the management. Further, the appointees are not debarred from holding the office of Director pursuant to any SEBI Order.

Copy of draft letters of appointment of Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani are interested in the resolutions set out respectively at Item Nos. 3 to 5 of the Notice with regard to their respective re-appointments. The relatives of Mr. Haigreave Khaitan, Mr. Amit Jatia and Mr. Kishore Biyani may be deemed to be interested in the respective resolutions 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 these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolutions set out at Item Nos. 3 to 5 of the Notice for approval by the Members.

A brief profile and additional information as required to be provided pursuant to the requirements of Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings (SS-2), in respect of the all the Directors, is provided in the Annexure to this Notice and forms part of the Statement.

Information as required pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment / revision in remuneration at the Annual General Meeting.

Name of the Director	Mr. Vivek Jain	Mr. Haigreave Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani
Item No	Item No. 2	Item No. 3	Item No. 4	Item No. 5
Brief Resume	Mr. Vivek Jain has over 35 years of business experience. He graduated in Economics from St. Stephens, New Delhi, and did his post-graduation in business administration from IIM, Ahmedabad, where he specialized in Finance. He is currently the Managing Director of Gujarat Fluorochemicals Limited and has grown the Company to be the country's largest manufacturer and exporter of refrigerant gases.	Mr. Haigreave Khaitan is a Senior Partner of Khaitan & Co, one of India's oldest, largest and most prestigious full service law firms. Haigreave heads the Corporate/M&A and Private Equity practice at the Firm. He advises companies, boards of directors and financial institutions on a wide range of corporate matters, including mergers and acquisitions, private equity investments, corporate governance, corporate restructuring and other corporate and securities laws matters. He has been involved in some of the most high profile and complex public M&A and private equity transactions in India and is sought after for his expertise by some of the most prominent Indian promoters, Indian and international companies as well as some of the largest global funds investing in India.	Mr. Amit Jatia has over 25 years of experience in the QSR industry. As Vice-Chairman of Westlife Development Ltd., he has been responsible for providing strategic leadership to the company on all aspects from operations to product development to brand building of McDonald's restaurants in western and southern India. He is the interface between internal operations and external stakeholders. Amit has been vital in providing financial leadership and aligning business and finance strategy to grow the business of Westlife Development Limited. He has been recognised for his achievements with the 'Young Achievers Award', bestowed by the Indo-American Society in 2003, Business World's 'Most Respected Company' award for the Food Sector in 2005, for the third consecutive year, as well as Images 'Retailer of the Year' award in 2004 and 2005.	Mr. Kishore Biyani is the Chairman and Managing Director of Future Retail Limited and founder of Future Group. He is considered as a pioneer of modern retail in India. He has led the Group's foray into organized retail with the opening of the Big Bazaar, FBB, Foodhall Central, Home Town and many other formats in fashion, food and homeware categories. His efforts also brought the evolution of the Group in the areas such as insurance, logistics, food processing, FMCG brands, among others. He has been regularly ranked among India's most admired CEOs, he is the author of the book 'It Happened in India'. He has won numerous awards from government bodies and the private sector in India.
Date of Birth	August 30, 1955	July 13, 1970	February 11, 1967	August 9, 1960
Age	62 Years	48 Years	51 Years	57 Years
Date of first Appointment on the Board	09th November, 1999	09th September, 2008	26th May, 2011	16th October, 2013
Directors Identification Number	00029968	00005290	00016871	00005740
Qualification	Graduate in Commerce and MBA from IIM, Ahmedabad.	LL.B.	B.Sc. in Business Administration (Finance) from the University of Southern California, USA	Commerce Graduate and PG Diploma in Management
Experience / Expertise in Specific Functional Area	Mr. Vivek Jain has business experience of over 35 years and is currently the Managing Director of the Gujarat Fluorochemicals Limited	Mr. Haigreave Khaitan's main area of expertise are commercial and corporate laws, tax laws, mergers and acquisitions, restructuring, foreign collaboration, licensing.	Mr. Amit Jatia has over 25 years of experience in the QSR industry. He has the experience of providing strategic leadership on all aspects of the Business.	Mr. Kishore Biyani is considered as a pioneer of modern retail in India. He has led the Future Group's foray into organized retail with the opening of the Big Bazaar, FBB, Foodhall Central, Home Town and many other formats in fashion, food and homeware categories. His efforts also brought the evolution of the Group in the areas such as insurance, logistics, food processing, FMCG brands, among others.

Name of the Director	Mr. Vivek Jain	Mr. Haigreave Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani
Item No	Item No. 2	Item No. 3	Item No. 4	Item No. 5
Directorships held in other Companies	<ul style="list-style-type: none"> Gujarat Fluorochemicals Limited Devansh Gases Private Limited Inox Air Products Private Limited Inox Renewables Limited Inox Infrastructure Limited Megnasolace City Private Limited Inox Leasing And Finance Limited Rajni Farms Private Limited Inox India Private Limited 	<ul style="list-style-type: none"> Harrisons Malayalam Ltd Torrent Pharmaceuticals Ltd Ceat Limited Ambuja Cements Limited JSW Steel Limited Vinar Systems Private Limited Avtec Limited Mahindra Holdings Limited Aditya Birla Sun Life Insurance Company Limited 	<ul style="list-style-type: none"> V I P Industries Limited Westlife Development Limited Anand Veena Twisters Private Limited Hardcastle Petrofer Private Limited Subh Ashish Exim Private Limited Saubhagya Impex Private Limited Horizon Impex Private Limited Achal Exim P Ltd Akshay Ayush Impex Private Limited Acacia Impex P Ltd Vandeep Trade Links P Ltd Ronald Mcdonald House Charities foundation India (RMHC India) 	<ul style="list-style-type: none"> Future Retail Limited Future Lifestyle Fashions Limited Future Enterprises Limited Future Consumer Limited Future Generali India Life Insurance Company Limited Future Generali India Insurance Company Limited Suhani Trading And Investment consultants Private Limited Retailers Association Of India
Membership / Chairmanship of Committees of other Companies	<ol style="list-style-type: none"> Gujarat Fluorochemicals Limited (Member of Stakeholders Relationship Committee) Inox Leasing and Finance Limited (Member of Audit Committee) 	<ol style="list-style-type: none"> Ambuja Cements Limited – Stakeholders Relationship Committee Harrisons Malayalam Limited (Chairman of Audit Committee) Torrent Pharmaceuticals Limited (Member of Audit Committee and Securities Transfer and Stakeholders Relationship Committee) AVTEC Limited (Member of Audit Committee) Aditya Birla Sun Life Insurance Company Limited (Chairman of Audit Committee) Mahindra Holdings Limited (Member of Audit Committee) 	<ol style="list-style-type: none"> Westlife Development Ltd (Member of Audit Committee and Stakeholders Relationship Committee) 	<ol style="list-style-type: none"> Future Lifestyle Fashions Limited (Member of Shareholders Relationship Committee) Future Retail Limited – (Member of Share Transfer Committee)
The number of Meetings of the Board attended during the year	1	3	3	4
Remuneration last drawn	Nil	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Mr. Pavan Jain.	None	None	None
Shareholding in the Company	640,445	Nil	Nil	Nil
Summary of the Performance Evaluation Report	N.A.	Feedback received from the Directors reflected highly satisfactory performance.		

Item No. 6:

Section 197 of the Companies Act, 2013 (Act) permits payment of remuneration to a Director who is not in whole time employment of the Company, with the approval of the Shareholders in General Meeting.

In view of the Company's present expansion plan, the business activities have increased considerably due to which the Non-executive Directors are required to devote their valuable time and share additional responsibilities as also their guidance and support for the same. In view of this, it is desirable to pay either to any of the Non-executive Directors or all Non-executive Directors of the Company the remuneration as may be decided by the Compensation, Nomination & Remuneration Committee (CNR Committee) of the Board of Directors of the Company from time to time subject to such aggregate commission amount not exceeding one percent per annum of the net profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013.

This remuneration to be paid to the Non-executive Directors shall be in accordance with the directions given by the CNR Committee and subject to any other applicable requirements under the Companies Act, 2013.

This remuneration shall be in addition to fees payable to the Directors for attending the meetings of the Board or Committee thereof as may be decided by the Board and reimbursement of expenses for participation in the Board and other meetings.

In terms of provisions of Section 197 and any other relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, any payment of remuneration to the Non-executive Directors is required to be approved by the Members in the General Meeting.

Accordingly, approval of the Members is sought by way of a Special Resolution for payment of remuneration by way of commission to the Non-executive Directors of the Company as set out in the Resolution at Item No. 6 of the Notice.

Non-executive Directors of the Company or their relatives shall be deemed to be concerned or interested in resolution set out at Item No. 6 of the Notice to the extent of the remuneration that may be received by them in future years. None of the Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

**By Order of the Board of Directors
For INOX Leisure Limited**

Place: Mumbai
Date: 24th July, 2018

**Parthasarathy Iyengar
Company Secretary**

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

BOARD'S REPORT

To the Members of

INOX LEISURE LIMITED

Your Directors take pleasure in presenting to you their Nineteenth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

1. FINANCIAL RESULTS

(₹ in Lakhs)

	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Income				
Revenue from operations (net of taxes)	126,732.28	114,980.94	126,732.28	114,980.94
Other operating Income	8,079.55	7,090.47	8,079.55	7,090.47
Total Income from Operations	134,811.83	122,071.41	134,811.83	122,071.41
Less: Total Expenses	122,746.78	116,000.05	122,747.18	116,001.03
Profit from operations before Other Income and Finance Cost and Exceptional Items	12,065.05	6,071.36	12,064.65	6,070.38
Add: Other Income	1,446.53	911.55	1,444.00	905.42
Profit from operations after Other Income and before Finance Cost and Exceptional Items	13,511.58	6,982.91	13,508.65	6,975.80
Less: Finance Cost	2,889.63	2,528.11	2,889.47	2,528.09
Profit from ordinary activities after finance cost but before exceptional items and share of profit of joint ventures	10,621.95	4,454.80	10,619.18	4,447.71
Share of profit / (loss) of joint ventures	(3.43)	8.12	-	-
Profit before exceptional items and tax	10,618.52	4,462.92	10,619.18	4,447.71
Add/(Less): Exceptional items	(854.16)	-	(854.16)	-
Profit from ordinary activity before Taxation	9,764.36	4,462.92	9,765.02	4,447.71
Add/(Less): Provision for Taxation				
For the year	(3,671.89)	(1,559.97)	(3,671.28)	(1,558.72)
Taxation pertaining to earlier years	5,370.47	158.54	5,370.47	158.70
Net Profit for the year	11,462.94	3,061.49	11,464.21	3,047.69
Profit for the year attributable to:				
Equity holders of the Parent	11,462.92	3,061.45	-	-
Non-controlling interests	0.02	0.04	-	-
	11,462.94	3,061.49	-	-
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Actuarial gain/(loss) on employee defined benefit plan	100.21	(61.77)	100.21	(61.77)
(ii) Tax on above	(35.02)	21.38	(35.02)	21.38
Total Other Comprehensive Income	65.19	(40.39)	65.19	(40.39)
Total Comprehensive Income for the year comprising Profit & Other Comprehensive Income	11,528.13	3,021.10	11,529.40	3,007.30
Profit brought forward from earlier year/s	18,023.93	15,002.87	18,028.75	15,021.45
On account of change in non-controlling interest	(0.02)	(0.04)		
Balance Carried forward to Balance Sheet	29,552.04	18,023.93	29,558.15	18,028.75

During the year under review, 6 Multiplex Cinema Theatres with 24 screens and one screen in an existing Multiplex Theatre were added. An agreement for 1 Multiplex Cinema Theatre with 1 Screen was discontinued. Accordingly, the tally of Multiplex Cinema Theatres of your Company stands at 123 Multiplexes with 492 screens and 1,21,573 seats as on 31st March, 2018.

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

As per Regulation 33 of the Securities and Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2017-18 have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company and its subsidiaries companies (including a joint venture company which became a subsidiary on 5th March, 2018), as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report. The Audited Standalone and Consolidated Financial Statements for the Financial Year 2017-18 shall be laid before the Annual General Meeting for approval of the Members of the Company.

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 Financial Year ended 31st March, 2018.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and details of the same have been uploaded on the Company's website <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserves.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Vivek Jain (DIN: 00029968) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Haigreve Khaitan (DIN: 00005290), Mr. Amit Jatia (DIN: 00016871) and Mr. Kishore Biyani (DIN: 00005740), Independent Directors of the Company were appointed in the 15th Annual General Meeting of the Company for a period of 5 consecutive years from 1st April 2014 upto 31st March, 2019. Their first term as Independent Director after the commencement of the Companies Act, 2013 will conclude on 31st March, 2019 and accordingly the approval of the Members is being sought by way of Special Resolution for the re-appointment of the above mentioned Independent Directors for a period of 5 consecutive years from 1st April, 2019 upto 31st March, 2024.

Necessary resolutions in respect of Director seeking re-appointment and in respect of appointment of above mentioned Independent Directors along with their brief Resume pursuant to Regulation 36(3) of the Listing Regulations are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

During the year under review, there is no change in the Key Managerial Personnel of the Company. Subsequent to the end of the financial year, Mr. Dhanraj Mulki, Company Secretary & Compliance Officer resigned with effect from 17th April, 2018 and Mr. Parthasarathy Iyengar was appointed as a Company Secretary & Compliance Officer and designated as a Key Managerial Person of the Company with effect from 18th June, 2018.

6. NOMINATION & REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is annexed to this report as **Annexure A**.

7. DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 (6) of the Act read with the Schedules and Rules issued thereunder as well as Regulation 16 of Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

9. PERFORMANCE EVALUATION

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board, Individual Directors and Chairperson of the Company for the Financial Year 2017-18. Further, based on the feedback received by the Company, the Compensation, Nomination and Remuneration Committee at its Meeting held on 29th January, 2018 had noted that Annual Performance of each of the Directors including Chairman is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

10. MEETINGS OF THE BOARD

During the year under review, the Board met 4 (Four) 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 Act read with Regulation 17 (2) of the Listing Regulations.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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 Act:

- i. in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- 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 are 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.

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. Please refer to Note nos. 8, 9, 10, 42, 45 and 48 to 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, as per the provisions of Section 188 of the Act read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations. 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 to be annexed to this Report.

14. DEPOSITS

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

15. SUBSIDIARY COMPANY INCLUDING JOINT VENTURE

The Company has following Subsidiaries:

A. Shouri Properties Private Limited

The Company is holding 99.29% Equity Shares of Shouri Properties Private Limited (SPPL). SPPL is engaged in the business of operating a multiplex cinema theatre.

B. Swanston Multiplex Cinemas Private Limited

Swanston Multiplex Cinemas Private Limited (SMCPL) has become a wholly-owned subsidiary of the Company with effect from 5th March, 2018. SMCPL was engaged in the business of operating multiplex cinema theatres in India. The Company has filed the Scheme of Amalgamation (the Scheme) of SMCPL with the Company with National Company Law Tribunal, Bench at Ahmedabad for its approval and the same is awaited.

A separate statement containing the salient features of financial statements of all subsidiaries of the Company (including a joint venture company which became a subsidiary on 5th March, 2018) forms a part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Act. In accordance with Section 136 of the Act, the financial statements of the subsidiary companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company www.inoxmovies.com. The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company www.inoxmovies.com.

The Report on the highlights of performance and financial position of each of the Subsidiary Companies of the Company in Form no. AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Act and Rule 5 of Companies (Accounts) Rules, 2014 along with the contribution of the Subsidiary Companies to overall performance of the Company during the year in terms of Rule 8 of Companies (Accounts) Rules, 2014 is annexed to this Report as **Annexure B**.

16. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial 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 and these are tested Independently by M/s. BSR & Associates, LLP, Chartered Accountants.

17. INDEPENDENT AUDITOR'S 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 Act.

18. INDEPENDENT AUDITORS

Members, at their 18th Annual General Meeting (AGM) held on 28th September, 2017 had appointed M/s Kulkarni and Company, (Firm Registration No.: 140959W), Chartered Accountants, Pune as Independent Auditors of the Company from the conclusion of the eighteenth AGM till the conclusion of the twenty-third AGM of the Company to be held in 2022, subject to the ratification of their appointment at every AGM, if required under law. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 28th September, 2017.

M/s. Kulkarni and Company, Chartered Accountants (Firm Registration No.: 140959W), have confirmed that they are not disqualified from continuing as Auditors of the Company.

19. COST AUDITORS

In terms of Section 148 of the Act 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 the Cost Auditors for the Financial Year 2018 – 19.

20. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Samdani Shah & Associates, a firm of Practising Company Secretaries to conduct Secretarial Audit of the Company. The Secretarial Audit Report given by M/s. Samdani Shah & Kabra (erstwhile M/s. Samdani Shah & Associates) in Form No. MR-3 is annexed to this Report at **Annexure - C**.

There is no qualification in the Secretarial Report submitted by M/s. Samdani Shah & Kabra (erstwhile M/s. Samdani Shah & Associates) to the Company.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate Section forming part of this Annual Report.

22. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 of the Listing Regulations, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

In compliance with the requirements of Regulation 17 (8) of the Listing Regulations, a Certificate from the Chief Executive Officer and Chief Financial Officer of the Company was placed before the Board.

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

23. BUSINESS RESPONSIBILITY REPORT

Since your company is not part of the top 500 companies as per market capitalization on the stock exchanges where the shares of the Company are listed as on 31st March 2018, it is not mandated to publish Business Responsibility Report. However, as best governance practice Business Responsibility Report is included. A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

24. EXTRACT OF ANNUAL RETURN

In terms of Section 92 (3) of the Act read with Rule 12 of the Companies (Management & Administration) Rules, 2014, the extract of Annual Return as provided in Form No. MGT -9 is annexed to this Report at **Annexure – D**.

25. 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 Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this Report at **Annexure – E**.

26. EMPLOYEE STOCK OPTION SCHEME

During the year under review, 1,67,500 options were granted to the employees of the Company. However, no shares were allotted pursuant to the grant in the current year. There are no changes in the Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefit) Regulations, 2014.

The disclosures as required under the SEBI (Share Based Employee Benefit) Regulations, 2014 have been disclosed on the website of the Company and the same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

27. PARTICULARS OF EMPLOYEES

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 at **Annexure - F**.

In accordance with the provisions of Section 197 (12) of the Act, read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the aforesaid Rule forms part of this Report. However, 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, the member may write to the Company Secretary at the Registered Office of the Company.

28. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Corporate Social Responsibility (CSR) Committee of the Company comprises of Mr. Haigreve Khaitan, Independent Director, Mr. Pavan Jain and Mr. Deepak Asher, Non Independent Directors of the Company. The CSR Policy of the Company is disclosed on the website of the Company which can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

The report on CSR activities as per Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report at Annexure - G.

29. INSURANCE

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

30. RISK MANAGEMENT

The Board of Directors of the Company at its Meeting held on 31st October, 2017 has approved Enterprise Risk Management (ERM) of the Company which is derived from COSO ERM – Aligning Risk with Strategy and Performance 2016 (Draft) framework established by committee of sponsoring organizations. Enterprise Risk Management is "The culture, capabilities, and practices, integrated with strategy-setting and its execution, that organizations rely on to manage risk in creating, preserving, and realizing value". The Company has, therefore, adopted Residual risk approach and the Board of Directors at its Meeting held on 7th May, 2018 have approved Enterprise Risk Register, Risk Reporting and its Monitoring system. 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. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention, Prohibition and Redressal of sexual harassment at the workplace 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 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 off during the year 2017-18.

Number of complaints received	14
Number of complaints disposed off	13

32. 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 THIS 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 this Report.

33. 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 orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

34. 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 workforce of the Company.

By Order of the Board of Directors

Place: Mumbai
Date: 24th July, 2018

Pavan Jain
Chairman
(DIN:00030098)

ANNEXURE - A

Nomination and Remuneration Policy:

1. Preface:

- a. 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.
- b. 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.

- ii. 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.
- iii. 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.
- iv. 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.
- v. 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>.

ANNEXURE - B

FORM AOC-1

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

Part A – Subsidiaries

	(₹ in Lakhs)	
	Name of Subsidiary Company Shouri Properties Private Limited	Name of Subsidiary Company Swanston Multiplex Cinemas Private Limited*
The date of acquisition of subsidiary	24 th November, 2014	5 th March, 2018
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	141.00	203.00
Reserves and Surplus	(63.75)	(198.41)
Total Assets	245.87	27.74
Total Liabilities	168.62	23.15
Investments	32.10	Nil
Turnover	304.41	Nil
Profit /(Loss) before taxation	3.19	(7.05)
Provision for taxation	0.64	Nil
Profit / (Loss) after taxation	2.55	(7.05)
Proposed Dividend	Nil	Nil
% of Shareholding	99.29%	100%
Name of subsidiaries which are yet to commence operations:	Nil	Nil
Names of subsidiaries which have been liquidated or sold during the year:	Nil	Nil

Part B – Associates and Joint Ventures – Not Applicable*

Name of associates or joint ventures which are yet to commence operations	---
Names of associates or joint ventures which have been liquidated or sold during the year	---

* During the year, the Company has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Company with effect from 5th March 2018.

Contribution of each of the subsidiary to the overall performance of the Company.

Particulars	Name of Subsidiary Company	
	Shouri Properties Private Limited	Swanston Multiplex Cinemas Private Limited (SMCPL)
Total Revenues contribution (%)	Nil	Nil
EBIDTA contribution (%)	0.006	*
Net Profit Contribution (%)	0.02	(0.002)
Gross Block contribution (%)	Nil	Nil
Net Worth contribution (%)	0.12	0.01

*Less than 0.001%

ANNEXURE - C

Secretarial Audit Report
for the Financial Year ended March 31, 2018
[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
5th Floor, Viraj Towers,
Andheri (East),
Mumbai - 400093.
Maharashtra.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INOX Leisure Limited (hereinafter referred to as '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, 2018, 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, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other sector specific laws as follows:
 - (a) The Cinematograph Act, 1952;
 - (b) The Cinema Regulations Act as applicable in each state along with the necessary Rules;
 - (c) Entertainment Tax Laws as applicable in each state along with the necessary Rules.

We have also examined compliance with the applicable clauses of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd.

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;

- A. 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, if any, were carried out in compliance with the provisions of the Act.
- B. 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.
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- D. 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.
- E. During the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani
 Partner
Samdani Shah & Kabra
 Company Secretaries
 FCS No. 3677
 CP No. 2863

Vadodara,
Date: April 23, 2018

This Report is to be read with our letter of even date annexed as Appendix A and forms part of this report.

Appendix A

To,
The Members,
INOX Leisure Limited
5th Floor, Viraj Towers,
Andheri (East),
Mumbai - 400093.
Maharashtra.

Our Secretarial Audit report of even date is to be read along with this letter, that:

- Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records and we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

S. Samdani
Partner
Samdani Shah & Kabra
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: April 23, 2018

ANNEXURE - D

MGT-9

Extract of Annual Return as on the Financial Year ended on 31st March, 2018
(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 Limited Company /Company limited 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 – 389 380, Taluka Ghoghamba, District Panchmahal, Gujarat	L24110GJ1987PLC009362	Holding	48.09	2 (46)
2	Shouri Properties Private Limited 5 th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U45201MH2002PTC134393	Subsidiary	99.29	2 (87)
3	Swanston Multiplex Cinemas Private Limited Viraj Towers, 9 th Floor, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U92132MH2001PTC133639	Subsidiary (became a wholly-owned subsidiary w.e.f. 5 th March, 2018)	100.00	2 (87)

VI. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)
i. Category-wise Shareholding

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (01 st April, 2017)				No of shares held at the end of the year (31 st March, 2018)			% 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	0.00
	b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
	d) Bodies Corp.	46973928	0	46973928	48.70	46973928	0	46973928	48.70	0.00
	e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (1)	46973928	0	46973928	48.70	46973928	0	46973928	48.70	0.00
2	Foreign									
	a) Individuals (NRIs/ Foreign Ind)	0	0	0	0.00	0	0	0	0.00	0.00
	b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
	d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	e) Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter (A)=A (1) + A (2)	46973928	0	46973928	48.70	46973928	0	46973928	48.70	0.00
B.	Public Share Holding									
1	Institutions									
	a) Mutual Funds /UTI	16830992	0	16830992	17.45	16464818	0	16464818	17.07	(0.38)
	b) Financial Institutions / Banks	33364	0	33364	0.03	19305	0	19305	0.02	(0.01)
	c) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	f) Foreign Institutional Investors	14350115	0	14350115	14.88	17795198	0	17795198	18.45	3.57
	g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	i) Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B) (1)	31214471	0	31214471	32.36	34279321	0	34279321	35.54	3.18
2	Non Institutions									
	a) Bodies Corporate									
	i. Indian	2951638	0	2951638	3.06	1925982	0	1925982	2.00	(1.06)
	ii. Overseas	0	0	0	0.00	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	5151879	7473	5159352	5.35	4672680	7473	4680153	4.85	(0.50)

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (01 st April, 2017)				No of shares held at the end of the year (31 st March, 2018)				% change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	3280190	0	3280190	3.40	1566487	0	1566487	1.62	(1.78)
	c) Others									
	Clearing Members	809486	0	809486	0.84	21583	0	21583	0.02	(0.82)
	Directors	1105385	0	1105385	1.15	1505385	0	1505385	1.56	0.41
	Non Resident Indians	249333	0	249333	0.26	129205	0	129205	0.13	(0.12)
	Non Resident Indians (NON-REPATRIATION)	48644	0	48644	0.05	54249	0	54249	0.06	0.01
	NBFC	19409	0	19409	0.02	23350	0	23350	0.02	0.00
	Trusts	4350917	295001	4645918	4.82	4350689	295001	4645690	4.82	0.00
	HUF	-	-	-	-	279928	0	279928	0.29	0.29
	Alternative Investment Fund	-	-	-	-	372493	0	372493	0.39	0.39
	Sub Total B2	17966881	302474	18269355	18.94	14902031	302474	15204505	15.76	(3.18)
	Total Public Shareholding B=B(1) + B(2)	49181352	302474	49483826	51.30	49181352	302474	49483826	51.30	0.00
	Total (A+B)	96155280	302474	96457754	100.00	96155280	302474	96457754	100.00	0.00
C.	Shares held by Custodian for GDRs & ADRs									
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	96155280	302474	96457754	100.00	96155280	302474	96457754	100.00	0.00

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01 st April, 2017)			Shareholding at the end of the year (31 st March, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /	No. of Shares	% of total Shares of the company	% of Shares Pledged /	
1	Gujarat Fluorochemicals Limited	46386467	48.09	0	46386467	48.09	0	0.00
2	Inox Leasing and Finance Limited	587461	0.61	0	587461	0.61	0	0.00
	Total	46973928	48.70	0	46973928	48.70	0	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 2017-18.

(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 (1 st April, 2017)/ End of the Year (31 st March, 2018)		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.	DSP BLACKROCK BALANCED FUND	5093879	5.28	01/04/2017				
				07/04/2017	500000	Purchase	5593879	5.80
				09/06/2017	9753	Purchase	5603632	5.81
				16/06/2017	396859	Purchase	6000491	6.22
				23/06/2017	-11064	Sale	5989427	6.21
				30/06/2017	-18701	Sale	5970726	6.19
				04/08/2017	487698	Purchase	6458424	6.70
				15/09/2017	-45950	Sale	6412474	6.65
				08/12/2017	334356	Purchase	6746830	6.99
				23/02/2018	96774	Purchase	6843604	7.09
				23/02/2018	-96774	Sale	6746830	6.99
		6746830	6.99	31/03/2018				
2.	Goldman Sachs India Fund Limited	4580402	4.75	01/04/2017				
				07/04/2017	-503527	Sale	4076875	4.23
				14/04/2017	-729	Sale	4076146	4.23
				05/05/2017	-474500	Sale	3601646	3.73
				16/06/2017	-332706	Sale	3268940	3.39
				07/07/2017	-194640	Sale	3074300	3.19
				28/07/2017	-385694	Sale	2688606	2.79
				04/08/2017	-208261	Sale	2480345	2.57
		2480345	2.57	31/03/2018				
3.	Pavan Kumar Jain, Vivek Kumar Jain & Deepak Asher -Trustee of Inox Benefit Trust	4350092	4.51	01/04/2017	No Movement during the year.		4350092	4.51
		4350092	4.51	31/03/2018				
4.	Kuwait Investment Authority - Fund No. 208	3323450	3.45	01/04/2017				
				14/04/2017	-372271	Sale	2951179	3.06
				05/05/2017	-47485	Sale	2903694	3.01
		2903694	3.01	31/03/2018				
5.	Birla Sun Life Trustee Company Private Limited	3055600	3.17	01/04/2017				
				05/05/2017	10000	Purchase	3065600	3.18
				04/08/2017	150000	Purchase	3215600	3.33
				15/09/2017	-30000	Sale	3185600	3.30

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2017)/ End of the Year (31 st March, 2018)		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
				22/09/2017	-10000	Sale	3175600	3.29
				10/11/2017	-100000	Sale	3075600	3.19
				24/11/2017	-30000	Sale	3045600	3.16
				08/12/2017	212600	Purchase	3258200	3.38
				08/12/2017	-10000	Sale	3248200	3.37
				22/12/2017	77506	Purchase	3325706	3.45
				29/12/2017	9894	Purchase	3335600	3.46
				05/01/2018	24000	Purchase	3359600	3.48
				05/01/2018	-72400	Sale	3287200	3.41
				12/01/2018	116100	Purchase	3403300	3.53
				12/01/2018	-134100	Sale	3269200	3.39
				19/01/2018	8000	Purchase	3277200	3.40
				26/01/2018	93000	Purchase	3370200	3.49
				09/02/2018	151000	Purchase	3521200	3.65
				09/02/2018	-150000	Sale	3371200	3.50
				23/02/2018	-416100	Sale	2955100	3.06
				23/03/2018	-4600	Sale	2950500	3.06
		2950500	3.06	31/03/2018				
6.	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE MEDIA	2602469	2.70	01/04/2017				
				05/05/2017	390000	Purchase	2992469	3.10
				02/06/2017	110000	Purchase	3102469	3.22
				07/07/2017	200000	Purchase	3302469	3.42
				11/08/2017	25000	Purchase	3327469	3.45
				18/08/2017	57000	Purchase	3384469	3.51
				27/10/2017	208000	Purchase	3592469	3.72
				03/11/2017	180000	Purchase	3772469	3.91
				10/11/2017	128000	Purchase	3900469	4.04
				17/11/2017	-32000	Sale	3868469	4.01
		3868469	4.01	31/03/2018				
7.	ICICI PRUDENTIAL EXPORTS AND OTHER SERVICES FUND	2157567	2.24	01/04/2017				
				07/04/2017	-79612	Sale	2077955	2.15
				14/04/2017	-138911	Sale	1939044	2.01
				21/04/2017	-35606	Sale	1903438	1.97
				28/04/2017	-18871	Sale	1884567	1.95
				07/07/2017	-12643	Sale	1871924	1.94
				14/07/2017	-25442	Sale	1846482	1.91
				28/07/2017	-219195	Sale	1627287	1.69

ANNEXURE - D CONTD...

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2017)/ End of the Year (31 st March, 2018)		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
				04/08/2017	-2114	Sale	1625173	1.68
				11/08/2017	-21890	Sale	1603283	1.66
				18/08/2017	-49763	Sale	1553520	1.61
				25/08/2017	6980	Purchase	1560500	1.62
				01/09/2017	-12267	Sale	1548233	1.61
				08/09/2017	-10049	Sale	1538184	1.59
				27/10/2017	-69973	Sale	1468211	1.52
				01/12/2017	-20925	Sale	1447286	1.50
				26/01/2018	-26861	Sale	1420425	1.47
				02/02/2018	-335060	Sale	1085365	1.13
		1085365	1.13	31/03/2018				
8.	MORGAN STANLEY INVESTMENT FUNDS INDIAN EQUITY FUND	0	0.00	01/04/2017				
				07/07/2017	2452920	Purchase	2452920	2.54
				15/12/2017	-150000	Sale	2302920	2.39
				19/01/2018	-96000	Sale	2206920	2.29
				26/01/2018	-100000	Sale	2106920	2.18
		2106920	2.18	31/03/2018				
9.	MORGAN STANLEY INVESTMENT FUNDS INDIAN EQUITY FUND	1791817	1.86	01/04/2017				
				14/04/2017	243672	Purchase	2035489	2.11
				28/04/2017	13013	Purchase	2048502	2.12
				05/05/2017	567978	Purchase	2616480	2.71
				07/07/2017	-2616480	Sale	0	0.00
		0	0.00	31/03/2018				
10.	RAMS EQUITIES PORTFOLIO FUND-INDIA EQUITIES PORTFO	0	0.00	01/04/2017				
				17/11/2017	489000	Purchase	489000	0.51
				24/11/2017	768424	Purchase	1257424	1.30
				22/12/2017	135000	Purchase	1392424	1.44
				26/01/2018	307576	Purchase	1700000	1.76
				09/02/2018	75000	Purchase	1775000	1.84
		1775000	1.84	31/03/2018				

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2017)/ End of the Year (31 st March, 2018)		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
11.	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP	1026960	1.06	01/04/2017				
				05/05/2017	101207	Purchase	1128167	1.17
				12/05/2017	16629	Purchase	1144796	1.19
				19/05/2017	1345	Purchase	1146141	1.19
				26/05/2017	-48486	Sale	1097655	1.14
				28/07/2017	-15545	Sale	1082110	1.12
				20/10/2017	126887	Purchase	1208997	1.25
				27/10/2017	39699	Purchase	1248696	1.29
				03/11/2017	15744	Purchase	1264440	1.31
				24/11/2017	9550	Purchase	1273990	1.32
				05/01/2018	15472	Purchase	1289462	1.34
				12/01/2018	132458	Purchase	1421920	1.47
				16/02/2018	20176	Purchase	1442096	1.50
		1442096	1.50	31/03/2018				
12.	AADI FINANCIAL ADVISORS LLP	1436395	1.49	01/04/2017				
				24/11/2017	-200000	Sale	1236395	1.28
				01/12/2017	-230000	Sale	1006395	1.04
				15/12/2017	-1431	Sale	1004964	1.04
				22/12/2017	-7343	Sale	997621	1.03
				29/12/2017	-14123	Sale	983498	1.02
				12/01/2018	-2672	Sale	980826	1.02
		980826	1.02	31/03/2018				
13.	VFM EMERGING MARKETS TRUST	429808	0.45	01/04/2017				
				02/02/2018	497801	Purchase	927609	0.96
				09/02/2018	505571	Purchase	1433180	1.49
				31/03/2018			1433180	1.49
		1433180	1.49	31/03/2018				
14.	SBI MAGNUM MULTIPLIER FUND	1160000	1.20	01/04/2017				
				07/04/2017	-60000	Sale	1100000	1.14
				14/04/2017	-38924	Sale	1061076	1.10
				28/04/2017	-475147	Sale	585929	0.61
				05/05/2017	-585929	Sale	0	0.00
		0	0.00	31/03/2018				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 st April, 2017)/ End of the Year (31 st March, 2018)		Date	Increase/	% of total Shares of the company	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 Jain	219975	0.23	01/04/2017	Nil movement		219975	0.23
		219975	0.23	31/03/2018				
2	Mr. Vivek Jain	640445	0.66	01/04/2017	Nil movement		640445	0.66
		640445	0.66	31/03/2018				
3	Mr. Siddharth Jain	619965	0.64	01/04/2017	Nil movement		619965	0.64
		619965	0.64	31/03/2018				
4	Mr. Deepak Asher	25000	0.03	01/04/2017	Nil movement		25000	0.03
		25000	0.03	31/03/2018			25000	0.03
5	Mr. Haigreve Khaitan	0	0.00	01/04/2017	Nil movement		0	0.00
				31/03/2018				
6	Mr. Amit Jatia	0	0.00	01/04/2017	Nil movement		0	0.00
				31/03/2018				
7	Mr. Kishore Biyani	0	0.00	01/04/2017	Nil movement		0	0.00
				31/03/2018				
8	Ms. Girija Balakrishnan	0	0.00	01/04/2017	Nil movement		0	0.00
				31/03/2018				
KMP								
1	Mr. Alok Tandon, Chief Executive Officer	28236	0.03	01/04/2017	Nil movement		28236	0.03
		28236	0.03	31/03/2018				
2	Mr. Kailash B. Gupta – Chief Financial Officer	0	0.00	01/04/2017	Nil movement		0	0.00
		0	0.00	31/03/2018				
3	Mr. Dhanraj Mulki – Vice President – Legal & Company Secretary	40	0.00	01/04/2017	Nil movement			
		40	0.00	31/03/2018				

V. INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	15447.40	16249.00	-	31696.40
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	16.36	-	-	16.36
Total (i+ii+iii)	15463.76	16249.00	-	31712.76
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	(2510.99)	-	-	(2510.99)
Net Change	(2510.99)	-	-	(2510.99)
Indebtedness at the end of the Financial Year				
i. Principal Amount	12944.00	16249.00	--	29193.00
ii. Interest due but not paid	-	-	--	-
iii. Interest accrued but not due	8.77	-	--	8.77
Total (i+ii+iii)	12952.77	16249.00	-	29201.77

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
1.	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	-
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
	- Others, specify...	
5.	Others, please specify	-
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to Other Directors

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Haigreve Khaitan	Mr. Amit Jatia	Mr. Kishore Biyani	Ms. Girija Balakrishnan	
	Fee for attending Board/ Committee Meetings	1.80	1.60	1.80	0.60	5.80
	Commission	0	0	0	0	0
	Others	0	0	0	0	0
	Total (1)	1.80	1.60	1.80	0.60	5.80
2	Other Non-Executive Directors	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Deepak Asher	Mr. Siddharth Jain	-
	Fee for attending Board/ Committee Meetings	1.00	0.20	1.80	1.40	4.40
	Commission	0	0	0	0	0
	Others (Professional Fees)	0	0	30.00	0	30.00
	Total (2)	1.00	0.20	31.80	1.40	34.40
	Total of B = (1+2)					40.20
	Total Managerial Remuneration (A+B)					40.20
	Overall Ceiling as per the Act					295.00

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

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	101.32	57.61	61.15	220.08
	(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 (Employer's Contribution to Provident Fund)	6.03	2.99	3.73	12.75
	Total	107.35	60.60	64.88	232.83

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 - E

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:

- LED Retrofitting has been done at all the new multiplex cinema theatres of the Company as well as at the time of major renovation of existing multiplex cinema theatre which helps in reducing energy consumption. During the year LED Retrofit Installation was done in 45 existing multiplex cinema theatre which helps in reducing energy consumption.
- Energy Efficient HVAC pumps was installed at INOX CR2 Nariman Point which helps in reducing energy consumption.
- Energy Efficient Chiller retrofit – Reciprocating Compressor to Screw Compressor conversion was completed during the year which helps in reducing energy consumption.
- The Company has installed the Harmonic Filters in main power supply at Pune and Chennai 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.
- 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 gets overhauled and chemical dosing is 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. Company has done complete chiller revamp and screw compressor retrofit for the old Reciprocating chillers at Nariman Point Property. These will help in reducing energy consumption.
- Eco-friendly source of electricity generated by the wind mill for the multiplex at Vadodara, Anand 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 most of the Multiplexes. This 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 has been using urinal flush sensors which help in reducing water consumption.

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	2777.40	3260.11
- CIF Value of materials purchased	494.74	430.40
- Travelling expenses	47.49	40.60
- Interest on deferred credit	Nil	1.72
Total	3,319.63	3,732.83

ANNEXURE - F

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 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 2017-18 (₹ In Lakh)*	% increase in remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1.	Pavan Jain, Chairman & Non-executive Director	1.00	(28.57)	0.32:1
2.	Vivek Jain, Non-executive Director	0.20	(50.00)	0.06:1
3.	Deepak Asher, Non-executive Director #	31.80	(1.24)	10.30:1
4.	Siddharth Jain, Non-executive Director	1.40	(30.00)	0.45:1
5.	Haigreve Khaitan, Independent Director	1.80	(10.00)	0.58:1
6.	Amit Jatia, Independent Director	1.60	(11.11)	0.52:1
7.	Kishore Biyani, Independent Director	1.80	12.50	0.58:1
8.	Girija Balakrishnan, Independent Director	0.60	(25.00)	0.19:1
9.	Alok Tandon, Chief Executive Officer	107.35	4%	} Not Applicable
10.	Kailash B. Gupta, Chief Financial Officer	64.88	7%	
11.	Dhanraj Mulki, Company Secretary	60.60	7%	

* For this purpose, Sitting Fees paid to the Directors have 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 7%.
- (iii) The number of permanent employees on the rolls of company as on 31st March 2018 was 1796.
- (iv) 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 5.13% and percentile increase in the managerial remuneration is 6%.

- (v) 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.

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 required to be provided in accordance with the provisions of Section 197 (12) of the Act, read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This statement 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.

ANNEXURE - G

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	₹ 5142.19 Lakh					
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above.)	₹ 102.84 Lakh					
5.	Details of CSR spent during the Financial Year						
a.	Total amount to be spent for the Financial Year	₹ 102.84 Lakh					
b.	Amount unspent, if any	₹ 38.83 Lakh					
c.	Manner in which the amount spent during Financial Year is detailed below						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered – Schedule VII	Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	Amount outlay (budget spent on the project or programme wise) (in ₹)	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent Direct or through implementing agency
1.	Contribution to INOX Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting Education	Vadodara, Gujarat	112,500	112,500	112,500	Through INOX Group CSR Trust
2.	Grant of Savera Education Sponsorship to 100 Children	Promoting education	Vadodara, Gujarat	9,50,800	9,50,800	9,50,800	Direct
3.	Divyang Paralympic Run at Vadodara Marathon	Promoting Paralympic Sports	Mumbai	20,00,000	20,00,000	20,00,000	Direct

ANNEXURE - G CONTD...

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4.	Donation to Saath Saath Arts towards Sponsorship for Sculpture Park	Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art;	Jaipur, Rajasthan	25,00,000	25,00,000	25,00,000	Direct
5.	Contribution to INOX Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting education	Vadodara, Gujarat	2,25,000	2,25,000	2,25,000	Through INOX Group CSR Trust
6.	Contribution to INOX Group CSR Trust for maintaining 6 Balawadis at Baroda	Promoting education	Vadodara, Gujarat	1,12,500	1,12,500	1,12,500	Through INOX Group CSR Trust
7.	Contribution for "JITO Administrative Training Foundation"	Promoting education	Vadodara, Gujarat	5,00,000	5,00,000	5,00,000	Through INOX Group CSR Trust
				64,00,800	64,00,800	64,00,800	
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.			During the year, the Company has spent ₹ 64.01 Lakhs on CSR and there is unspent amount of ₹ 38.83 Lakhs. The Company is obtaining advisory services for identification of CSR Projects for its CSR activities and will spend the amount on identification of CSR Projects.			
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 implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.			

Alok Tandon
Chief Executive Officer

Mumbai
24th July, 2018

Haigre Khaitan
Chairman - CSR Committee

Mumbai
24th July, 2018

MANAGEMENT DISCUSSION & ANALYSIS

Media & Entertainment (M&E) Industry Overview

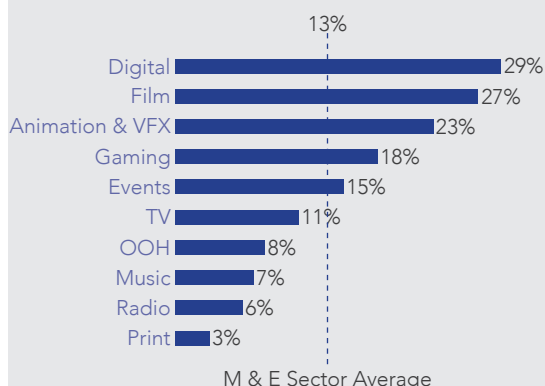
The Indian M&E sector reached INR 1.5 Trillion in 2017, after experiencing 13% growth over 2016. It is expected to reach INR 2 Trillion by 2020, out of which the Film & Entertainment sector is expected to grow at a CAGR (2016-2020) of 11.9%.

Indian M&E Sector

The M&E Industry continues to perform along with the Indian economy, which is a reflection of the growing disposable income, led by stable economic growth. The per capita GDP is growing at over 6% since 2012 and this has led to increased spending by consumers.

M&E sector's growth in 2017 was led by digital, film, animation & VFX, gaming and events

Segmental growth in 2017 over 2016

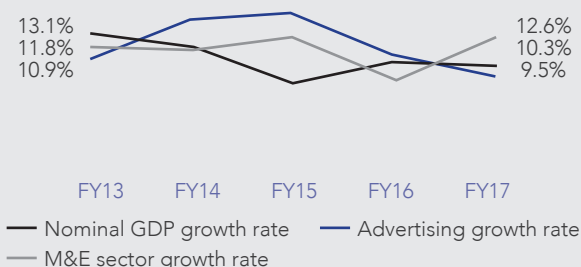


Although industry growth was led by the digital segment,

international revenues generated by Indian films boosted growth in the film segment.

As the overall need for escapism increases in today's society, spending in the M&E industry is not being impacted by economic shifts and slowdowns, as seen in 2017.

Sector growth vs. nominal GDP growth



Source for GDP : Central Statistical Organisation

Film Exhibition Industry – India

The Indian film segment grew 27% in 2017 on the back of box office growth of both domestic and international — coupled with increased revenues from the sale of satellite and digital rights. All sub-segments, with an exception of home video and the film segment reached INR 156 billion in 2017.

Revenues	2016	2017	2018E	2020E
Domestic theatricals	85.6	96.3	103.0	118.0
Overseas theatricals	8.5	25.0	25.0	28.0
Broadcast rights	16.0	19.0	20.0	22.0
Digital / OTT rights	6.0	8.5	10.0	14.5
In-cinema advertising	5.9	6.4	7.5	9.0
Home video	0.4	0.3	0.2	0.2
Total	122.4	155.5	165.7	191.7

(Gross of taxes, INR billion)

Domestic theatricals grew from INR 85.6 Bn in CY16 to INR 96.3 Bn in CY17, which is 12.5% growth. While overseas theatricals grew from INR.8.5 Bn in CY16 to Rs.25 Bn in CY17, which is almost a 200% growth.¹

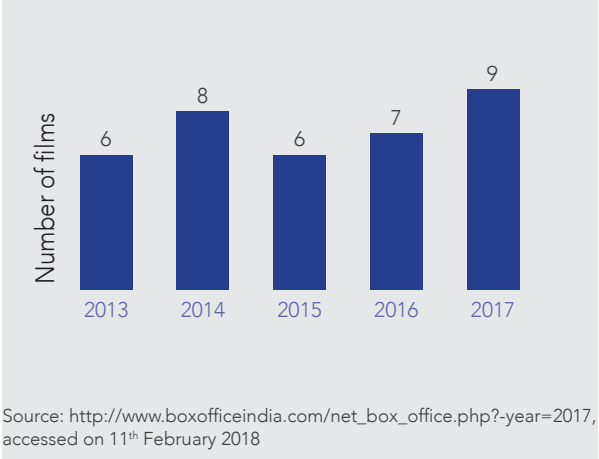
Content Consumption Trends

Despite comprising of only 17% of films made this year, Hindi films contributed almost 40% of revenue to the net domestic box office (BO) collections. While films in 29 other regional Indian languages, accounting for 75% of films released, contributed approximately 50% to BO collections. The balance 10% comprised of collections from Hollywood and other International films.¹

Bollywood: Nine films joined the INR 1 billion club.

The top 50 Hindi films contributed to approximately 97.75% of the total net box office collections of Bollywood movies, growing by 11.60% in 2017.²

Number of Hindi films crossing INR 1 billion in their domestic box office collections



Regional:

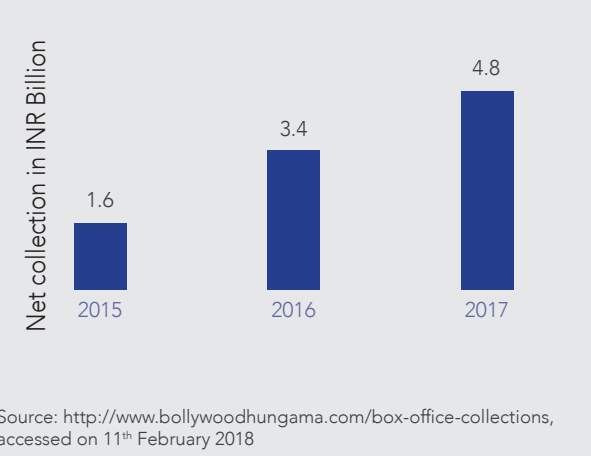
Considering the spectacular success of Bahubali 2 — a Telugu film also dubbed into Hindi — the regional cinema segment was taken to new heights during 2017.

Hollywood:

Highly anticipated franchise films and science-fiction/action spectacles offer stiff competition to Indian releases.

The box office collections of Hollywood (inclusive of all the Indian language dubbed versions) in India remained stagnant in 2017, totaling INR 8.01 billion, as opposed to INR 7.95 billion in 2016. This comprises of around 13% of the total theatrical box office. After three consecutive years of healthy growth since 2013, Hollywood footfalls in India remained stagnant at 75 million in 2017, marginally down from 78 million in 2016.³

Box office collection of top 10 Hollywood films in India

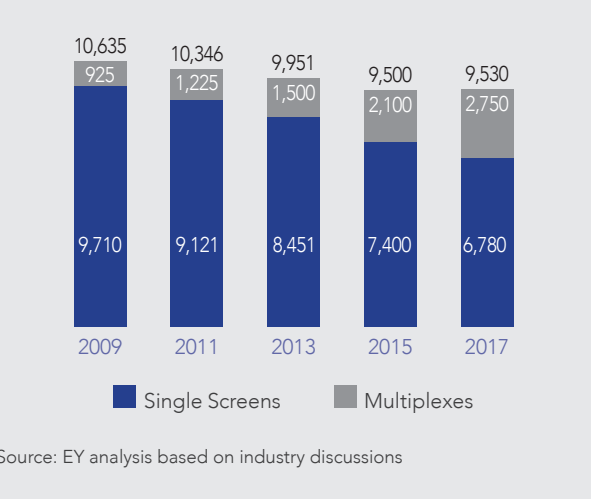


Key Growth Drivers

FOOTFALLS IN INDIAN CINEMA IS ONE OF THE HIGHEST IN THE WORLD. FILMS ARE THE LARGEST SOURCE OF ENTERTAINMENT IN THE COUNTRY.

Screen Density: Single screen cinemas have reduced from 9710 screens with 91% share of total screens in 2009 to less than 71% share in 2017, with 6780 screens. At the same time, multiplexes have grown at a steady rate of over 10% over the last 3 years due to rising urbanisation resulting in higher footfalls, a higher propensity to consume films with rising per-ticket realisation and operational synergies.¹

Estimated count of cinema screens in India



In terms of contribution to domestic theatricals, multiplexes contributed around 50% of overall sales in 2017, with the rest

coming from single-screen cinemas. The Top 4 multiplex chains accounted for around 20% of the screen count and around 40% of overall domestic theatrical revenues.¹

Consolidation:

From a highly fragmented multiplex market 5-6 years ago, large multiplex players have led a series of acquisitions to fulfil gaps in their regional portfolio and consolidate screen presence in high spending urban markets. The next wave of growth is expected to come by means of organic expansion in non-urban areas and widened service offering in the form of experiential film-watching.¹

Key Threats & Concerns

Infrastructure support in Tier I / Tier II markets

The cost structure for film exhibition is invariably distorted for Multiplexes, impacting their return and consequent ability to invest. In order to make the film exhibition segment viable in Tier-II and Tier-III markets, state governments need to collaborate with Multiplexes to provide the necessary infrastructure support.

Compared to other developed markets, Indian cinema Operators are among the highest payers of rental fees.

Need for “single window clearance” for opening multiplexes

OBTAINING BUSINESS LICENCES IN A TIMELY AND CONVENIENT MANNER IS PROVING TO BE A CRITICAL CHALLENGE IMPEDING THE GROWTH OF THIS SEGMENT.

In addition to having an average validity of 1-2 years, each state has its own set of license requirements for operating cinemas. This impacts the strategic plans that exhibitors lay out to expand their presence across India, causing significant time and cost overruns. The ease of doing business in this segment can be significantly improved by having a single authority providing a single window clearance for licenses.

Tax rate rationalisation

THE GST RATE IN INDIA FOR CINEMAS IS 28%. THIS IS SIGNIFICANTLY HIGHER THAN TAXES IN DEVELOPED MARKETS.

Net Ticket price of over INR100 are being taxed at highest slab of 28%. A 28% GST rate is akin to a sin-tax. This does not help in the growth of the film exhibition sector, since it leads to high ticket prices, and consequently fall in occupancies, and higher costs.

Further, in some states, local body entertainment tax is levied over and above the GST. This leads to a cascading

impact of multiple taxes, and goes against the principle of “One Nation, One Tax” which was the guiding principle behind the implementation of GST.

Film Exhibition: Emerging Trends

- **Enhanced portfolio offerings to the consumer to create a wow factor:** Multiplex operators have been widening the bouquet of services — F&B offerings, VR/AR lounges, 4K projection, Game Zones and Child Play areas— provided by them to include experiential offerings, especially in metros and Tier-I cities.
- **Exhibitors are increasingly focusing on varied formats like— laser, IMAX, kiddies, Insignia, MX4D, LED Screens**
- **Focus on advertising income to provide a boost to profitability:** While the Indian multiplex segment has been growing at a CAGR of 14% over the last three years, the revenue from the ancillary segments like F&B and Advertisement have been higher at 21%.⁴ Apart from looking at various options for growth in ATP, multiplex operators are increasingly focusing on alternative revenue streams as well.
- **Multiplexes largely depend on Bollywood & Hollywood films, while single screens dominate the regional film market.** However, off late multiplexes have been spreading across Tier 2 & 3 cities which are dominated by regional content.
- **Online booking has emerged as the dominant ticket booking method.**

Business Overview

Incorporated in 1999, INOX Leisure Limited is one of the largest multiplex operators in India.

The Company is a part of INOX Group, which is diversified across industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy, and the entertainment sectors. With 128 properties — 512 screens and 125,508 seats in 64 cities across India as on date, INOX is one of the only multiplex operators with such a diverse, PAN India presence. INOX accounts for 19% of multiplex screens in India, and around 11% share of domestic box office collections.

Over the last decade, INOX has aggressively scaled up its presence through organic and inorganic expansion, growing from 2 properties with 8 screens in FY03 to 128 properties with 512 screens as on date, with an average addition of approximately 8 screens every quarter since inception. Apart from focusing on adding to its screen capacity, other key growth drivers for business include improving income from ad sales and further improve all our revenue streams to ensure bottom-line improvement.

Operational Highlights

Negatively impacting the overall footfalls of FY18, Padmaavat didn't release in Gujarat and Rajasthan in which INOX has around 111 screens. Additionally, strike by the content providers in Tamil Nadu led to scarcity of content thus impacting footfalls.

Footfalls remained flat in FY17, marginally decreasing from 537 lakhs to 533 lakhs in FY18, and occupancy marginally decreased from 28% in FY17 to 26% in FY18. The average ticket price increased by 8% — INR 178 in FY17 to INR 193 in FY18 — while the spend per head increased by 7% — from INR 62 in FY17 to INR 66 in FY18.

Additionally, the ancillary revenue streams for the Company performed well this year: Net F&B income increased by 8%, from INR 284 crs in FY17 to INR 306 crs in FY18; Ad sales income increased by 44% from INR 96 crs in FY17 to INR 139 crs in FY18; and other income increased by 9% from INR 92 crs in FY17 to INR 101 crs in FY18.

Key Developments for FY18:

Interactive screens: Fast Tickets & Fast Bites kiosks

To accelerate the buying experience while further engaging with our customer, we have introduced Interactive Screens at the box office and food counters. These screens deliver a wonderfully aided purchase experience for guests. They allow our viewers to select seats, F&B items and view content before making their decision. These kiosks help guests skip the line at counters and enjoy a faster booking experience.

QBUster: a unique application for F&B and Ticket convenience

The INOX Mobile App has a unique in-cinema food ordering feature (an industry first) allowing users to conveniently order their F&B from the mobile app itself. Made for hand-held devices, the QBUster is a unique application for F&B orders that allows staff at INOX properties to take & place guests' orders more efficiently, from anywhere in the property. Users have the choice of picking up their order from specially designated Fast Forward counters or getting their order delivered to their seats. Adding to further convenience, paperless entry & contactless terminals at locations have been installed. These features give guests the convenience of walking in hassle-free.

The Insignia Experience: Gourmet Food and Service at your Cinema

Packaged as a bespoke offering, the Insignia Experience is the perfect blend of luxurious elements. With a Gourmet Menu curated by Master Chef. Vicky Ratnani, we prepare dishes comprising of a range of handpicked epicurean delights. Butler-on-call — a unique Internet-of-things (IoT)

powered service allows guests to enjoy uninterrupted and convenient service.

Key Developments for FY2018: Recent Partnerships

- Tie up with **GDC Technology Ltd** for getting India's first ever innovative SX-4000 immersive sound media server with a built-in DTS:X decoder. This is in addition to the XSP-1000 cinema processor (GDC Immersive Sound Solution). The GDC Immersive Sound Solution is installed in all INOX screens to deliver a differentiated sound experience to its audiences.
- Tie up with **Samsung** to get LED screen theatre into India with their cinema LED technology called 'Onyx' to offer more powerful, captivating, larger than life content viewing experience
- Tie up with **Harkness Screens** to install state-of-the-art technology and systems across INOX multiplexes. Through the partnership, over 30% of INOX screens in India have been upgraded with Harkness' Clarus XC screen technology. Additionally, the screens will be also powered by CuroLux technology, which will help fine-tune projection settings automatically in real time, enhancing the complete movie watching experience.
- Partnership with **GDC Technology Ltd** for a three-year agreement for Ushio Lamps. The agreement covers supplying Ushio lamps for all INOX screens. GDC, an authorized dealer for Ushio in India, will work closely with INOX to help select the best lamps to ensure bright and precise images are projected onto the cinema screen.

Management Outlook

We maintain our position as one of the leading multiplex players in India. Amidst a consolidation phase in India's multiplex business, we have an ability to establish a strong position with an under-leveraged balance sheet and robust promoter group support. We have aggressively scaled up during the last decade by way of screen additions and acquisitions. From 2 properties and 8 screens in FY2003, we have grown to 128 properties and 512 screens as on date, with an average addition of approximately 8 screens every quarter since inception. This equals to a total of 125,508 seats across India as on date.

We expect the momentum to continue on the back of a robust film release pipeline. We have an encouraging outlook for capacity expansion which is substantiated with signed agreements for new screens. We are working to add 11 properties with 59 screens and 10579 seats during FY2019. Our key focus areas during FY2019 will be to further improve all our revenue streams to ensure bottom-line improvement. With a growing number of high-quality

cinemas and our emphasis on customer service excellence, we aim to generate positive operating results over the long term and enhance the value for our shareholders.

Risk Management & Internal Controls

The Company has a proper risk mitigation and internal control evaluation system in place to understand the risks that the Company is exposed to. The Company is putting necessary controls in place to counter threats, effectively pursuing its objectives. The Company has appointed a professional consultant to help and assist in evaluation of internal controls.

During the current year, the Company has strengthened the Enterprise Risk Management to manage different types of risks — strategic, operational or financial. Enterprise Risk Management (ERM) enables the achievement of strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. The systematic and proactive identification of risks and implementing the appropriate mitigation strategy enable the company to manage effective and quick decision-making and help improve the organisational performance.

The ERM functions as a decision-enabler, which not only seeks to minimise the impact of risks but also enables effective resource allocation based on the risk impact ranking and the risk appetite of the organisation. The Strategic decisions are taken after careful consideration of risks based on secondary risks and residual risks.

The internal controls and risks are reviewed periodically by the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and senior management. Critical risks are identified and appraised to the Audit Committee and the Board of Directors.

Financial and Operational Review

Income from Operations

Income from Operations was positive with a 10% growth, from INR 1220.7 crs. in FY2017 to INR 1348.1 crs. in FY2018. The rise in revenues was driven by increase in Box Office, Food & Beverage and Advertising revenues. This was on the back of increasing Average Ticket Price (ATP) and Spend Per Head (SPH), ATP grew by 8.2% and SPH grew by 7.3%. Footfalls has remained stagnant from 53.7 million in FY2017 to 53.3 million in FY2018. The occupancy rate dropped marginally from 28% in FY2017 to 26% in FY2018.

Source:

1. FICCI EY 2018
2. Box Office India
3. "The Latest Bollywood Numbers are No Good" The Hindu Website
4. "F&B, ad segments push overall revenues of multiplexes: ICRA" Business Standard Website

Earnings before Interest Tax Depreciation and Amortisation (EBITDA)

EBITDA grew by 44% from INR 146.1 crs. in FY2017 to INR 210.4 crs. in FY2018. EBITDA margins grew from 12% in FY2017, to 15.6% in FY2018.

Profit after Tax

PAT grew by 274%, from INR 30.6 crs. in FY2017 to INR 114.6 crs in FY2018, while PAT margins increased from 2.5% in FY2017 to 8.5% in FY 2018.

Human Resources

Our organisational culture fosters growth of both, the Company and our employees. Employee strength of 7494 employees (including outsourced employees) in FY2018 propels us further in achieving our plans and targets. We are encouraging our workforce to innovate and achieve our short-term and long-term objectives.

There are various workshops and employee engagement programs conducted. For example, for promoting a safe and effective workplace, the Company conducted a sensitisation awareness program on the Prevention of Sexual Harassment for all on rolls and contractual employees, across all units, including the corporate office.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of INOX Leisure Limited, which are forward-looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of INOX Leisure Limited's Annual Report, FY2018.

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations), INOX Leisure Limited ("the Company") is pleased to submit this report on the matters mentioned in the Para C of Schedule V of the Listing Regulations 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 its Stakeholders.

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

(a) Composition and Category of Directors

As at the Financial Year ended 31st March, 2018, the Board consisted of Eight Directors and all of them are 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.

(b) Number of Meetings of the Board of Directors held with the dates, attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting, disclosure of relationships between Directors inter-se and Number of Shares and Convertible Instrument held by Non- Executive Directors

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the Financial Year 2017-18, the Board met 4 (Four) times on the following dates namely, 2nd May, 2017, 26th July, 2017, 31st October, 2017 and 29th January, 2018.

The following table gives details of Directors, details of attendance of Directors at Board Meetings, at the Annual General Meeting, Number of Memberships held by the Directors in the Board / Committees of various Companies, Disclosure of Relationship between Directors inter-se and Number of Shares held by Non-Executive Directors as on 31st March, 2018.

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last Annual General Meeting	Relationship between Directors inter-se	Number of Shares held by Non-Executive Directors
Mr. Pavan Jain	Chairman, Non-Executive – Non Independent	4	No	Brother of Mr. Vivek Jain and Father of Mr. Siddharth Jain	2,19,975
Mr. Vivek Jain	Non-Executive – Non Independent	1	No	Brother of Mr. Pavan Jain	640,445
Mr. Deepak Asher	Non-Executive – Non Independent	4	Yes	No inter-se relationship between Directors	25,000
Mr. Siddharth Jain	Non-Executive – Non Independent	3	No	Son of Mr. Pavan Jain	6,19,965
Mr. Haigreave Khaitan	Non-Executive – Independent	3	No	No inter-se relationship between Directors	0
Mr. Amit Jatia	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last Annual General Meeting	Relationship between Directors inter-se	Number of Shares held by Non-Executive Directors
Mr. Kishore Biyani	Non-Executive - Independent	4	No	No inter-se relationship between Directors	0
Ms. Girija Balakrishnan	Non-Executive - Independent	3	No	No inter-se relationship between Directors	0

The Company has not issued any Convertible Instruments and hence, the details in respect of such Convertible Instruments held by Non-Executive Directors are not provided.

Mr. Pavan Jain, Mr. Vivek Jain and Mr. Deepak Asher jointly hold 43,50,092 equity shares, as trustees of Inox Benefit Trust.

(c) Number of Directorships and Committees Membership / Chairmanship:

Name of the Director	Category of Director	Number of other Directorships / Committee Memberships / Chairmanships		
		Other Directorship#	Committee(*)	
			Membership of Public Limited Companies	Chairpersonship of Listed Companies
Mr. Pavan Jain	Chairman, Non-Executive – Non Independent Director	8	4	1
Mr. Vivek Jain	Non-Executive – Non-Independent Director	9	2	0
Mr. Deepak Asher	Non-Executive – Non-Independent Director	6	9	1
Mr. Siddharth Jain	Non-Executive – Non-Independent Director	9	3	0
Mr. Haigreve Khaitan	Non-Executive - Independent Director	9	8	2
Mr. Amit Jatia	Non-Executive - Independent Director	11	3	0
Mr. Kishore Biyani	Non-Executive - Independent Director	7	3	0
Ms. Girija Balakrishnan	Non-Executive - Independent Director	1	0	0

*Committee means Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations.

Other Directorship excludes Directorship of Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

None of the Directors are Directors 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 act as a Chairperson of more than 5 Committees across all Public Limited Listed Companies.

(d) Web link of Familiarization Programmes imparted to Independent Directors

Details of Familiarization Programmes imparted to Independent Directors have been disclosed on the Website of the company. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

(e) Independent Directors

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 Regulations, a separate Meeting of the Independent Directors of the Company was held on 29th January, 2018 during the Financial Year 2017-18, with the following agenda:

- To take note of the changes in Schedule IV of the Companies Act, 2013
- To review performance of Non-Independent Directors and the Board as a whole;
- To review performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors of the Company;
- 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.
- To familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company nature of industry in which the Company operates, its business model etc.

3. AUDIT COMMITTEE

(a) Terms of Reference of the Audit Committee:

The Role and the Terms of Reference of Audit Committee were defined at the Meeting of the Board of Directors held on 27th May, 2014 which are in accordance with the requirements of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations read with part C of Schedule II of the Listing Regulations.

The brief description of Terms of Reference of Audit Committee is given below:

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 and
 - 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.

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the year:

The Audit Committee comprises of Four Directors with Mr. Haigreave Khaitan as the Chairman of the Committee. The composition of Audit Committee is in compliance of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

During the Financial Year 2017-18, the Audit Committee met 4 (Four) times on the following dates, namely, 2nd May, 2017, 26th July, 2017, 31st October, 2017 and 29th January, 2018.

The details of composition of Audit Committee and the Meetings attended by the Directors are given below:

Name of the Director	Position	Number of Meetings Attended during the year
Mr. Haigreave Khaitan, Independent Director	Chairman	3
Mr. Deepak Asher, Non-Independent Director	Member	4
Mr. Amit Jatia, Independent Director	Member	3
Mr. Kishore Biyani, Independent Director	Member	4

Mr. Haigreave Khaitan, Chairman of the Audit Committee was unable to attend the previous Annual General Meeting of the Company held on 28th September, 2017, due to his prior commitments.

4. COMPENSATION, NOMINATION & REMUNERATION COMMITTEE**(a) Brief description of Terms of Reference:**

The Terms of Reference of Compensation, Nomination and Remuneration Committee were defined at the Meeting of the Board of Directors held on 27th May, 2014 which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

The brief description of Terms of Reference is given below:

- 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 Listing Regulations and to take decisions about remuneration payable to managerial personnel from time to time.
- Lay down the Criteria to 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;

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2017-18:

The composition of Compensation, Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations. During the Financial Year 2017-18, the Compensation, Nomination and Remuneration Committee met 3 (Three) times on following dates namely, 23rd June, 2017, 29th January, 2018, and 31st March, 2018.

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

Name of the Director	Position	Number of Meetings Attended
Mr. Haigreave Khaitan, Independent Director	Chairman	2
Mr. Amit Jatia, Independent Director	Member	2
Mr. Siddharth Jain, Non-Executive Director	Member	3

(c) Performance Evaluation Criteria for Independent Directors

Performance Evaluation forms containing criteria for evaluation of Board as a whole, Committees of the Board and individual Directors and Chairperson of the Company were sent to all the Directors with a request to provide their feedback to the Company on the Annual Performance Evaluation of Board as a whole, Committees of Board and Individual Directors and Chairperson of the Company for the Financial Year 2017-18. Further, based on the feedback received by the Company, the Compensation, Nomination and Remuneration Committee at its Meeting held on 29th January, 2018 had noted that Annual Performance of each of the Directors is highly satisfactory and decided to continue the terms of appointment of all the Independent Directors of the Company.

The Chairman of Compensation, Nomination and Remuneration Committee had authorised Mr. Deepak Asher, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 28th September, 2017.

5. REMUNERATION TO DIRECTORS

All the Directors of the Company are Non-Executive Directors. Members of the Company have passed a Special Resolution in the Annual General Meeting held on 24th September 2016 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 2017-18 are given below:

Name of Director	Sitting Fees*	Professional Fees	Total (in ₹)
Mr. Pavan Jain	1,00,000	-	1,00,000
Mr. Vivek Jain	20,000	-	20,000
Mr. Deepak Asher	1,80,000	30,00,000	31,80,000
Mr. Siddharth Jain	1,40,000	-	1,40,000
Mr. Haigreave Khaitan	1,80,000	-	1,80,000
Mr. Amit Jatia	1,60,000	-	1,60,000
Mr. Kishore Biyani	1,80,000	-	1,80,000
Ms. Girija Balakrishnan	60,000	-	60,000
Total	10,20,000	30,00,000	40,20,000

* Includes sitting fees paid for Board and Committee Meetings.

During the Financial Year 2017-18, the Company has not issued stock options at discount.

Criteria for making payment to Non-Executive Directors is disclosed on the Company's website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a)	Name of Non-Executive Director heading the Committee	Mr. Pavan Jain
(b)	Name and designation of Compliance Officer	Mr. Dhanraj Mulki Company Secretary & Vice President – Legal*
(c)	Number of Shareholders complaints received during the Financial Year 2017-18	Nil
(d)	Number not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

* Mr. Dhanraj Mulki has since resigned as Company Secretary of the Company with effect from 17th April, 2018. Mr. Parthasarathy Iyengar, has been appointed as a Company Secretary and Compliance Officer with effect from 18th June, 2018.

The Chairman of Stakeholders' Relationship Committee had authorised Mr. Deepak Asher, Director to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 28th September, 2017.

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 **Para F** of Schedule V of the Listing Regulations, aforesaid shares have been transferred to **"INOX Leisure Limited – Unclaimed Suspense Account"**.

During the year, one shareholder approached the Company for transfer of shares from INOX Leisure Limited – Unclaimed Suspense Account to his account. The Company, after following the due procedure, has transferred the shares to the account of the concerned shareholder.

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 the Company for transfer of shares from suspense account during the year	1	50
Number of shareholders to whom shares were transferred from suspense account during the year	1	50
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	41	2245

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

7. GENERAL BODY MEETINGS

The particulars of the last three (3) 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
2014-15	16 th AGM on 28 th September 2015 at 11.00 a.m.	At Maple Hall, Hotel Express	No Special Resolution was passed in the Annual General Meeting.
2015 -16	17 th AGM on 24 th September, 2016 at 12.00 Noon.	Residency, 18/19, Alkapuri Society, Vadodara – 390 007	1. To approve the payment of professional fees to Mr. Deepak Asher (DIN: 00035371), Non-executive Director of the Company. 2. Grant of employee stock options to the employees of the Holding and Subsidiary Company (ies) of the Company under ILL-EMPLOYEE STOCK OPTION SCHEME – 2006.
2016 -17	18 th AGM on 28 th September, 2017 at 12.00 Noon.		No Special Resolution was passed in the Annual General Meeting.

No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting of the Company.

8. MEANS OF COMMUNICATION

The Quarterly / Annual Financial Results of the Company during the Financial Year ended 31st March, 2018 were submitted to the Stock Exchanges immediately after they were approved by / taken on record by the Board and published in well-circulated Gujarati Newspapers (Financial Express) and English Dailies (Financial Express) as well. The said results along with official news releases and presentations made to the institutional investors / analysts have been submitted to the stock exchanges and also posted on the Company's website viz.: www.inoxmovies.com.

9. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting (AGM):

- Date : Friday, 31st August, 2018
- Time : 10.00 a.m.
- Venue : Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007

(b) Financial year : April, 2017 to March, 2018.

(c) Book Closure Dates : Saturday, 25th August, 2018 to Friday, 31st August, 2018
(both days inclusive)

(d) Dividend Payment Date : Not Applicable as no dividend is proposed.

(e) 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

CORPORATE GOVERNANCE REPORT CONTD...

Listing Fees:

The Company has paid the annual listing fees for the Financial Year 2017-18 to the BSE and NSE on which the securities are listed.

(f) Stock Code:

NSE - INOXLEISUR

BSE - 532706

(g) Market Price Data: High, Low during each month in the Financial Year 2017-18

Month	NSE Monthly High Price (₹)	NSE Monthly Low Price (₹)	BSE Monthly High Price (₹)	BSE Monthly Low Price (₹)
April, 2017	308.80	270.10	305.85	278.15
May, 2017	304.00	266.75	304.05	266.80
June, 2017	299.95	260.45	299.90	260.10
July, 2017	294.00	250.10	292.00	243.15
August, 2017	260.85	224.20	260.55	223.70
September, 2017	255.50	216.00	259.35	213.30
October, 2017	249.00	225.05	249.00	220.20
November, 2017	291.40	245.00	290.60	246.00
December, 2017	303.80	272.40	305.00	264.50
January, 2018	309.90	265.40	309.20	262.05
February, 2018	326.35	257.60	326.00	252.00
March, 2018	286.45	255.00	286.70	254.40

(h) Performance in comparison to broad-based indices viz. Nifty 500 and BSE Sensex:

Date	Nifty 500	Company's Share Price on NSE
3 rd April, 2017	8028.55	286.95
28 th March, 2018	8912.10	265.05
Change	11.01%	(7.63%)

Date	BSE Sensex	Company's Share Price on BSE
3 rd April, 2017	29,737.73	287.00
28 th March, 2018	32,968.68	264.45
Change	10.86%	(7.86%)

The Equity Shares of the Company were not suspended from Trading during the Financial Year 2017-18.

(i) Registrar and Transfer Agents:

For lodgement 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.

(j) 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.

(k) Distribution of Shareholding & Shareholding Pattern as on 31st March, 2018:

Shareholding of Nominal Value	Number of Shareholders	% to Total	Number of Shares	Amount in (₹)	% to Total
1 – 5000	34444	95.20	25,95,671	2,59,56,710	2.69
5001 – 10000	869	2.40	6,94,977	69,49,770	0.72
10001 – 20000	414	1.14	6,39,496	63,94,960	0.66
20001 – 30000	129	0.36	3,25,867	32,58,670	0.34
30001 – 40000	65	0.18	2,29,155	22,91,550	0.24
40001 – 50000	48	0.13	2,26,975	22,69,750	0.24
50001 – 100000	79	0.22	5,70,392	57,03,920	0.59
100001 & Above	131	0.36	9,11,75,221	91,17,52,210	94.52
Total	36,179	100.00	9,64,57,754	96,45,77,540	100.00

(l) Shareholding Pattern as on 31st March, 2018 is as under.

Category	Number of Shares held	Percentage of Total 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	1,64,64,818	17.07
- Financial Institutions/Banks	19,305	0.02
- Foreign Institutional Investors	1,77,95,198	18.45
Sub-Total	3,42,79,321	35.54
Others		
Bodies Corporate	19,25,982	2.00
Indian Public	77,52,025	8.04
Non Resident Indians	1,83,454	0.19
Any other		
- NBFCs registered with RBI	23,350	0.02
- HUF	2,79,928	0.29
- Alternative Investment Fund	3,72,493	0.38
- Trusts	43,50,689	4.51
- Clearing Members	21,583	0.02
Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014)	2,95,001	0.31
Sub-Total	1,52,04,505	15.76
Grand Total	9,64,57,754	100.00%

(m) Dematerialization of shares:

The Company's Equity Shares are traded compulsorily in dematerialized form. Approximately 99.69% of the Equity Shares are in dematerialized form. ISIN number for dematerialization of the equity shares of the Company is INE312H01016.

(n) Outstanding GDRs/ADRs/Warrants/ any Convertible Instruments:

The Company has not issued GDRs/ADRs/Warrants or any Convertible Instruments.

(o) Commodity price risk or foreign exchange risk and hedging activities;

The Company has approved "Risk Assessment and Minimisation Procedure" pursuant to which the Company enters into Forward Contracts on foreign currencies depending on its assessment of the market situation, to counter the risk of foreign exchange fluctuations.

(p) 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	2 nd Floor, CR2, Opp. Bajaj Bhavan, Nariman Point, Mumbai
7	Bengaluru	4 th Floor, Garuda Mall, Magrath Road, Bengaluru
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	Bengaluru	4 th Floor, Shree Garuda Swagath Mall, Tilak Nagar Main Road, Jayanagar, Bengaluru
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, 3 rd Mile, Sevoke Road, Siliguri

Sr. No.	City	Location
27	Kolkata	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	Bengaluru	3 rd Floor, Mantri Square, No.1, Sampige Road, Malleshwaram, Bengaluru
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	Bengaluru	5 th Floor, Bengaluru Central, 45 th Cross, J. P. Nagar 2 nd Phase, Bengaluru
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
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, Tapadia Mall, Sector - C-2 Town Center, 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	Mumbai	Plot No. 17, Village Mahajan Wadi, Thakur Mall, Opp. Hotel Sun Shine Inn, Next To Dahisar Check Naka, Mira – Bhayander, Thane
55	Mumbai	Raghuleela Mall, Poisar, Kandivali
56	Bengaluru	Next to Ista Hotel, Off M.G. Road, Ulsoor, Bengaluru
57	Kolkata	Southcity Projects Ltd, 375, Prince Anwar Shah Road, Kolkata
58	Navi Mumbai	3 rd Floor, Raghuleela Mall, Opp. Vashi Railway station, Vashi, Navi Mumbai
59	Bengaluru#	Shankarnag Chitramandira Public Utility Building, M. G. Road, Bengaluru
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	Kalyan	Metro Junction Mall, Netivalli Village, Near Sheel Phata, Kalyan (E), Kalyan
63	Vadodara	Seven Seas Mall, Near Fategung Post Office, Near I P C L Circle Fatigung, Vadodara

Sr. No.	City	Location
64	Bharuch	Shalimar Takies, Station Road, Bharuch
65	Dhanbad	Galleria Mall, Saraidhela, Sahyogi Nagar, Sector 2, Govindpur Road, Dhanbad
66	Bengaluru	Prestige Forum Value Mall, Survey No. 62, Near Varthur Kodi, White Field Road , Bengaluru
67	Chennai	Chandra Metro Mall, Door No. #92 New # 262 Arcot Road, Virugambakkam, Chennai
68	Kolkata	Hind Cinema, Bow Bazar, Kolkata
69	Surat	VR Surat, Dumas Road, Magdalla, Surat
70	Vizianagaram	3 rd Floor, NCS Mall, Bochu Peta, Opp. RTC Complex, Vizianagaram
71	Panchkula	3 rd Floor, NH-22 Mall, Amravati Enclave, Sector 2, Pinjore-Kalka Urban Complex, Panchkula
72	Raipur	1 st Floor, City Centre Mall, Vidhan Sabha Road, Mowa, Raipur
73	Jaipur	3 rd Floor, Elements Mall, Ajmer Road, Jaipur
74	Madurai	5 th Floor, Vishaal de Mal, 31, Gokhale Road, Chinna Chokkikulam, Madurai
75	Noida	3 rd Floor, MSX Mall, Swarn Nagari, Gate No.1, Greater Noida
76	Kolkata	4 th Floor, Quest Mall, 33, Syed Amir Ali Avenue, Kolkata
77	Manipal	1 st Floor, Central Cinemas, Laxmindra Nagar, Udupi Main Road, Manipal
78	Gurgaon	3 rd Floor, Gurgaon Dreamz Mall, Sector 4 - 7 Circle, Old Railway Road, Gurgaon
79	Vizag	4 th Floor, Chitralayaa, Suryabagh, Visakhapatnam
80	Jalgaon	2 nd Floor, khandesh Central Station Road, Jalgaon
81	Faridabad	EF – 3 Mall, Sector 20 – A, Mathura Road, Faridabad
82	New Delhi	1 st Floor, Eros One (Eros Cinema Building), Jangpura Extension, New Delhi
83	Kurnool	3 rd Floor, Jyoti Mall, Opposite Zilla Parishat, Bellary Road, Kurnool
84	Ajmer	3 rd Floor, City Square Mall, Panchsheel Nagar, Ajmer
85	Goa	E-Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao, Goa
86	Vadodara	3 rd Floor, Reliance Mega Mall, Old Padra Road, Vadodara
87	New Delhi	Behind Shadipur Metro Station Patel Nagar, New Delhi
88	New Delhi	District Centre, Janak Place, New Delhi
89	New Delhi	45, District Centre, Near Intercontinental Hotel, Nehru Place, New Delhi
90	Indore	C-21 Mall, PU - 4, Scheme No. 54 AB Road, Indore
91	Jodhpur	Ansal Royal Plaza Nr- Stadium, High Court Road, Jodhpur
92	Aurangabad	Prozone Mall, API Corner, P-80 Chikalthana Industrial Area, Aurangabad
93	Rohtak	Sky Mall, Sonipat Road, Huda Sector-3, Rohtak
94	Mysuru	Mall of Mysore, Plot No. C1, Third Floor, Nazarbad Mohalla, MG Road, Mysuru
95	Amritsar	5 th Floor, Trilium Mall, Plot C-4 Circular Road, Opp. Basant Avenue, Amritsar
96	Bhilwara	3 rd Floor, City Centre Mall, Near Mahaveer Park, Bhopalganj, Bhilwara
97	Rajkot	Old Dharam Cinema Building, Kasturba Road, Rajkot
98	Gandhinagar	R World, Jamiyatpura Mehsana Highway, Adalaj, Gandhinagar
99	Gandhinagar	Old Rajshree Cinema, 2 nd Floor, R-21, Sector 21, Gandhinagar
100	Bhiwadi	Genesis Mall, Alwar Bhiwadi Highway, Bhiwadi.
101	Mumbai	R City Mall, Lal Bahadur Shastri Marg, Ghatkopar(W), Mumbai

Sr. No.	City	Location
102	Goa	2 nd Floor, A- Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao
103	Meerut	PVS Mall, I Bock, Shastri Nagar, Meerut
104	Thrissur	Sobha City Mall, Thrissur
105	Surat	Aai Mata Chowk, Paravat Patia, Surat
106	Jorhat	ABS Mall, 4 th Floor, at Rd, Gar-Ali, Jorhat
107	Goa	Mall De Goa, Alto Porvorim, Bardez, Goa
108	Bengaluru	Brookefield Mall, Kundalahalli Village, Krishnarajapuram Hobli, Bengaluru
109	Kota	The Great Mall of Kota, DCM Road, Kota
110	Howrah	Rangoli Mall, 212, Girish Gosh Road, Belur, Howrah
111	Jaipur	Sunny's Big Junction (STC), Shukhalpura New Aatish Market, Manasarovar, Jaipur
112	Rajkot	Mouie Nana Mava, Rajkot
113	Mumbai	Metro House, Mahatma Gandhi Road, Mumbai
114	Aurangabad	Reliance Mega Mall, Gajanan Maharaj Mandir Road, Garkheda, Aurangabad
115	Jamnagar	Crystal Mall, Airport Road, Jamnagar, Gujarat
116	Surat	Raj Imperial INOX, Deep Kamal Mall, Near Sarthana Zoo, Varachha Road, Surat
117	Gandhinagar	Old Shalimar Cinema, Sector-16, Gandhinagar
118	Bharuch	Blue Chip Complex, Seva Ashram Road, Bharuch
119	Pune	Dorabjee's Royale Heritage Mall, NIBM Ext, Next to Vibgyor High School, Mohammed Wadi, Pune
120	Greater Noida	3 rd Floor, Omaxe Connaught Place Mall, H Block, Sector Beta – 2, Greater Noida
121	Mumbai	Atrial Mall, Dr. Annie Besant Road, Worli, Mumbai
122	Kolhapur	2 nd Floor, Reliance Mega Mall, Old Dalal Market, Laxmipuri, Kolhapur
123	Ghaziabad	3 rd Floor, Shipra Mall, Plot no. 09, Vaibhav Khand, Indrapuram, Ghaziabad
124	Nadiad	3 rd Floor, Opal One Mall, College Road, Nadiad
125	Mumbai*	3 rd Floor, Palm Beach Galleria Mall, Palm Beach Road, Sector 19, Vashi, Navi Mumbai
126	Cuttack*	SGBL Square, Town Hall Road, Chowdhury Bazar, Cuttack
127	Zirakpur*	1 st Floor, Dhillon Plaza, Chhat Road, Singhpura, Zirakpur
128	Kakinada*	SRMT Mall, Lalitha Nagar, Sarpavaram Junction, Kakinada
129	Gurugram*	2 nd Floor, Sapphire 83 Mall, N.H. 8, Gurugram

discontinued operations w.e.f. 9th May, 2017

*Commenced operations after 31st March, 2018

(q) Address for Investor 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 (East), Mumbai - 400 093.
Phone No.: 022 4062 6900 | Fax No.: 022 4062 6999
Website: www.inoxmovies.com | Email Address: investors@inoxmovies.com

10. OTHER DISCLOSURES

a) **Materially significant Related Party Transactions:**

There were no 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 (Ind AS2 4) has been made in the note 42 to the Standalone Financial Statements of the Company and in the Board's 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 have 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) **All the Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.**

Adoption of Non-mandatory requirement:

(i) **Modified opinion(s) in Audit Report:**

For the Financial Year ended 31st March, 2018, the Independent Auditors have given unmodified opinion on the Company's Financial Statements. The Company continues to adopt best practices to ensure the regime of unmodified Financial Statements.

(ii) **Separate posts of Chairperson and Chief Executive Officer:**

The Company has appointed Mr. Pavan Jain as the Chairman of the Company while Mr. Alok Tandon is the Chief Executive Officer of the Company.

e) **The Company has formulated a Policy for determining 'Material' subsidiaries and such policy has been disclosed on the Company's Website. The same can be viewed at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.**

f) **Disclosure of commodity price risks and commodity hedging activities:** Not applicable.

g) **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.

h) **The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation 46 of the Listing Regulations.**

i) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is set out in the Annual Report in compliance with Clause B of Schedule V to the Listing Regulations.

j) CEO/CFO Certification:

The Company has obtained a Certificate from Chief Executive Officer and Chief Financial Officer in respect of matters stated in Regulation 17 (8) of Listing Regulations.

11. CODE OF CONDUCT

The Board of Directors of the Company had 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>.

12. DECLARATION BY CHIEF EXECUTIVE OFFICER

Declaration signed by Mr. Alok Tandon, Chief Executive Officer of the Company, stating that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report at **Annexure – A**.

13. COMPLIANCE CERTIFICATE FROM THE INDEPENDENT AUDITORS

As stipulated in Para E of Schedule V of Listing Regulations, the Certificate from the independent auditors of the Company regarding compliance of conditions of corporate governance is annexed herewith.

By Order of the Board of Directors

Place: Mumbai
Date: 24th July, 2018

Pavan Jain
Chairman

ANNEXURE -A

Declaration by the CEO under Clause D of Schedule V of the Listing Regulations:

I, Alok Tandon, Chief Executive Officer of INOX Leisure Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel, for the Financial Year ended 31st March, 2018.

Place: Mumbai
Date: 24th July, 2018

Alok Tandon
Chief Executive Officer

CERTIFICATE

Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Inox Leisure Limited

This report contains details of compliance of conditions of Corporate Governance by Inox Leisure Limited ('the Company') for the year ended 31st March, 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2018.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations in all material respect except that the Chairman of the Audit Committee had not attended the last Annual General Meeting of the Company for the reasons mentioned in paragraph 3(b) of the Corporate Governance Report prepared by the Company.

We 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.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Kulkarni and Company,
Chartered Accountants
Firm's Registration Number: 140959W

(A D Talavlikar)
Partner
Membership Number: 130432

Place: Vadodara
Date: 24th July 2018

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015) read with SEBI circular dated 4th November, 2015 and its amendment dated 22nd December, 2015 had mandated that with effect from the Financial Year 2016-17, the annual report of top 500 listed companies should include a Business Responsibility Report (BRR) in the format prescribed by SEBI. Although INOX Leisure Limited (hereinafter referred to as ILL or the Company) is not a part of top 500 listed companies (based on market capitalisation as on 31st March, 2018) as per the list hosted on the websites of the BSE and NSE, this BRR is being prepared as a best governance practice. It is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The BRR of the Company in the format prescribed at Annexure I of the said circular is given hereunder and it describes initiatives taken by the Company during the Financial Year 2017-18:

Section A General Information about the Company		
1	Corporate Identification Number	L92199GJ1999PLC044045
2	Name of the Company	INOX Leisure Limited
3	Registered Address	ABS Towers, Old Padra Road, Vadodara- 390007
4	Website	www.inoxmovies.com
5	Email Address	investors@inoxmovies.com
6	Financial year reported	2017-18
7	Sector(s) that the Company is engaged in	Motion picture projection activities (NIC code 59141)
8	3 key products/services manufactured/ provided by the Company	Cinema exhibition
9	Total number of locations where business activity is undertaken by the Company	
(a)	Number of International Locations (Provide details of major 5)	None
(b)	Number of National Locations	123 Locations
10	Markets served by the Company	National
Section B Financial details of the Company		
1	Paid up capital (INR)	₹ 96,45,77,540/-
2	Total turnover (INR)	₹ 134,811.83 Lakhs
3	Total profit after tax (INR)	₹ 11,464.21 Lakhs
4	Total spending on CSR as percentage of PAT (%)	₹ 64.01 Lakhs i.e. 0.56% of PAT for FY 2017-18.
5	List of the activities in which expenditure in 4 above has been incurred	Activities related to promotion of education, healthcare, sports and environment conservation
Section C Other details		
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No

- 3 Do any other entity/entities (e.g. suppliers, No distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Section D BR information

1	Details of Director(s) responsible for BR				
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies:				
1	DIN Number	00030098	00029968	00030202	00035371
2	Name	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Siddharth Jain	Mr. Deepak Asher
3	Designation	Chairman	Director	Director	Director
(b)	Details of the BR head:				
1	DIN Number (if applicable)	N.A.			
2	Name	Mr. Kailash B. Gupta			
3	Designation	Chief Financial Officer			
4	Telephone number	022 4062 6900			
5	e-mail id	kailash.gupta@inoxmovies.com			

2. Principle-wise (as per NVGs) BR Policy/Policies

- a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	N	N	Y	N	N	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y			Y				Y	
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y			Y				Y	
4.	Has the policy being approved by the Board?	Y			Y				Y	
	Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y			Y				Y	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y			Y				Y	
6.	Indicate the link for the policy to be viewed online?	#			#				#	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y			Y				Y	
8.	Does the company have in-house structure to implement the policy/policies.	Y			Y				Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	N			N				N	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N			N				N	

- www.inoxmovies.com/corporate

BUSINESS RESPONSIBILITY REPORT CONTD...

- b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)		1	2		2	3	4		5
1)	While the Company does not have a specific policy for this principle, it has a detailed Fire & Security Standard Operating Procedure (SOP) that contains guidelines for dealing with different kinds of safety emergencies.									
2)	While the Company does not have a specific policy for this principle, it has an HR Operations Manual that provides guidance for governing various aspects related to its employees, including employee grievance redressal.									
3)	As a cinema exhibition company, with no manufacturing activities, we do not have a specific policy for this principle. However, we make conscious efforts to minimize or environmental footprint.									
4)	As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy.									
5)	While the Company does not have a specific policy for this principle, it has a well-defined Customer Relationship Management SOP.									
3.	Governance related to BR:									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year									
(b)	Does the Company publish BR or Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?									

Section E: Principle-wise performance

Certain key principles to assess fulfilment of the requirement by the Company and a description of core elements under the principles as detailed in Annexure II of the referred SEBI circular are narrated below:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

ILL has formulated a Code of Conduct (CoC) to ensure that the business of the Company is conducted in accordance with the highest standards of ethics and values, while complying with the applicable laws and regulations. The CoC encourages each and every Director and Officer of the Company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's premises, at offsite locations, at the Company's sponsored business and social events, and / or at any other place where they represent the Company. Any instance of non-compliance of any of the provisions of the CoC is treated as a breach of ethical conduct and is viewed seriously by the Company. The Company also has a Whistle Blower Policy which is a mechanism to reinforce implementation of the Company's CoC which encourages each and every Director and employees of the Company to take positive actions which not only commensurate with the Company's belief but

are also perceived to be so. This Policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes. The policy relating to ethics, bribery and corruption covers the Company and its Subsidiary Companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

None.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

As a cinema exhibition company, safety of its patrons is the prime concern for ILL. The Company has a detailed Fire & Security Standard Operating Procedure (SOP) which contains guidelines for dealing with different kinds of safety emergencies like fires and bomb threats. It also contains detailed steps to operate the safety systems installed in the properties along with directions for their maintenance.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All ILL properties use fire retardant materials for curtains, carpets, and chairs. These, along with the Integrated Fire Detection and Control Systems minimizes the risk of fire while enabling quick control of fires, if at all they occur. Also, the new properties of the Company are being designed in such a manner that they are easily accessible to the differently-abled.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

As a cinema exhibition company, ILL does not have any manufacturing activities and hence it has limited resource consumption. However, the Company has taken a number of initiatives to increase the energy efficiency of its properties, some of which are mentioned later in the report.

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has been replacing the conventional lights with the LED lights across its properties. The Company has also introduced Paperless Ticket Entry which results in saving paper. (Further details are available in the Annexure E of the Boards' Report dealing with Conservation of Energy, Technology Absorption, etc.).

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.

This question is not applicable to ILL since it does not have any manufacturing activities.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company procures perishable items from locally based suppliers for each of its property.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

A number of ILL properties are located within shopping malls which have their own Sewage Treatment Plant (STP). At such locations, the treated water is used for flushing purposes inside the ILL property. Also the waste generated at all ILL properties is segregated into wet and dry waste at the source.

Principle 3: Businesses should promote the well-being of all employees

The Company has an HR Operations Manual that provides guidance and policies for governing various aspects related to its employees. It includes guidelines on employee evaluation and performance management, training and development, employee grievance redressal and employee engagement. It also includes guidelines on prevention, prohibition and redressal of sexual harassment of women at workplace.

1. Please indicate the Total number of employees.
The Company has a total of 7494 employees (including outsourced employees).
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
A total of 5698 employees have been hired on temporary/contractual/casual basis.
3. Please indicate the Number of permanent women employees.
The Company has 107 permanent women employees.
4. Please indicate the Number of permanent employees with disabilities
The Company currently does not have any permanent employee with disabilities.
5. Do you have an employee association that is recognized by management?
The Company does not have any employee association that is recognized by the management.
6. What percentage of your permanent employees is members of this recognized employee association?
Not applicable.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	14	1
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Permanent Employees	100 %
Permanent Women Employees	100 %
Casual/Temporary/Contractual Employees	100 %
Employees with Disabilities	N.A.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has a Corporate Social Responsibility (CSR) Policy, which is guided by the philosophy of ILL and the INOX Group of Companies and delineates the Company's responsibility as a responsible corporate citizen. The CSR Policy of the Company lays down the guidelines and mechanism to undertake programmes for social welfare and sustainable development of the community at large. The objective of the Policy is to enhance value creation by the Company in the communities in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company ensures that its business is conducted in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.

1. Has the company mapped its internal and external stakeholders?
ILL takes into account the wellbeing of all individuals directly or indirectly associated with it, though a formal mapping of the internal and external stakeholders has not been conducted.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
While there has not been any formal identification of the disadvantaged stakeholders, the Company's primary welfare activities are focussed on children, women and students from socially & economically backward groups in the geographies that have been selected.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.
Some of the initiatives undertaken by the Company include:
 - Monetary assistance for managing balwadis
 - Monetary assistance to students from economically disadvantaged backgrounds
 - Monetary assistance for promoting Paralympic Sports

Principle 5: Businesses should respect and promote human rights

The HR Operations Manual of the Company contains detailed guidelines in relation to the process and approach for raising and resolving staff grievances. These might include cases of verbal / physical abuse or harassment of employees. It also contains provisions to ensure privacy while dealing with all such complaints.

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?
The policy extends to Contract Labour, Vendors and all other stakeholders.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
No stakeholder complaint has been received in the past financial year and none are pending as on 31st March 2018.

Principle 6: Business should respect, protect, and make efforts to restore the environment

As a cinema exhibition company, with no manufacturing activities, we have a limited environmental footprint and we make conscious efforts to minimize the same. We focus on areas like energy efficiency and renewable energy to make the operations of our properties environment friendly.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.
The Company currently does not have a stated policy on this principle.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
In its effort to address the climate change, the Company has adopted a number of initiatives to decrease its energy consumption and enhance energy efficiency at its properties, thereby reducing its greenhouse gas emissions.
3. Does the company identify and assess potential environmental risks? Y/N
As a cinema exhibition company with no manufacturing activities, ILL does not conduct a formal environmental risk assessment. However, the Company incorporates environment friendly practices in its day to day activities.

BUSINESS RESPONSIBILITY REPORT CONTD...

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?
No, the Company currently does not have any project related to Clean Development Mechanism.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
The Company undertakes regular energy audits across all its properties which helps in the identification of areas where there is scope for improvement. It has taken a number of initiatives like retrofitting of chillers, installation of variable frequency drives and LED lighting, which have helped the Company to decrease electricity consumption. The Company has also installed 2 windmills in Mothisindhodi, Kutch, Gujarat with a cumulative capacity of 1.2 MWh. In FY 2017-18, these windmills generated more than 20 lakhs units of electricity which was consumed by 3 of ILL's properties, INOX Vadodara Race Course, INOX Bharuch Shree Rang and INOX Anand City Pulse with excess units of electricity being sold to respective DISCOM.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
As a cinema exhibition company, ILL does not have any manufacturing operations and hence this question is not applicable.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
No show cause/ legal notices from CPCB/SPCB are pending as on 31st March 2018.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

As a business which is not actively involved in advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policies. However the Company will continue to assess the evolving business and regulatory environment in future in this regard.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.
INOX Leisure Limited is a member of Multiplex Association of India.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
No. The Company has not advocated/lobbied through above associations.

Principle 8: Businesses should support inclusive growth and equitable development

The Company's CSR Policy aims to enhance value creation in the society and in the communities in which it operates. It aims to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof
Some of the initiatives undertaken by the Company include:
 - Monetary assistance for managing balwadis
 - Monetary assistance to students from economically disadvantaged backgrounds
 - Monetary assistance for promoting Paralympic Sports
 - protection of National Heritage, art and culture including restoration of buildings and sites of historical importance

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
The programmes are undertaken through in-house teams as well as through NGOs.
3. Have you done any impact assessment of your initiative?
The Company follows a systematic five step approach towards releasing funds for a project. The fifth step in this process includes a provision for seeking information regarding the impact of money spent, on the life of the beneficiary.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
Details are provided under the Board Report on the CSR Activities of the Company.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.
The Company regularly engages with the local communities in the areas chosen for CSR program implementation through its own CSR teams and partner NGOs. Through these interactions it ensures that its CSR initiatives are adopted by the local community and fulfil the needs of the target population.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company has a well-defined SOP for all the different aspects that fall under the ambit of Customer Relationship Management. It contains detailed steps that need to be followed in any given situation, along with defined roles and responsibilities.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.
During the year 2017-18, 14 consumer complaints were filed, while 27 complaints are pending as on 31st March 2018.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N. A. /Remarks (additional information)
Since the Company does not manufacture any product, this question is not applicable.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
There was no pending stakeholder case against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March 2018.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
The Company seeks regular feedback from its customers in order to get clear and detailed insights into their satisfaction levels. The Company has also done a pilot test of an online feedback system whereby guest can give ratings via email and phone. Every feedback received is forwarded to the respective unit manager and the central customer relationship team for necessary action as required.

By Order of the Board of Directors

Place: Mumbai
Date: 24th July, 2018

Pavan Jain
Chairman

INDEPENDENT AUDITOR'S REPORT

to the members of INOX Leisure Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Inox Leisure Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2018, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 judgements 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 standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to the financial statements 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 standalone Ind AS financial statements – see Note 45 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Other Matters

The financial statements of the Company for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 2 May 2017.

For Kulkarni & Company
Chartered Accountants
 Firm's Registration No. 140959W

Place: Vadodara
 Date: 7 May 2018

A.D Talavlikar
Partner
 Membership No. 130432

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

to the members of INOX Leisure Limited

Annexure I to Independent auditor's report to the members of Inox Leisure Limited on the standalone Ind AS financial statements for the year ended 31 March 2018 – 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 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. The title deeds of all immovable properties are held in the name of the Company, except as under:

(₹ in Lakhs)

Particulars	No. of cases	Original cost	Carrying amount	Remarks
Leasehold land	1	181.45	137.76	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
Building	2	7,568.81	6,277.88	Conveyance deed is yet to be executed
	1	828.57	645.62	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
	1	1,763.73	1,456.92	In the name of erstwhile amalgamated company and conveyance deed is yet to be executed
Building total		10,161.11	8,380.43	

2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.
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 complied with the provisions of Section 185 and section 186 of the Act in respect of investments made or loans given or guarantee or security provided.
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 including provident fund, employees' state insurance, income-tax, sales tax, service tax, Goods & Service Tax, duty of customs, duty of excise, value added tax, cess, entertainment tax and other material statutory dues applicable to it. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2018 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 Lakhs)	Forum where dispute is pending
Service-tax (Finance Act, 1994)	Service tax on renting of immovable properties for the period August 2008 to September 2011	1,035.02	Supreme Court of India
	Service tax on film distributors' payments		
	For the period May 2009 to June 2012	549.35	Central Excise and Service Tax Appellate Tribunal, Hyderabad.
	For the period May 2008 to March 2014	2,853.23	Central Excise and Service Tax Appellate Tribunal, New Delhi.
	For the period July 2012 to December 2014	6,710.55	Central Excise and Service Tax Appellate Tribunal, Mumbai.

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakhs)	Forum where dispute is pending
	For the period May 2008 to March 2014 Service tax on Food & Beverage	5,870.35	Commissioner of Service Tax, Mumbai.
	For the period April 2013 to February 2014	720.09	Central Excise and Service Tax Appellate Tribunal, Mumbai
	For the period March 2014 to December 2014	781.90	Central Excise and Service Tax Appellate Tribunal, Mumbai
	For the period January 2015 to September 2015	858.45	Central Excise and Service Tax Appellate Tribunal, Mumbai
Customs Act, 1962	Custom duty	Amount not ascertainable	Commissioner Appeal, Central Board of Excise and Customs
	Custom duty for the period 2005-06	4.36	Asst. Commissioner of Customs, Jawaharlal Nehru Custom House, JNPT, NhavaSheva
Maharashtra Value Added Tax Act, 2002	Assessment dues for the year 2008-09	235.06	Deputy Commissioner of Sales Tax (Appeals – 4), Mazgaon, Mumbai
Income Tax Act, 1961	Penalty for FY 2009-10	43.25	Commissioner of Income-tax (Appeals) - Vadodara
	Assessment dues for the FY 2012-13	114.67	

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

8. The Company has not defaulted in repayment of loans and borrowings to banks and the Company did not have any borrowings from financial institutions, Government or by way of debentures.
9. The Company has applied the moneys raised by way of term loans for the purpose for which these loans were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).
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 standalone financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
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.

For Kulkarni & Company
Chartered Accountants
Firm's Registration No. 140959W

Place: Vadodara
Date: 7 May 2018

A.D Talavlikar
Partner
Membership No. 130432

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

to the members of INOX Leisure Limited **CONTD...**

Annexure II to Independent auditor's report to the members of Inox Leisure Limited on the standalone Ind AS financial statements for the year ended 31 March 2018 – 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 of Inox Leisure Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal controls 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 ("ICAI"). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, 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 ICAI. 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 with reference to financial statements 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 system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 Ind AS financial statements, whether due to fraud or error.

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 system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For Kulkarni & Company
Chartered Accountants
Firm's Registration No. 140959W

Place: Vadodara
Date: 7 May 2018

A.D Talavlikar
Partner
Membership No. 130432

STANDALONE BALANCE SHEET

as at 31 March 2018

		(₹ in Lakhs)	
Particulars	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	74,270.89	67,282.56
(b) Capital work-in-progress	5B	5,394.78	6,255.36
(c) Goodwill	6	1,750.00	1,750.00
(d) Other intangible assets	7	1,154.66	1,242.67
(e) Financial assets			
(i) Investments			
(a) Investments in subsidiary	8	102.12	99.12
(b) Investment in joint venture	8	-	-
(c) Other investments	9	121.27	118.74
(ii) Loans	10	7,417.53	6,900.01
(iii) Other financial assets	11	6,753.68	7,178.80
(f) Deferred tax assets (net)	12	8,112.40	4,828.55
(g) Income tax assets (net)	13	883.50	553.32
(h) Other non-current assets	14	8,246.17	7,741.05
Total Non - current assets		114,207.00	103,950.18
2 Current assets			
(a) Inventories	15	939.91	908.76
(b) Financial assets			
(i) Other investments	9	1,206.88	1,039.85
(ii) Trade receivables	16	7,610.64	4,661.00
(iii) Cash and cash equivalents	17	1,279.40	958.81
(iv) Bank balances other than (iii) above	18	168.84	338.26
(v) Loans	10	590.31	441.99
(vi) Other financial assets	11	18.42	30.35
(c) Other current assets	14	2,443.36	2,087.57
		14,257.76	10,466.59
Total Assets (1+2)		128,464.76	114,416.77
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	9,616.28	9,616.28
(b) Other equity	20	60,618.17	48,909.28
(c) Interest in Inox Benefit Trust	21	(3,266.98)	(3,266.98)
Total equity		66,967.47	55,258.58
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	25,240.23	29,193.00
(ii) Other financial liabilities	23	312.84	307.81
(b) Provisions	24	1,009.79	1,001.45
(c) Other non-current liabilities	25	7,565.72	8,292.85
Total Non - current liabilities		34,128.58	38,795.11
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables	26	11,305.32	8,848.14
(ii) Other financial liabilities	23	10,550.78	6,476.49
(b) Other current liabilities	27	3,819.94	3,599.41
(c) Provisions	24	1,478.32	1,439.04
(d) Income tax liabilities (net)	13	214.35	-
Total current liabilities		27,368.71	20,363.08
Total Equity and Liabilities (1+2+3)		128,464.76	114,416.77

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

As per our report of even date attached

For Kulkarni and Company

Chartered Accountants

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	28	1,34,811.83	1,22,071.41
Other income	29	1,444.00	905.42
Total Income (I)		136,255.83	122,976.83
Expenses			
Cost of materials consumed	30	7,435.80	6,806.71
Exhibition cost	31	36,731.78	34,532.57
Employee benefits expense	32	9,635.55	8,639.10
Finance costs	33	2,889.47	2,528.09
Depreciation and amortisation expense	34	8,669.89	8,407.04
Impairment losses	5A/8	308.95	129.34
Other expenses	35	59,965.21	57,486.27
Total expenses (II)		125,636.65	118,529.12
Profit before exceptional items and tax (I - II = III)		10,619.18	4,447.71
Exceptional items (IV)	47	854.16	-
Profit before tax (III-IV = V)		9,765.02	4,447.71
Tax expense: (VI)	36		
Current tax		3,251.00	1,473.00
Deferred tax		420.28	85.72
Taxation pertaining to earlier years		(5,370.47)	(158.70)
		(1,699.19)	1,400.02
Profit for the year (V - VI = VII)		11,464.21	3,047.69
Other comprehensive income (VIII)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		100.21	(61.77)
(ii) Income tax on above	36	(35.02)	21.38
Total Other comprehensive income (i-ii)		65.19	(40.39)
Total Comprehensive income for the year (VII + VIII = IX) (Comprising profit and other comprehensive income for the year)		11,529.40	3,007.30
Earnings per equity share (in ₹)			
1) Basic	38	12.49	3.32
2) Diluted	38	12.48	3.32

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

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants

A.D.Talavlikar
Partner

Siddharth Jain
Director

Kailash B Gupta
CFO

For and on behalf of the Board of Directors

Deepak Asher
Director

AlokTandon
CEO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

STANDALONE STATEMENT OF CASHFLOW

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit for the year after tax	11,464.21	3,047.69
Adjustments for:		
Income tax expense	(1,699.19)	1,400.02
Finance costs	2,889.47	2,528.09
Interest income recognised in profit or loss	(704.64)	(518.49)
Government grants - deferred revenue	(1,303.47)	(1,702.64)
Gain on investments measured at fair value through profit or loss	(370.03)	(234.74)
Deferred rent expenses	616.77	520.05
Loss on disposal of property, plant and equipment (net)	1,085.22	429.24
Liabilities and provisions, no longer required, written back	(281.44)	(95.83)
Expense on ESOP	179.49	5.27
Bad debt & remissions	13.98	148.53
Deposits and advances written off	63.61	-
Allowance for doubtful deposits and advances	113.96	35.00
Allowance for doubtful trade receivables (net)	(84.77)	5.12
Allowance for amount recoverable towards claim written off	854.16	-
Impairment loss on investment in subsidiary	-	40.88
Impairment loss on property, plant and equipment	308.95	88.46
Depreciation and amortisation expense	8,669.89	8,407.04
Unrealised exchange loss	10.32	-
	21,826.49	14,103.69
Movements in working capital:		
(Increase)/decrease in trade receivables	(2,878.85)	344.87
(Increase)/decrease in inventories	(31.15)	(221.49)
(Increase)/decrease in loans	(261.38)	(1,070.82)
(Increase)/decrease in other financial assets	(377.22)	(1,595.07)
(Increase)/decrease in other assets	(1,467.59)	(3,289.38)
Increase/(decrease) in trade payables	2,457.18	1,569.33
Increase/(decrease) in provisions	147.83	166.93
Increase/(decrease) in other financial liabilities	1,494.81	578.18
Increase/(decrease) in other liabilities	1,078.31	1,317.32
Cash generated from operations	21,988.43	11,903.56
Income taxes paid	(1,735.52)	(1,119.09)
Net cash generated by operating activities	20,252.91	10,784.47
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(15,003.15)	(15,278.60)
Payments for other intangible assets	(231.50)	(306.64)

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Proceeds from disposal of property, plant and equipment	170.52	268.81
Interest received	174.20	290.92
Investments in Government securities	-	(12.50)
Maturity of Government securities	-	7.40
Purchase of current investments	(54,699.43)	(20,241.99)
Sale/redemption of current investments	54,911.69	20,983.71
Investment in subsidiary company	(3.00)	-
Payments towards business combination consideration payable	(5.32)	(286.36)
Movement in other bank balances	154.12	67.25
Net cash used in investing activities	(14,531.87)	(14,508.00)
Cash flows from financing activities		
Proceeds from borrowings - non current	-	10,000.00
Repayment of borrowings - non current	(2,503.40)	(2,498.56)
Net movement in current borrowings	-	(2,512.65)
Finance costs	(2,897.05)	(2,549.43)
Net cash (used)/generated by financing activities	(5,400.45)	2,439.36
Net increase/(decrease) in cash and cash equivalents	320.59	(1,284.17)
Cash and cash equivalents at the beginning of the year	958.81	2,242.98
Cash and cash equivalents at the end of the year	1,279.40	958.81

Changes in liabilities arising from financing activities during the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Non-current borrowings
Opening balance	31,712.75
Interest expense	2,911.45
Cash flows	(5,422.43)
Closing balance	29,201.77

Notes:

1. The above statement of cash flow has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per Note 17.
3. The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

STANDALONE STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2018

A. Equity share capital

(₹ in Lakhs)		
Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
9,616.28	-	9,616.28

B. Other equity

(₹ in Lakhs)						
Particulars	Reserves and surplus					
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Shares options outstanding account	Retained Earnings	Total
Balance at 1 April 2016	0.10	28,092.61	2,782.55	-	15,021.45	45,896.71
Additions during the year:						
Profit for the year					3,047.69	3,047.69
Other comprehensive income for the year, net of tax(*)					(40.39)	(40.39)
Total comprehensive income for the year	-	-	-	-	3,007.30	3,007.30
On account of stock options (see Note 41)				5.27		5.27
Balance as at 31 March 2017	0.10	28,092.61	2,782.55	5.27	18,028.75	48,909.28
Additions during the year:						
Profit for the year					11,464.21	11,464.21
Other comprehensive income for the year, net of tax(*)					65.19	65.19
Total comprehensive income for the year	-	-	-		11,529.40	11,529.40
On account of stock options (see Note 41)				179.49		179.49
Balance as at 31 March 2018	0.10	28,092.61	2,782.55	184.76	29,558.15	60,618.17

(*) Other comprehensive income for the year is in respect of remeasurement of defined benefit plans

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

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants
A.D.Talavlikar
Partner

Siddharth Jain
Director

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

For and on behalf of the Board of Directors

Deepak Asher
Director

AlokTandon
CEO

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. Company information

Inox Leisure Limited ("the Company") is a public limited company incorporated in India. The Company is engaged in operating & managing multiplexes and cinema theatres in India. The Company's holding company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at ABS Towers, Old Padra Road, Vadodara – 390 007, and the particulars of its other offices and multiplexes/cinema theatres are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are the separate financial statements of the Company (also called standalone Ind AS financial statements) and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the transition date. The transition was carried out from the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), which was the Previous GAAP

Accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on accrual and going concern basis.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

These financial statements were authorized for issue by the Company's Board of Directors on 7 May, 2018.

2.4 Particulars of investments in subsidiaries and joint venture are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights	Method used to account for the investment
a) Subsidiary			
Shouri Properties Private Limited	India	99.29%	At cost
Swanston Multiplex Cinemas Private Limited (see (b) below)	India	100%	At cost

- b) The Company held 50% equity shares in the joint venture, Swanston Multiplex Cinemas Private Limited ("SMCPL"). During the year, the Company has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Company with effect from 5th March 2018.

3. Significant Accounting Policies

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see Note 3.9); and
- assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have

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previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (refer above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.1 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of entertainment tax, goods & service tax, service tax, sales tax, value added tax and other similar taxes.

3.3.1 Rendering of services

Revenue from services rendered is recognized in profit or loss by reference to the stage of completion of transaction at the reporting date and when the costs incurred for the transactions and the costs to complete the transaction can be measured reliably, as under:

Revenue from box office is recognized as and when the movie is exhibited. Conducting fees are in respect of charges received from parties to conduct business from the Company's multiplexes and the revenue is recognized over the period of contract or other appropriate basis as per the contractual terms. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable.

3.3.2 Sale of goods

Revenue is recognized, when the significant risks and rewards of the ownership have been transferred to the buyers and there is no continuing effective control over the goods or managerial involvement with the goods. Revenue from sale of food and beverages is recognized at the point of sale. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser.

3.3.3 Other income

Dividend income from investments is recognised when the right to receive payment is established. Interest income from a financial asset is recognized on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.4 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants, whose primary condition is that the Company should establish and operate multiplexes in specified areas, are initially recognised as deferred revenue in the standalone balance sheet and subsequently transferred to profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the related assets of the respective multiplexes. Grants that compensate the Company for expenses incurred are recognized in profit or loss as other operating revenue on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transactions of the Company comprise of only operating leases.

The Company as lessee

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Foreign currency transactions and translation

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

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3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Employee benefits

3.8.1 Retirement benefit costs and termination benefits

Recognition and measurement of defined contribution plans:

Payments to defined contribution benefit plan viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Recognition and measurement of defined benefit plans:

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.8.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, bonus, annual leave and sick leave etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.9 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account in other equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3.10 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 21), 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 akin to treasury shares and are presented as a deduction in 'Total equity'. Difference between the cost and the amount received at the time sale of shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

3.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.11.1 Current tax :

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.11.2 Deferred tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets include 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 recognised as an deferred tax assets 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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.11.3 Presentation of current and deferred tax :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.12 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE 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 PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP (see Note 3.6).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements ranging from 10-25 years or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.13 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and impairment losses, on the same basis as intangible assets as above.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

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Estimated useful lives of the intangible assets are as follows:

- Operating software 3 years
- Other software 6 years
- Movie script 5 years
- Website 5 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.14 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties

surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent period, such contingent liabilities are measured at the higher of the amounts that would be recognised in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

3.17 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

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- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, other financial assets and certain investments of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

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ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined

based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) *Derecognition of financial liabilities:*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.18 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The shares of the Company held by INOX Benefit Trust, being Treasury Shares, are excluded while computing the weighted average number of shares.

3.19 Recent accounting pronouncements

- a) On 28 March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Company from 1 April 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect on the financial statements is being evaluated by the Company.
- b) On 28 March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment has no impact on the financial statements of the Company.

4 Critical accounting judgements and use of estimates

In application of Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

- 4.1 Following are the critical judgements that have the most significant effects on the amounts recognized in these financial statement:

a) In respect of Government Grants

Some of the multiplexes operated by the Company are entitled to exemption from payment of entertainment tax in terms of the schemes notified by the respective State Governments, whose primary condition is that the Company should establish and operate multiplexes in specified areas. Therefore, in terms of Ind AS 20 Accounting for Government Grants, these grants are classified as grants related to assets of such multiplexes. Accordingly, the Company presents the same in the balance sheet by setting up the grant as deferred income and is recognised in profit or loss as other operating revenue on a systematic basis over the useful lives of the related assets.

b) In respect of assets taken on operating lease

The Company has taken most of the properties on operating lease from where the multiplexes and cinema theatres are being operated. The lease terms provide for periodic increase in the amount of lease payments. Considering the terms of the agreements and the rate of increase in lease payments, it is assessed that the payment to lessors are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the Company recognizes the lease payments as expenses as per the respective terms of the leases in such cases.

c) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly the transfer of the significant risks and rewards, it is concluded that they are in the nature of operating leases.

d) Impairment of property, plant and equipment

For the purpose of impairment testing of property, plant and equipment, each multiplex / cinema theatre is identified as a Cash-Generating Unit (CGU) being the smallest identifiable Company of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Company of assets.

Further, it is not possible to measure fair value less cost of disposal of a CGU (viz. a multiplex or a cinema theatre) because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between the market participant at the measurement date in case of such operating CGUs. Hence the asset's value in use is used as recoverable amount of such CGUs in determining the extent of impairment loss, if any.

- 4.2 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the Cash-Generating Units (CGU) to which goodwill has been allocated. The value in use calculation requires the directors of the Company to estimate the future cashflows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 March 2018 was ₹ 1,750 lakhs (as at 31 March 2017: ₹ 1,750 lakhs) Details of impairment calculations are set out in Note 6.

b) Useful lives of Property, Plant & Equipment (PPE) and intangible assets (other than goodwill)

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.12 and 3.13 above. The Company reviews the estimated useful lives of PPE and intangible assets (other than goodwill) at the end of each reporting period.

c) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company generally engages third party qualified valuers to perform the valuation. The Chief Executive Officer and Chief Financial Officer of the Company work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 40.

d) Other assumptions and estimation uncertainties, included in respective notes are as under

- Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 36 and 12.
- Measurement of defined benefit obligations and other long-term employee benefits – see Note 39
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 24 and 45
- Impairment of financial assets – see Note 40

5. Property, plant and equipments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,594.69	11,602.61
Leasehold improvements	21,815.12	18,865.88
Plant and equipment	28,234.79	25,613.37
Furniture and fixtures	7,067.84	5,837.28
Vehicles	48.23	53.60
Office equipment	2,840.56	2,640.16
Total	74,270.89	67,282.56

- (i) Details of freehold land and buildings that are mortgaged to secure borrowings of the Company (see Note 22) are as under. The Company is not allowed to mortgage these assets as security for other borrowings.

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(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Freehold land	1,743.99	1,743.99
Building	4,413.95	4,505.20
Total	6,157.94	6,249.19

- (ii) Details of leasehold improvements, plant and equipment, office equipment and furniture and fixtures that are hypothecated to secure loans from banks (see Note 22) are as under. The Company is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Leasehold improvements	9,320.74	10,089.97
Plant and equipment	12,127.51	13,134.25
Furniture and fixtures	3,961.62	4,055.59
Office equipments	1,445.78	1,535.70
Total	26,855.65	28,815.51

- (iii) Details of plant and equipment, office equipment and furniture and fixtures that are hypothecated to secure bank guarantee facility from bank are as under. The Company is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Plant and equipment	6,039.48	6,709.28
Furniture and fixtures	790.40	949.69
Office equipments	276.85	315.01
Total	7,106.73	7,973.98

- (iv) During the year, the Company has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 308.95 lakhs (as at 31 March 2017: ₹ 88.46 lakhs) due to lower than expected performances in respect of four multiplex theatres (as at 31 March 2017: two multiplex theatres). This impairment loss is recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 520.38 lakhs at 31 March 2018 (as at 31 March 2017: ₹ 218.00 lakhs). It is not possible to measure fair value, less cost of disposal, of a multiplex theatre and hence the value in use is used as recoverable amount. The discount rate used in measuring the value in use was 12% per annum.

5A. Property, plant and equipment

Description of Assets	(₹ in Lakhs)						
	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment
Cost or deemed cost							
Balance as at 1 April 2016	2,669.66	11,705.83	19,274.90	26,109.54	6,481.53	109.86	3,194.57
Additions	-	539.63	3,796.63	6,382.89	2,259.14	-	1,312.09
Disposals	-	(175.99)	(100.26)	(378.41)	(434.54)	(11.08)	(122.02)
Effects of foreign currency exchange differences	-	-	-	2.23	-	-	-
Borrowing cost	-	-	31.49	24.42	8.52	-	-
Balance as at 31 March 2017	2,669.66	12,069.47	23,002.76	32,140.67	8,314.65	98.78	4,384.64
Additions	-	247.50	5,830.30	6,817.17	2,663.35	17.06	1,272.16
Disposals	-	(7.48)	(1,130.48)	(1,733.62)	(325.53)	-	(143.50)
Borrowing cost	-	-	22.84	25.10	7.91	-	-
Balance as at 31 March 2018	2,669.66	12,309.49	27,725.42	37,249.32	10,660.38	115.84	5,513.30
Accumulated depreciation and impairment							
Balance as at 1 April 2016	-	233.64	2,043.69	3,190.99	1,272.53	24.58	973.71
Depreciation expense for the year	-	239.91	2,121.87	3,461.09	1,371.48	23.06	879.27
Impairment losses recognised in profit or loss	-	-	11.13	71.07	2.53	-	3.73
Eliminated on disposal of assets	-	(6.69)	(39.81)	(195.85)	(169.17)	(2.46)	(112.23)
Balance as at 31 March 2017	-	466.86	4,136.88	6,527.30	2,477.37	45.18	1,744.48
Depreciation expense for the year	-	264.23	2,114.75	3,547.05	1,366.06	22.43	1,036.45
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52
Eliminated on disposal of assets	-	(16.29)	(459.29)	(1,234.36)	(261.82)	-	(113.71)
Balance as at 31 March 2018	-	714.80	5,910.30	9,014.53	3,592.54	67.61	2,672.74
Carrying amounts							
As at 31 March 2017	2,669.66	11,602.61	18,865.88	25,613.37	5,837.28	53.60	2,640.16
As at 31 March 2018	2,669.66	11,594.69	21,815.12	28,234.79	7,067.84	48.23	2,840.56

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5B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital work-in-progress	4,684.67	5,038.27
Pre-operative expenditure pending allocation	710.11	1,217.09
Total	5,394.78	6,255.36

Particulars of pre-operative expenditure incurred during the year are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	1,217.09	1,214.10
Add: Expenses incurred during the year		
Salaries and wages	469.29	412.41
Contribution to provident and other funds	29.70	26.21
Staff welfare	0.27	-
Legal & professional fees and expenses	664.53	342.46
Travelling & conveyance	34.34	87.05
Power & fuel	55.41	24.26
Housekeeping expenses	18.13	5.35
Outsourced personnel cost	4.63	2.29
Security expenses	65.56	55.59
Miscellaneous expenses	87.61	17.26
Borrowings costs	55.86	82.41
	1,485.33	1,055.29
Sub total	2,702.42	2,269.39
Less: Capitalised during the year	1,992.31	1,052.30
Closing balance	710.11	1,217.09

Capital work in progress includes amount of ₹ 649.60 lakhs (as at 31 March 2017: ₹ 3,362.53 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (see Note 22). The Company is not allowed to hypothecate these assets as security for other borrowings or to sell them to another entity.

6. Goodwill

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Cost or deemed Cost		
Balance at beginning of year	1,750.00	1,750.00
Balance at end of the year	1,750.00	1,750.00

6A. Allocation of goodwill to cash generating units:

Goodwill is in respect of one of the multiplexes of the company acquired through business combination. This multiplex is considered as cash generating unit.

Before recognition of impairment losses, the carrying amount of goodwill is as follows:

(₹ in Lakhs)		
Cash generating units	As at 31 March 2018	As at 31 March 2017
Multiplex theatre	1,750.00	1,750.00
Total	1,750.00	1,750.00

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2017: 12% p.a.)

Key Assumptions used in value in use calculations for this cash generating unit are as follows:

Budgeted Footfalls :

Budgeted footfalls are expected to grow by 3%. The values assigned to the assumption are based on the increased focus on these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Average Ticket Price (ATP):

Budgeted ATP is expected to grow by 7% per year. The values assigned to the assumption are based on the rebranding of these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Spend per head (SPH)

Budgeted SPH is expected to grow by 10%. The values assigned to the assumption are based on the rebranding of these operations.

7. Other intangible assets

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Computer software	1,137.28	1,215.75
Website	17.38	26.92
	1,154.66	1,242.67

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7A. Other intangible assets

(₹ in Lakhs)				
Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 st April 2016	1,244.95	46.00	54.43	1,345.38
Additions	306.64	-	-	306.64
Disposals	(16.24)	-	-	(16.24)
Balance as at 31 March 2017	1,535.35	46.00	54.43	1,635.78
Additions	231.50	-	-	231.50
Disposals	(7.14)	-	-	(7.14)
Balance as at 31 March 2018	1,759.71	46.00	54.43	1,860.14
Accumulated amortisation and impairment				
Balance as at 1 st April 2016	55.08	9.54	32.41	97.03
Amortisation expense for the year	278.79	9.54	22.02	310.35
Eliminated on disposal of assets	(14.27)	-	-	(14.27)
Balance as at 31 March 2017	319.60	19.08	54.43	393.11
Amortisation expense for the year	309.37	9.54	-	318.91
Eliminated on disposal of assets	(6.54)	-	-	(6.54)
Balance as at 31 March 2018	622.43	28.62	54.43	705.48

(₹ in Lakhs)				
Carrying amounts	Computer software	Website	Movie script	Total
As at 31 March 2017	1,215.75	26.92	-	1,242.67
As at 31 March 2018	1,137.28	17.38	-	1,154.66

8. Investment in subsidiary and joint venture

A) Investment in Subsidiaries

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Investment carried at cost		
In equity instruments (unquoted, fully paid up)		
Shouri Properties Private Limited - 14,00,000 equity shares (31 March 2017: 14,00,000)	140.00	140.00
Less: Provision for impairment in value of investment	(40.88)	(40.88)
	99.12	99.12
Swanston Multiplex Cinemas Private Limited - 20,30,000 equity shares (see Note (ii) below)	282.52	-
Less: Provision for impairment in value of investment	(279.52)	-
	3.00	-
	102.12	99.12

(i) In case of Shouri Properties Private Limited, during the previous year, the Company had carried out a review of the recoverable amount of the investment in this subsidiary. The review led to recognition of an impairment loss of ₹ 40.88 lakhs which was recognised in the Statement of Profit or Loss. The impairment loss was recognised on the basis of the value in use determined at ₹ 99.12 lakhs as at 31 March 2017. On the basis of review carried out during the current year, no further impairment provision is required.

(ii) The Company held 50% equity shares in the joint venture, Swanston Multiplex Cinemas Private Limited ("SMCPL"). During the year, the Company has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Company with effect from 5th March 2018.

B) Investment in joint venture

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Investment carried at cost		
Unquoted investments (all fully paid up)		
Swanston Multiplex Cinemas Private Limited - Nil equity shares (31 March 2017: 10,15,000 equity shares) - see Note (ii) above	-	279.52
Less: Provision for impairment in value of investment	-	(279.52)
	-	-
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	102.12	99.12
Aggregate amount of impairment in value of investments	320.40	320.40

9. Other investments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificate	168.36	156.57
Less: Current portion	(47.09)	(37.83)
Total	121.27	118.74
Current		
Unquoted investments (all fully paidup)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - 416,839.61 units (31 March 2017: Nil) (face value ₹ 100)	1,159.79	-
ICICI Prudential Liquid Plan-Growth - Nil units (31 March 2017: 417,237) (face value ₹ 100)	-	1,002.02
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	47.09	37.83
Total	1,206.88	1,039.85
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,328.15	1,158.59
Aggregate amount of impairment in value of investments	-	-

Investment in National Savings Certificate(NSC) carries interest in the range of 8.16% to 8.78% p.a as per the issue series invested. Interest is compounded on yearly basis and payable on maturity. These NSC's are pledged with Government authorities and held in the name of directors/ex-director/employees

(₹ in Lakhs)		
Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2018	As at 31 March 2017
Financial assets measured at fair value through profit or loss (FVTPL)		
Mandatorily measured at FVTPL - Mutual funds	1,159.79	1,002.02
Financial assets measured at amortised cost		
National Savings Certificates	168.36	156.57
	1,328.15	1,158.59

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10. Loans

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits		
Unsecured, considered good	7,417.53	6,900.01
Unsecured, considered doubtful	205.47	91.51
	7,623.00	6,991.52
Allowance for doubtful deposits	(205.47)	(91.51)
Total	7,417.53	6,900.01
Current		
Security deposits		
Unsecured, considered good	590.31	441.99
Total	590.31	441.99
The above financial assets are measured at amortised cost		
Notes:		
i) Non current security deposits includes deposit given to a subsidiary company (an officer of the Company is a director in the subsidiary company)	104.21	104.21
ii) Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS	4,813.41	4,406.03

11. Other financial assets

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Entertainment tax refund claimed	2,633.97	3,701.70
Electricity charges refund claimed	389.83	389.83
Non-current bank balances (from Note 18)	226.80	211.50
Amount recoverable towards claims		
considered good	147.97	914.16
considered doubtful	854.16	-
	1,002.13	914.16
Less: Allowance for doubtful claims (see Note 47)	(854.16)	-
	147.97	914.16
Other advances (*)		
considered good	3,355.11	1,961.61
considered doubtful	58.64	58.64
	3,413.75	2,020.25
Less: Allowance for doubtful advances	(58.64)	(58.64)
	3,355.11	1,961.61
Total	6,753.68	7,178.80
Current		
Interest accrued on others	18.42	18.19
Other receivables	-	12.16
Total	18.42	30.35

(*) Other advances represents advances given for properties to be taken on lease and under negotiations

12. Deferred tax assets (net)

The major components deferred tax assets/(liabilities) arising on account of timing differences are as follows:

Year ended 31 March 2018

Deferred tax assets/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(1,325.48)	1,794.87			469.39
Intangible assets	(208.19)	50.53			(157.66)
Gratuity and leave benefits	419.60	52.21	(35.02)		436.79
Expenses allowable on payment basis	425.00	190.91			615.91
Allowance for doubtful trade receivables and expected credit loss	154.91	(28.12)			126.79
Effect of measuring investments at fair value	(0.20)	(3.22)			(3.42)
Government grants - deferred income	3,266.99	(285.38)			2,981.61
Others deferred tax assets	253.28	21.59			274.87
	2,985.91	1,793.39	(35.02)		4,744.28
MAT credit entitlement	1,842.64	2,924.48		(1,399.00)	3,368.12
Total	4,828.55	4,717.87	(35.02)	(1,399.00)	8,112.40

Year ended 31 March 2017

Deferred tax assets/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(1,442.39)	116.91			(1,325.48)
Intangible assets	(75.71)	(132.48)			(208.19)
Gratuity and leave benefits	323.08	75.14	21.38		419.60
Expenses allowable on payment basis	442.38	(17.38)			425.00
Allowance for doubtful trade receivables and expected credit loss	153.14	1.77			154.91
Effect of measuring investments at fair value	(2.00)	1.80			(0.20)
Government grants - deferred income	3,381.57	(114.58)			3,266.99
Others deferred tax assets	270.18	(16.90)			253.28
	3,050.25	(85.72)	21.38		2,985.91
MAT credit entitlement	2,571.44	(126.80)		(602.00)	1,842.64
Total	5,621.69	(212.52)	21.38	(602.00)	4,828.55

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

13. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non current	Current	Non Current
Income tax assets (net)				
Income tax paid (net of provisions)		883.50		553.32
Total		883.50		553.32
Income tax liabilities (net)				
Provision for Income tax (net of payments)	214.35		-	
Total	214.35	-	-	-

14. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Capital advances	584.99	574.90
Security deposits	1,272.14	1,224.69
Deferred lease rent expense	4,437.96	5,547.72
Prepayments - leasehold land	280.71	287.67
Prepayments - others	1,670.37	106.07
Total	8,246.17	7,741.05
Current		
Advances to suppliers		
considered good	544.59	557.91
considered doubtful	-	35.81
	544.59	593.72
Less: allowance for doubtful advances	-	(35.81)
	544.59	557.91
Other advances for expense	48.79	39.69
Balances with government authorities - GST/Service tax/ VAT, etc	588.26	326.92
Deferred lease rent expense	494.50	609.75
Prepayments - leasehold land	6.96	6.96
Prepayments - others	760.26	546.34
Total	2,443.36	2,087.57

15. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Food & beverages	619.09	523.90
Stores, spares & fuel	320.82	384.86
Total	939.91	908.76

The mode of valuation of inventories is stated in Note 3.15

16. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
Unsecured, considered good	7,610.64	4,661.00
Unsecured, considered doubtful	362.83	447.60
	7,973.47	5,108.60
Less:		
Allowance for doubtful trade receivables	(260.52)	(299.11)
Allowance for expected credit loss	(102.31)	(148.49)
	(362.83)	(447.60)
Net Trade receivables	7,610.64	4,661.00

17. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks	818.07	709.37
Cash on hand	461.33	249.44
Total	1,279.40	958.81

18. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Other bank balances		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	77.31	236.44
Deposit accounts with original maturity for more than 12 months	318.33	313.32
	395.64	549.76
Less: Amount disclosed under Note 11 - 'Other financial assets-non current'	(226.80)	(211.50)
Total	168.84	338.26

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

Notes:

Other bank balances include margin money deposits kept as security against bank guarantee as under:

Particulars	(₹ in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
a) Deposit account with original maturity for more than 3 months but less than 12 months	77.31	236.44
b) Deposit account with original maturity for more than 12 months	318.33	313.32

19. Share capital

Particulars	(₹ in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Authorised capital		
14,60,50,000 (31 March 2017: 14,60,50,000) equity shares of ₹ 10/- each	14,605.00	14,605.00
10,000 (31 March 2017: 10,000) preference shares of ₹10 each	1.00	1.00
Issued, subscribed and fully paid up		
9,64,57,754 (31 March 2017: 9,64,57,754) equity shares of ₹ 10 each	9,645.78	9,645.78
Less: 2,95,001 (31 March 2017: 2,95,001) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 41)	(29.50)	(29.50)
	9,616.28	9,616.28

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
At the beginning of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28
Shares outstanding at the end of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. 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 of their shareholding.

(iii) Shares held by holding company and ultimate holding company

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	587,461	58.75	587,461	58.75
Total	4,69,73,928	4,697.40	4,69,73,928	4,697.40

The shareholders of the Company have passed a resolution at the Annual General Meeting held on 23 August 2013 amending the Articles of Association of the Company entitling Gujarat Fluorochemicals Limited (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, GFL is having control over the Company and hence the Company is a subsidiary of GFL.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%

(v) Shares reserved for issue under option

For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Company, see Note 41.

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

During the year ended 31 March 2014, 3,45,62,206 equity shares of ₹10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares allotted to INOX Benefit Trust (see Note 21).

20. Other equity

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Capital redemption reserve	0.10	0.10
Securities premium reserve	28,092.61	28,092.61
General reserve	2,782.55	2,782.55
Shares options outstanding account	184.76	5.27
Retained earnings	29,558.15	18,028.75
Total	60,618.17	48,909.28

Capital redemption reserve

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	0.10	0.10
Movement during the year	-	-
Balance at end of year	0.10	0.10

Capital redemption reserve represents amount taken over from erstwhile Fame India Ltd. on merger with the Company in FY 2012-13.

Securities premium reserve

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	28,092.61	28,092.61
Movement during the year	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

Balance at end of year	28,092.61	28,092.61
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Securities Premium Reserve represents premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance at end of year	2,782.55	2,782.55

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Shares options outstanding

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	5.27	-
On account of share options granted	179.49	5.27
Balance at end of year	184.76	5.27

The above reserve relates to share option granted by the Company to its employees/employees of the holding company under the employee share option plan. Further information about share based payment to employees is set out in Note 41. Movement during the year is on account of share options granted.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	18,028.75	15,021.45
Profit for the year	11,464.21	3,047.69
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	65.19	(40.39)
Balance at end of year	29,558.15	18,028.75

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013 and subject to levy of dividend distribution tax, if any. Thus, the amounts reported above may not be distributable in entirety.

21. Treasury shares

Pursuant to the Composite Scheme of Amalgamation of Company's subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with the Company, which was operative from 1 April 2012, the Company had allotted

fully paid-up 3,45,62,206 equity shares of ₹ 10 each to the shareholders of the transferor companies on 10 July 2013, including fully paid-up 2,44,31,570 equity shares of ₹ 10 each to INOX Benefit Trust ("Trust") towards shares held by Company in Fame. These shares are held by the Trust exclusively for the benefit of the Company.

Particulars of shares of the Company held by the Trust, at cost, are as under:

As at 31 March 2018		As at 31 March 2017	
No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
43,50,092	3,266.98	43,50,092	3,266.98

The Company's interest in the Trust, being akin to Treasury Shares, in accordance with their substance and economic reality, is deducted from Total Equity. Any profit or loss arising from sale of Treasury Shares by the Trust will be recorded separately as 'Reserve on sale of Treasury Shares' in other equity, being transactions relating to the capital of the Company.

The above treasury shares are excluded while computing the Earnings Per Share.

22. Non current borrowings

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Secured:		
(i) Term loans - from banks	12,952.77	15,463.75
Unsecured:		
(i) Inter-corporate deposits - from holding company	16,249.00	16,249.00
Total borrowings	29,201.77	31,712.75
Less: Amounts disclosed under Note 23 "Other current financial liabilities"		
Current maturities	(3,952.77)	(2,503.40)
Interest accrued	(8.77)	(16.35)
Total	25,240.23	29,193.00

(i) The terms of repayment of term loans from banks are as under:

As at 31 March 2018

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 October 2014	8.75% to 9.40%
HDFC Bank Ltd	3,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	8.85% to 9.25%

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	4,687.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.40% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,812.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.60% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.60%

As at 31 March 2017

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	1,444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 October 2014	9.40% to 9.70%
HDFC Bank Ltd	4,001.01	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	9.25% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	5,001.91	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	3,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.48	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.60% to 8.75%

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loan from Axis Bank 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 some multiplexes financed by the said term loans and escrow of entire cash flows relating to such multiplexes.

HDFC Bank Ltd

Term loan from HDFC Bank is secured by mortgage of immovable property situated at Mumbai and first exclusive charge on all movable fixed assets of some multiplexes financed by the said term loan.

The Hongkong and Shanghai Banking Corporation Limited

Term loans from The Hongkong and Shanghai Banking Corporation Limited are secured by paripasu charge on mortgage of immovable property situated at Vadodara and first exclusive charge on all movable fixed assets and current assets of some multiplexes financed by the said term loans.

(iii) The inter-corporate deposits are repayable in 6 to 8 years from the date of respective deposits and carry interest @ 10%. The earliest repayment is due on June 2020.

(iv) There is no default on repayment of principal or payment of interest on borrowings.

23. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits	146.54	113.83
Retention money	166.30	193.98
	312.84	307.81
Current		
Current maturities of long-term debt	3,952.77	2,503.40
Interest accrued	8.77	16.35
Security deposits	157.92	176.08
Creditors for capital expenditure	2,850.19	1,702.15
Retention money	469.33	318.01
Business combination consideration payable	72.24	77.56
Employee dues	575.43	264.84
Expenses payable	2,464.13	1,418.10
	10,550.78	6,476.49
Total	10,863.62	6,784.30

24. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Employee benefits (see Note 39)		
a) Gratuity	865.13	809.28
b) Leave benefits	384.83	403.16
	1,249.96	1,212.44
Other provisions (see below)	1,238.15	1,228.05
Total	2,488.11	2,440.49
Non-current	1,009.79	1,001.45
Current	1,478.32	1,439.04
Total	2,488.11	2,440.49

Other provisions

(₹ in Lakhs)

Particulars	Service Tax	Municipal Tax	Other indirect taxes	Total
Balance as at 1 April 2016	1,042.44	235.80	-	1,278.24
Provided during the year	-	97.68	-	97.68
Paid during the year	-	147.87	-	147.87
Balance as at 31 March 2017	1,042.44	185.61	-	1,228.05
Provided during the year	-	283.38	87.18	370.56
Paid during the year	7.42	353.04	-	360.46
Balance as at 31 March 2018	1,035.02	115.95	87.18	1,238.15

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

- (i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.
- (ii) Provision for municipal tax is in respect of disputed amount pertaining to one of the Company's multiplexes.
- (iii) Provision for other indirect taxes is in respect of matters contested by the Company at appropriate levels against the demands raised by the respective tax authorities.

25. Other non-current liabilities

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Deferred revenue arising from Government grant	8,532.55	9,439.97
Less: Current portion disclosed under Note 27 "Other current liabilities"	(966.83)	(1,147.12)
Total	7,565.72	8,292.85

26. Trade payables

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Dues to micro, small and medium enterprises	5.33	5.10
- Dues to others	11,299.99	8,843.04
Total	11,305.32	8,848.14

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

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
a) Principal amount due to suppliers under MSMED Act at the year end	5.33	5.10
b) Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.04	0.46
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	25.65	22.95
d) Interest paid to suppliers under section 16 of MSMED Act during the year	-	-

e)	Interest due and payable to suppliers under MSMED Act for payments already made	0.74	1.01
f)	Interest accrued and remaining unpaid at the end of the year to supplier under MSMED Act	8.65	7.87

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

27. Other current liabilities

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Advances received from customers	395.35	391.43
Income received in advance	1,177.82	959.74
Deferred revenue arising from Government grant (from Note 25)	966.83	1,147.12
Statutory dues		
- taxes payable (other than income taxes)	1,176.16	1,001.42
- Employee recoveries and employer contributions	103.78	99.70
Total	3,819.94	3,599.41

28. Revenue from operations

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Sale of services	96,125.99	86,569.45
Sale of products	30,606.29	28,411.49
Other operating income	8,079.55	7,090.47
Total	134,811.83	122,071.41

29. Other income

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	35.22	46.00
On long term investments	11.79	11.94
On security deposits	518.42	383.64
	565.43	441.58
Other interest income		
Interest on income tax refund	107.38	44.45
Others	31.83	32.46
Particulars	As at 31 March 2018	As at 31 March 2017
Total interest income	139.21	76.91
B) Other non-operating income	704.64	518.49
Liabilities and provisions no longer required, written back	281.44	95.83
Miscellaneous income	87.89	56.36
Total other non-operating income	369.33	152.19
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	370.03	234.74
Total	1,444.00	905.42
Note: Realised gain in respect of mutual fund	360.82	239.93

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

30. Cost of materials consumed

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cost of food & beverages consumed	7,435.80	6,806.71
Total	7,435.80	6,806.71

31. Exhibition cost

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Distributors' share	36,122.48	33,508.79
Other exhibition cost	609.30	1,023.78
Total	36,731.78	34,532.57

32. Employee benefits expense

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	8,188.05	7,516.65
Contribution to provident and other funds	570.32	521.88
Expense on ESOP	159.40	-
Gratuity	240.49	180.24
Staff welfare expenses	477.29	420.33
Total	9,635.55	8,639.10

33. Finance costs

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,624.90	1,624.90
- other borrowings	1,286.55	921.73
- deferred credit	-	3.59
	2,911.45	2,550.22
b) Other Interest	8.96	15.33
	2,920.41	2,565.55
Less: amount included in the cost of qualifying assets	(55.86)	(82.41)
	2,864.55	2,483.14
Other borrowing costs	24.92	44.95
Total	2,889.47	2,528.09

The weighted average capitalisation rate of funds borrowed is 8.73% per annum (previous year 9.07% per annum).

34. Depreciation and amortisation expense

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	8,350.98	8,096.69
Amortization of intangible assets	318.91	310.35
Total	8,669.89	8,407.04

35. Other expenses

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	9,531.95	9,063.47
Rent and common facility charges	26,418.69	24,026.62
Repairs to :		
- Buildings	316.89	200.71
- Plant and equipment	2,358.86	2,270.35
- Others	575.06	470.28
Rates and taxes	1,062.28	1,037.22
Expenditure on corporate social responsibility (CSR) - Note (ii) below	64.01	103.38
Directors' sitting fees	10.20	12.20
Allowance for doubtful trade receivables and expected credit losses	-	5.12
Allowance for doubtful advances and deposits	113.96	35.00
Bad debts & remissions - Note (iv) below	13.98	148.53
Deposits and advances written off (net of provision adjusted ₹ 6.29 lakhs - previous year ₹ 281.50 lakhs)	63.61	-
GST & Service tax	2,187.95	5,112.12
Net loss on foreign currency transactions and translation	23.43	21.32
Legal and professional fees and expense	1,372.01	1,068.90
Advertisement & sales promotion	1,633.64	1,433.59
Travelling and conveyance	869.36	805.21
Housekeeping expenses	2,578.67	2,261.15
Security charges	2,251.16	2,236.20
Outsourced personnel cost	5,326.50	4,563.99
Loss on sale / disposal of property, plant and equipment (net of impairment loss adjusted of ₹ 312.41 - previous year ₹ Nil)	1,085.22	429.24
Miscellaneous expenses	2,107.78	2,181.67
Total	59,965.21	57,486.27

i) Legal and professional fees and expense includes:

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
a) Payments to auditors:		
- Statutory audit, limited reviews and corporate governance report	36.00	36.00
- Tax audit and other audits under Income Tax Act, 1961	-	9.00

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

- For taxation matters	-	4.00
- For certification matters	-	3.00
- Other matters	-	10.75
- out-of-pocket expenses	-	0.48
	36.00	63.23
b) Professional fees paid to one of the non-executive directors	30.00	30.00
c) Legal fees to firms/LLPs in which some of the non-executive directors are partners	330.25	66.82

Note - All above amounts are exclusive of GST/Service Tax

ii) Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 102.84 lakhs (previous year ₹ 106.96 lakhs).

(b) Amount spent during the year on:

	(₹ in Lakhs)		
Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any PPE			
FY 2017-18	Nil	Nil	Nil
FY 2016-17	Nil	Nil	Nil
On purposes other than (i) above			
Donations			
FY 2017-18	64.01	Nil	64.01
FY 2016-17	103.38	Nil	103.38

iii) Donation to political party

During the previous year Company had given donation of ₹ 10 Lakhs to Bhartiya Janata Party and the same was included in Miscellaneous expenses.

iv) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 38.69 lakhs (previous year ₹ Nil) and reduction in provision for expected credit loss of ₹ 46.18 lakhs (previous year ₹ Nil)

36.1. Income tax recognised in profit or loss

	(₹ in Lakhs)	
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
In respect of the current year	3,251.00	1,473.00
In respect of earlier years	(232.32)	(285.50)
	3,018.68	1,187.50
Deferred tax		
In respect of the current year	420.28	85.72
In respect of earlier years	(5,138.15)	126.80
	(4,717.87)	212.52
Total income tax expense recognised in the current year	(1,699.19)	1,400.02

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	9,765.02	4,447.71
Income tax expense calculated at 34.608%	3,379.48	1,539.26
Effect of provision for doubtful deposits and claims	335.05	12.11
Effect of expenses that are not deductible in determining taxable profit	36.94	31.97
Impairment losses on investment that are not deductible	-	14.15
Tax incentives	(34.57)	(38.77)
Effect of change in tax rate for computation of deferred tax	(45.62)	-
	3,671.28	1,558.72
Taxation in respect of earlier years	(5,370.47)	(158.70)
Income tax expense recognised in profit and loss	(1,699.19)	1,400.02

The tax rate used for the 2017-2018 and 2016-2017 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

The increase in corporate tax rate applicable to the Company from 34.608% to 34.944% (on account of increase in cess) was substantially enacted before 31 March 2018 and will be effective from 1 April 2018. As a result, the deferred tax balances have been remeasured and the effect of the same is reflected in the above reconciliation.

36.2. Income tax recognised in other comprehensive income

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(35.02)	21.38
Total income tax recognised in other comprehensive income	(35.02)	21.38

36.3. 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 Hon'ble Supreme Court in respect of the exemption availed in the state of Maharashtra & West Bengal on the basis of Schemes pertaining to these two States. In respect of some other states, the same has been accepted by various appellate authorities and Hon'ble High Court of Judicature at Gujarat. Provision for income tax, till the year ended 31 March 2015, was made on this basis, to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.

In view of the assessment and appellate orders received during the year accepting certain claims of the Company, mainly regarding depreciation on goodwill arising on amalgamation of a subsidiary company and no disallowance required under section 14A of the Income tax Act, the tax liability (including deferred tax) for earlier years, is recomputed and consequential reduction in taxation for earlier years is recognised in the Statement of Profit and Loss as under:

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(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
MAT credit entitlement	(2,924.48)	126.80
Income Tax	(232.32)	(285.50)
Deferred tax	(2,213.67)	-
Net credit	(5,370.47)	(158.70)

37. Segment Information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment viz. theatrical exhibition. All activities of the Company are in India and hence there are no geographical segments.

Information about products and services

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Details of sale of services		
Revenue from box office	80,219.57	74,814.19
Conducting fee income	1,593.46	1,766.93
Revenue from advertising income	13,890.88	9,619.74
Others	422.08	368.59
Sub-total	96,125.99	86,569.45
Details of sale of products		
Revenue from food & beverages	30,602.30	28,406.54
Sale of power	3.99	4.95
Sub-total	30,606.29	28,411.49
Details of other operating income		
Virtual Print fee	2,463.96	2,406.29
Convenience Fees	3,488.56	1,539.46
Government Grants - deferred revenue	1,387.99	2,110.86
Others	739.04	1,033.86
Sub-total	8,079.55	7,090.47
Grand total	1,34,811.83	1,22,071.41

Information about major customers:

There is no single customer contributing more than 10% of the Company's revenue.

38. Earnings per share

Basic earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year attributable to owners of the Company (₹ in Lakhs)	11,464.21	3,047.69
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,18,12,661	9,18,12,661
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	12.49	3.32

Diluted earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	11,464.21	3,047.69
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,18,76,160	9,18,15,515
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	12.48	3.32

Note: The shares of the Company held by Inox Benefit Trust (see Note 21) are excluded while computing the weighted average number of shares.

39 Employee benefits

A. Defined contribution plans

The Company contributes to the Government managed provident and pension fund for all qualifying employees. During the year contribution to provident and pension Fund of ₹ 496.18 Lakh (previous year ₹ 475.31 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 29.70 Lakhs (previous year ₹ 26.21 Lakhs) is included in pre-operative expenses.

B. Defined benefit plan:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is unfunded.

There are no other post retirement benefits provided by the Company.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2018 by Mr. G.N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

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Movement in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	31 March 2018	31 March 2017
Opening defined benefit obligation	809.28	633.19
Current service cost	189.18	134.02
Interest cost	51.31	46.22
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Benefits paid	(84.43)	(65.92)
Closing defined benefit obligation	865.13	809.28

Components of amounts recognised in profit or loss and other comprehensive income are as under:

Particulars	Gratuity	
	31 March 2018	31 March 2017
Current service cost	189.18	134.02
Interest expense	51.31	46.22
Amount recognised in profit or loss	240.49	180.24
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Amount recognised in other comprehensive income	(100.21)	61.77
Total	140.28	242.01

The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows:

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate (per annum)	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically exposes the Company to actuarial risks such as interest rate risk and salary risk.

- Interest risk: a decrease in the bond interest rate will increase the plan liability.
- Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of the salary increase of the plan participants will change the plan liability.

Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	31 March 2018	31 March 2017
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(54.59)	(55.05)
If discount rate is decreased by 1%	61.60	62.54
If salary escalation rate is increased by 1%	58.11	58.63
If salary escalation rate is decreased by 1%	(52.44)	(52.61)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined obligation as at 31 March 2018 is 7.82 years (previous year 7.87 years)

Expected outflow in future years (as provided in actuarial report)

Particulars	₹ in Lakhs
Expected outflow in 1st Year	116.85
Expected outflow in 2nd Year	119.09
Expected outflow in 3rd Year	131.66
Expected outflow in 4th Year	164.06
Expected outflow in 5th Year	115.74
Expected outflow in 6th to 10th Year	559.80

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹1.76 lakhs (previous year ₹102.80 lakhs) which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations of leave benefits are as follows:

(₹ in Lakhs)

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate (per annum)	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%

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Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

40. Financial Instruments

(i) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the entity. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Total debt	29,201.77	31,712.75
Cash & bank balances (not subject to lien)	(1,279.40)	(958.81)
Net debt	27,922.37	30,753.94
Total Equity	66,967.47	55,258.58
Net debt to equity ratio	41.70%	55.65%

- (i) Debt is defined as long-term and current maturities of long term debt as described in Note 22 and 23
- (ii) Cash & bank balances includes cash and cash equivalents (Note 17), other bank balances (Note 18), not subject to lien

(ii) Categories of financial instruments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	1,159.79	1,002.02
Measured at amortised cost		
(a) Cash and bank balances	1,448.24	1,297.07
(b) Other financial assets at amortised cost		
(i) Investments in NSC	168.36	156.57
(ii) Trade receivables	7,610.64	4,661.00
(iii) Loans	8,007.84	7,342.00
(iv) Other financial assets	6,772.10	7,209.15
Sub-total	24,007.18	20,665.79
Total financial assets	25,166.97	21,667.81
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	29,201.77	31,712.75
(ii) Trade payables	11,305.32	8,848.14
(iii) Other financial liabilities	6,902.08	4,264.55

Total financial liabilities	47,409.17	44,825.44
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The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

(iii) Financial risk management

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquiring of PPE. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not enter into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and loans.

(i) Foreign Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company's import of materials and PPE are not significant to cause major exposure to foreign currency variations. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year, which are not hedged are as follows:

Particulars	(USD In lakhs)	
	Liabilities	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	10.95	-
Trade payables	-	7.28

Note: There are no foreign currency denominated monetary assets.

The carrying amount in INR value of above foreign currency is as under:

(₹ In lakhs)

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Particulars	Liabilities	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	713.00	-
Trade payables	-	471.17

The Company is only exposed to changes in USD. The below table demonstrates the sensitivity to a 10% increase or decrease in the USD against INR, on profit or loss and total equity, with all other variable held constant.

The sensitivity analysis is prepared to the net unhedged exposure of the Company.

(₹ in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 10%	(46.62)	(30.81)
Decrease by 10%	46.62	30.81

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk mainly on account of its borrowing from banks and inter corporate deposits, which have both fixed and floating interest rates. Bank overdrafts are subject to variable rate of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year.

(₹ in Lakhs)

Particulars	Impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 50 basis points	(72.82)	(28.92)
Decrease by 50 basis points	72.82	28.92

(iii) Other price risks

The Entity is exposed to equity price risks arising from equity investments. Equity investments in Subsidiaries and Joint Venture are held for strategic rather than trading purposes. The entity does not actively trade in these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining security, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For trade receivables, the average credit period generally ranges from 60 to 90 days. Before

accepting any new customer, Company uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers who represents more than 5% of the total balance of Trade Receivable as at 31 March 2018 is ₹ 1,766.96 lakhs (as at 31 March 2017 of ₹2,712.91 lakhs) are due from 4 major customers who are reputed parties and having long term contract.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix.

The provision matrix at the end of the year is as follows:

Ageing	Expected credit loss (%)
Upto 1 year	0%
Above 1 year	25%
Above 2 years	50%
Above 3 years	100%

Age of receivables

Particulars	(₹ in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Upto 1 year	7,568.27	4,336.98
Above 1 year	71.30	539.07
Above 2 years	409.09	167.42
Above 3 years	18.24	65.13
Gross trade receivables	8,066.90	5,108.60

Movement in the expected credit loss allowance

Particulars	(₹ in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balance as at beginning of the year	148.49	190.30
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(46.18)	(41.81)
Balance as at end of the year	102.31	148.49

As at 31 March 2018, an amount of ₹ 1,643.18 lakhs has been recognised in the balance sheet as contingent liabilities. It is towards counter-guarantee given for bank guarantee taken by a subsidiary company, which is the Company's maximum exposure in this regard.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve

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borrowing facilities and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Companies remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2018

(₹ in Lakhs)				
Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	11,305.32	-	-	11,305.32
Borrowings	3,952.77	25,240.23	-	29,193.00
Other financial liabilities	6,598.01	291.54	21.30	6,910.85
Total	21,856.10	25,531.77	21.30	47,409.17

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2017

(₹ in Lakhs)				
Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	8,848.14	-	-	8,848.14
Borrowings	2,503.40	29,193.00	-	31,696.40
Other financial liabilities	3,973.09	249.07	58.74	4,280.90
Total	15,324.63	29,442.07	58.74	44,825.44

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Company also has unutilised financing facilities.

(iv) Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's financial asset and liability that are measured at fair value

(₹ in Lakhs)				
Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31 March 2018	31 March 2017		
Investments in Mutual Funds (Note 9)	1,159.79	1,002.02	Level 1	Quoted bid prices in an active market

In the period, there were no transfers between Level 1, 2 and 3.

Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that will be eventually received or paid.

41. Share-based payments

Details of the employee share option plan of the Company-

The Company has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee on its own discretion. The scheme is administered through Inox Leisure Limited - Employees Welfare Trust.

In the year ended 31 March 2006, the Company had issued 5,00,000 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 ₹ 75.00 Lakhs to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of ₹15 per option. The option carry neither rights to dividends nor voting rights. The options granted are required to be exercised within a period of one year from the date of vesting of the respective options.

On 23 June 2017, stock options of 1,67,500 shares have been granted to employees and during the previous year, on 5 January 2017, stock options of 20,000 shares have been granted to an employee of holding company. The vesting period for these equity settled options is between one to four years from the date of the respective grants. The options are exercisable within one year from the date of vesting.

The compensation costs of stock options granted to employees are accounted using the fair value method

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 269.10 (previous year ₹ 217.56) in respect of growth options vesting in one to four years. The fair value has been calculated using the Black Scholes Options Pricing Model. The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option. The significant assumptions made in this regard are as under:

Particular	Options granted	
Date of grant	23 June 2017	5 January 2017
No of share options granted	167,500	20,000

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Grant date share price	281.50	230.00
Exercise price	15	15
Expected volatility	33.53% to 39.82%	38.53% to 41.80%
Option life	1.5 to 4.5 years	1.5 to 4.5 years
Dividend yield	0	0
Risk free interest rate	6.25% to 6.53%	6.09% to 6.47%

Movements in share options during the year

Particular	2017-2018	2016-2017
Balance at beginning of year	20,000	NIL
Granted during the year	1,67,500	20,000
Forfeited during the year	20,000	NIL
Exercised during the year *	5,000	NIL
Balance at end of year	1,62,500	20,000
Exercisable as on 31st March 2018	NIL	NIL
Weighted average exercise price of all stock options	₹ 15	₹ 15

* During the year employee of holding company has exercised 5000 stock options, allotment of the same is pending as on 31 March 2018.

Method used for accounting of share based payment plan:

The Company has used fair value method to account for the compensation cost of stock options granted to its employees and the employee of holding company. The compensation cost of ₹ 179.48 Lakhs (previous year ₹ 5.27 Lakhs) is recognised in the Statement of Profit and Loss.

Range of exercise price and weighted average remaining contractual life of outstanding options

For Options granted on 5 January 2017	2017-2018	2016-2017
Number of options outstanding	15,000	20,000
Weighted Average Remaining Contractual Life (in years)	3.77	4.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23 June 2017	2017-2018
Number of options outstanding	1,47,500
Weighted Average Remaining Contractual Life (in years)	4.23
Weighted Average Exercise Price (₹)	15

42. Related Party Transactions

(i) Where Control Exists

- Gujarat Fluorochemicals Limited – holding company
- Inox Leasing & Finance Limited – ultimate holding company
- Shouri Properties Private Limited – subsidiary company
- Swanston Multiplex Cinemas Private Limited – subsidiary company w.e.f. 5th March 2018 (a joint venture up to 4th March 2018)

- e. INOX Leisure Limited - Employees' Welfare Trust - controlled trust
- f. INOX Benefit Trust - controlled trust

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

Key Management Personnel (KMP)

- a. Mr. Pavan Kumar Jain – Director
- b. Mr. Vivek Kumar Jain – Director
- c. Mr. Siddharth Jain – Director
- d. Mr. Deepak Asher – Director
- e. Mr. Amit Jatia – Director
- f. Ms. Girija Balakrishnan – Director
- g. Mr. Haigreve Khaitan – Director
- h. Mr. Kishore Biyani – Director
- i. Mr. Alok Tandon – Chief Executive Officer

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

- a. INOX India Private Limited
- b. INOX FMCG Private Limited

Details of transactions between the Company and related parties are disclosed below.

During the year, Company entered into the following trading transactions with related parties:

Particulars	Sales and services		Purchases of goods	
	Year ended	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
(₹ in Lakhs)				
a) Transactions with holding company:				
Gujarat Fluorochemicals Limited	5.43	4.76	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
Inox India Private Limited	2.44	1.98	-	-
Inox FMCG Private Limited	3.72	40.70	118.90	147.97
Sub-total	6.16	42.68	118.90	147.97
Total	11.59	47.44	118.90	147.97

During the year, Company entered into other transactions with related parties:

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
(₹ in Lakhs)		
A. Transactions with holding company:		
Gujarat Fluorochemicals Limited		
(a) Interest paid	1,624.90	1,624.90
(b) Reimbursement of expenses paid	12.36	20.79
(c) Lease rent paid	32.51	71.38
Sub-total	1,669.77	1,717.07
B. Transactions with subsidiary company:		

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Shouri Properties Private Limited		
(a) Conducting fees paid	299.82	313.49
(b) Reimbursement of expenses paid	12.62	14.95
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(c) Counter-guarantee given for bank guarantee taken by subsidiary company	-	554.59
(d) Security deposit given	-	25.13
Sub-total	312.44	908.16
Total	1,982.21	2,625.23

Note: The above amounts are exclusive of taxes, wherever applicable

The following balances were outstanding at the end of the year :

(₹ in Lakhs)

Particulars	Amounts owed by related parties	
	As at 31 March 2018	As at 31 March 2017
Trade receivables		
a) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox FMCG Private Limited	-	1.24
Counter-guarantee given for bank guarantee taken by subsidiary company		
Transactions with subsidiary company:		
Shouri Properties Private Limited	1,643.18	1,643.18
Security deposit given		
Transactions with subsidiary company:		
Shouri Properties Private Limited	104.20	104.20

(₹ in Lakhs)

Particulars	Amounts owed to related parties	
	As at 31 March 2018	As at 31 March 2017
Trade payable and other payable		
a) Transactions with holding company:		
Gujarat Fluorochemicals Limited	4.03	4.27
b) Transactions with subsidiary company:		
Shouri Properties Private Limited	51.35	11.75
c) Transactions with enterprises over which a KMP or his relative has significant influence		
Inox FMCG Private Limited	1.86	28.50
Total	57.24	44.52

Loans from related parties

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Inter-corporate deposit payable - Gujarat Fluorochemicals Limited	16,249.00	16,249.00

- Sales of movie tickets, F&B and Advertising services and purchases are made at the arms length price.
- The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or previous year for bad or doubtful receivables in respect of the amounts owed by related parties.
- The Company has been provided Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans are unsecured.

Compensation of Key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows :

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration paid to Mr. Alok Tandon	107.35	97.43
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Sitting fees paid to directors	10.20	12.20
Total	147.55	139.63

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company as a whole, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹5.56 lakhs (previous year ₹ 5.28 lakhs) included in the amount of remuneration reported above.

43. Operating lease arrangements

The Company as a lessee

a) Leasing arrangements

The Company is operating some of the multiplexes under operating lease/ business conducting arrangement. These arrangements are for an initial period of 3-25 years with a minimum lock-in period of 3-13 years and the agreements provide for escalation after pre-determined periods. The Company does not have an option to purchase the leased premises at the expiry of the lease periods.

Payments recognised as an expense

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Lease payments	19,733.03	18,045.01
Total	19,733.03	18,045.01

Operating lease commitments

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
Not later than 1 year	20,281.93	18,036.75
Later than 1 year and not later than 5 years	82,404.51	72,923.31
Later than 5 years	159,605.39	169,971.72
Total	262,291.83	260,931.78

- Interest in land taken on lease and classified as operating lease:

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

The leasehold land are taken for the period of 20 to 57 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in 'Rent and Common Facility Charges' in Statement of Profit and Loss and the balance remaining amount to be amortised is included in Balance Sheet as Prepayments Leasehold land .

c) Other leasing arrangements

In respect of operating leases for office premises/godowns: The arrangements range between 11 months to 36 months and are cancellable. Lease payments of ₹ 23.31 Lakh (previous year ₹ 101.58 Lakh) are included in 'Rent and Common Facility Charges' in Note 35 to the Statement of Profit and Loss.

44. Commitments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,018.37	2,723.36
(b) Other commitments		
Commitments for the operating multiplexes for minimum period of operations in terms of respective State Government policies equivalent to the exemption availed from commencement till reporting date (see Note below)	10,049.04	11,842.08
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 45(c)	1,237.91	1,195.85

45. Contingent liabilities

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
a. Claims against the Company not acknowledged as debt	116.36	7,059.80
This includes:		
i. The Company had issued termination notice for one of its proposed multiplexes seeking refund of security deposit and reimbursement of the cost of fit-outs incurred by the Company, aggregating to ₹ 914.16 Lakhs. As per the arbitration award received during the year, Company's claim has been retained to the extent of ₹ 60 lakhs towards deposit and the claim of ₹ 854.16 lakhs towards the cost of fit-outs has been decided against the Company, for which provision is made during the year (see Note 47). The counter-claim made by the party towards rent for lock in period and other costs amounting to ₹ 6,943.44 lakhs has been rejected by the arbitrator.	-	6,943.44

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
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 Lakhs 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.	116.36	116.36
b. Property Tax matters		
The quantum of property tax levied in case of one multiplex is disputed and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. Estimated provision for the same is made by the Company – see Note 24.	224.00	569.73
c. Entertainment Tax matters	4,083.87	3,180.85
This includes:		
i Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	3,246.41	2,385.46
ii Demand in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the same is contested by way of appeal before appropriate authorities.	735.14	693.07
iii Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	102.32
d. Service Tax matters	19,001.48	19,001.48
This includes:		
i In respect of levy of service tax on film distributor's' share paid by the Company and the matter is being contested by way of appeal / representation before the appropriate authorities. The Company has paid ₹657.45 Lakhs to the respective authorities under protest (which is included in 'Other non current assets')	16,641.03	16,641.03
ii The Company has received an order from Commissioner of GST & Central Excise regarding levy of service tax on sale of food and beverages in multiplex premises.	2,360.45	2,360.45
e. Stamp duty matter		

NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Authority has raised the demand for non-payment of stamp duty on Leave & License Agreement in respect of one of the multiplexes, holding the same as lease transaction. Stay has been granted and the matter is pending before Board of Revenue.	263.81	263.81
f. Custom duty matter in respect of import of projector	4.36	4.36
In addition to above, the Company had also received a show cause cum demand notice from customs on import of cinematographic films, the amount of duty is yet to be quantified.		
g. VAT demand	261.87	261.87
This includes:		
Demand pursuant to reassessment order for the year 2008-09. The Company has filed an appeal and stay is granted on payment of ₹ 2 Lakhs.	237.06	237.06
h. Income-tax matters	283.41	611.42
This includes:		
Assessment dues for assessment year 2013-14	216.16	216.16
Reassessment dues for assessment year 2011-12	-	183.19
Penalty levied for assessment year 2011-12	-	200.00
Penalty levied for assessment year 2010-11	43.25	-
Assessment dues for assessment year 2014-15	11.93	-
i. The Company may be required to charge additional cost towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current assets')	389.83	389.83
j. Counter-guarantee given for bank guarantee taken by a subsidiary company	1,643.18	1,643.18

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

46. In respect of Entertainment-tax exemption claimed and its treatment in these accounts

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 company has recognized ₹ 160.55 Lakhs during the year ended 31 March 2018 (previous year ₹ 880.00 lakh) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31 March 2018 is ₹ 4,075.77 lakhs (previous year ₹ 5,206.27 lakhs).

47. Exceptional Items

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
The Company had issued termination notice for one of its proposed multiplex seeking refund of security deposit and reimbursement of cost of fit outs incurred by the Company aggregating to ₹914.16 Lakhs which was carried forward as amount recoverable towards claim in Note 11 "Other financial assets". During the year Company has received Arbitration Award and the claim of the Company towards reimbursement of cost of fit outs is decided against the Company. Even though the Company is taking further legal steps in this regard, provision of ₹ 854.16 Lakhs is made towards this claim.	854.16	-
Total	854.16	-

48. Disclosure required under section 186(4) of the Companies Act, 2013

The Company has given a counter guarantee of ₹ 1,643.18 Lakh (previous year ₹ 1,643.18 Lakh) in respect of bank guarantee taken by its subsidiary, Shouri Properties Private Limited. This bank guarantee is towards entertainment tax exemption availed by the subsidiary. The Company has a leasing arrangement with this subsidiary to operate a multiplex from the said location.

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

INDEPENDENT AUDITOR'S REPORT

to the members of Inox Leisure Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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 entity, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and a jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

While conducting the 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 of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group and its jointly controlled entity as at 31 March 2018, their consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflects total assets of ₹ 273.61 Lakhs as at 31 March 2018, total revenues of ₹ 304.41 Lakhs, total net profit after tax of ₹ 2.36 Lakhs and total comprehensive income of ₹ 2.36 Lakhs and net cash inflows amounting to ₹ 2.56 Lakhs. Further, we also did not audit the financial statements of a jointly controlled entity (which became subsidiary from 5 March 2018) which reflects groups share in net Loss of ₹ 3.43 Lakhs for the year ended on 31 March 2018. These financial statements have been audited by other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a jointly controlled company, 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 subsidiaries and a jointly controlled company is based solely on the reports of the other auditor. Our opinion on the consolidated Ind AS 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.

Further, the consolidated financial statements of the Group and its jointly controlled entity for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 2 May 2017.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditor of its subsidiaries and jointly controlled entity, none of the directors of the Group and jointly controlled entity are disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (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 and based on the consideration of the reports of the other auditor on separate Ind AS financial statement of associate companies, as noted in the 'Other matters' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – see Note 47 to the consolidated Ind AS financial statements;
 - ii. The Group and its jointly controlled entity did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by Holding Company, its subsidiaries and the jointly controlled entity.

For Kulkarni & Company
Chartered Accountants
Firm's Registration No. 140959W

Place: Vadodara
Date: 7 May 2018

A.D Talavlikar
Partner
Membership No. 130432

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

to the members of Inox Leisure Limited

Annexure to Independent auditor's report to the members of Inox Leisure Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018 – referred to in paragraph (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")

In conjunction with our audit of the consolidated Ind AS financial statements of Inox Leisure Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the respective companies 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 ("ICAI"). 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiary companies' and its jointly controlled entity's internal financial controls with reference to financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 with reference to financial statements 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 system with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's, its subsidiary companies' and its jointly controlled entity's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies and its jointly controlled entity, considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries and jointly controlled entity (which became subsidiary from 5 March 2018), which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies.

For Kulkarni & Company
Chartered Accountants
Firm's Registration No. 140959W

Place: Vadodara
Date: 7 May 2018

A.D Talavlikar
Partner
Membership No. 130432

CONSOLIDATED BALANCE SHEET

as at 31 March 2018

Particulars	Notes	(₹ in Lakhs)	
		As at 31 March 2018	As at 31 March 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	74,270.89	67,282.56
(b) Capital work-in-progress	5B	5,394.78	6,255.36
(c) Goodwill	6	1,750.97	1,750.97
(d) Other intangible assets	7	1,154.66	1,242.66
(e) Investments accounted for using the equity method	8	-	5.81
(f) Financial assets			
(i) Other investments	9	121.27	118.74
(ii) Loans	10	7,417.53	6,900.01
(iii) Other financial assets	11	6,752.68	7,178.80
(g) Deferred tax assets (net)	12	8,112.40	4,828.55
(h) Income tax assets (net)	13	912.87	553.32
(i) Other non-current assets	14	8,268.24	7,763.02
Total Non - current assets		114,156.29	103,879.80
2 Current assets			
(a) Inventories	15	939.91	908.76
(b) Financial assets			
(i) Other investments	9	1,238.98	1,069.91
(ii) Trade receivables	16	7,610.64	4,661.00
(iii) Cash and cash equivalents	17	1,334.03	980.96
(iv) Bank balances other than (iii) above	18	168.84	338.26
(v) Loans	10	590.31	441.99
(vi) Other financial assets	11	18.42	30.35
(c) Other current assets	14	2,443.36	2,096.48
Total Current assets		14,344.49	10,527.71
Total Assets (1+2)		128,500.78	114,407.51
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	9,616.28	9,616.28
(b) Other equity	20	60,612.06	48,904.46
(c) Interest in Inox Benefit Trust	21	(3,266.98)	(3,266.98)
Equity attributable to owners of the Company		66,961.36	55,253.76
Non-controlling interests	22	0.56	0.54
Total equity		66,961.92	55,254.30
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	25,240.23	29,193.00
(ii) Other financial liabilities	24	312.84	307.81
(b) Provisions	25	1,009.79	1,001.45
(c) Other non-current liabilities	26	7,565.72	8,292.85
Total Non - current liabilities		34,128.58	38,795.11
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables	27	11,320.87	8,841.50
(ii) Other financial liabilities	24	10,573.37	6,476.49
(b) Other current liabilities	28	3,823.37	3,599.82
(c) Provisions	25	1,478.32	1,439.04
(d) Income tax liabilities (net)	13	214.35	1.25
Total current liabilities		27,410.28	20,358.10
Total Equity and Liabilities (1+2+3)		128,500.78	114,407.51

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

As per our report of even date attached

For Kulkarni and Company

Chartered Accountants

A.D.Talavlikar

Partner

Siddharth Jain

Director

Kailash B Gupta

CFO

Deepak Asher

Director

AlokTandon

CEO

Place: Vadodara

Date: 7 May, 2018

Place: Mumbai

Date: 7 May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	29	134,811.83	122,071.41
Other income	30	1,446.53	911.55
Total Income (I)		136,258.36	122,982.96
Expenses			
Cost of materials consumed	31	7,435.80	6,806.71
Exhibition cost	32	36,731.79	34,532.57
Employee benefits expense	33	9,635.56	8,639.10
Finance costs	34	2,889.63	2,528.11
Depreciation and amortisation expense	35	8,669.89	8,407.04
Impairment losses	5A / 6	309.55	129.34
Other expenses	36	59,964.19	57,485.29
Total expenses (II)		125,636.41	118,528.16
Profit before share of profit of a joint venture and exceptional items		10,621.95	4,454.80
Share of profit of joint ventures (III)	8A	(3.43)	8.12
Profit before exceptional items and tax (I - II + III = IV)		10,618.52	4,462.92
Exceptional items (IV)	49	854.16	-
Profit before tax (IV-V = VI)		9,764.36	4,462.92
Tax expense: (VII)	37		
Current tax		3,251.61	1,474.25
Deferred tax		420.28	85.72
Taxation pertaining to earlier years		(5,370.47)	(158.54)
		(1,698.58)	1,401.43
Profit for the year (VI - VII = VIII)		11,462.94	3,061.49
Profit for the year attributable to:			
Equity holders of the Parent		11,462.92	3,061.45
Non-controlling interests		0.02	0.04
		11,462.94	3,061.49
Other comprehensive income (IX)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		100.21	(61.77)
(ii) Tax on above	37	(35.02)	21.38
Total Other comprehensive income (i-ii)		65.19	(40.39)
Total Comprehensive income for the year (VIII + IX = X) (Comprising Profit and other comprehensive income for the year)		11,528.13	3,021.10
Other comprehensive income for the year attributable to			
- Owners of the Company		65.19	(40.39)
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		11,528.11	3,021.06
- Non-controlling interests		0.02	0.04
		11,528.13	3,021.10
Earnings per equity share (in ₹)			
1) Basic	39	12.49	3.33
2) Diluted	39	12.48	3.33

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

As per our report of even date attached

For Kulkarni and Company

Chartered Accountants

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

CONSOLIDATED STATEMENT OF CASHFLOW

for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities		
Profit for the year after tax	11,462.94	3,061.49
Adjustments for:		
Income tax expense	(1,698.58)	1,401.43
Finance costs	2,889.63	2,528.11
Share of (profit)/loss of a joint venture	3.43	(8.12)
Interest income	(705.14)	(524.50)
Government grants - deferred revenue	(1,303.47)	(1,702.64)
Gain on investments measured at fair value through profit or loss	(372.06)	(234.74)
Deferred rent expenses	616.77	520.05
Loss on disposal of property, plant and equipment (net)	1,085.22	429.24
Liabilities and provisions, no longer required, written back	(281.44)	(95.83)
Expense on ESOP	179.49	5.27
Bad debt & remissions	13.98	148.53
Deposits and advances written off	63.61	-
Allowance for doubtful advances and deposits	113.96	35.00
Allowance for doubtful trade receivables (net)	(84.77)	5.12
Allowance for amount recoverable towards claim written off	854.16	-
Impairment loss on goodwill	0.60	40.88
Impairment loss on property, plant and equipment	308.95	88.46
Depreciation and amortisation expense	8,669.89	8,407.04
Unrealised exchange loss	10.32	-
	21,827.49	14,104.79
Movements in working capital:		
(Increase)/decrease in trade receivables	(2,878.85)	344.88
(Increase)/decrease in inventories	(31.15)	(221.49)
(Increase)/decrease in loans	(261.38)	(1,070.82)
(Increase)/decrease in other financial assets	477.94	(1,595.07)
(Increase)/decrease in other assets	(1,458.78)	(3,282.48)
Increase/(decrease) in trade payables	2,479.00	1,511.91
Increase/(decrease) in provisions	147.83	166.93
Increase/(decrease) in other financial liabilities	1,494.80	575.88
Increase/(decrease) in other liabilities	1,081.33	1,319.04
Cash generated from operations	22,878.23	11,853.57
Income taxes paid	(1,766.75)	(1,050.73)
Net cash generated by operating activities	21,111.48	10,802.84

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(15,857.31)	(15,278.55)
Payments for other intangible assets	(231.50)	(306.64)
Proceeds from disposal of property, plant and equipment	170.52	268.81
Interest received	182.83	296.93
Investments in Government securities	(8.13)	(12.50)
Maturity of Government securities	-	7.40
Purchase of current investments	(54,699.44)	(20,272.05)
Sale/redemption of current investments	54,911.69	20,983.71
Investment in subsidiary company	(3.00)	-
Payments towards business combination consideration payable	(5.32)	(286.36)
Movement in other bank balances	154.12	67.25
Net cash used in investing activities	(15,385.54)	(14,532.00)
Cash flows from financing activities		
Proceeds from borrowings - non current	-	10,000.00
Repayment of borrowings - non current	(2,503.40)	(2,498.56)
Net movement in current borrowings	-	(2,512.65)
Finance costs	(2,897.21)	(2,549.45)
Net cash (used)/generated by financing activities	(5,400.61)	2,439.34
Net increase/(decrease) in cash and cash equivalents	325.33	(1,289.82)
Cash and cash equivalents at the beginning of the year	980.96	2,270.78
Add: Cash and cash equivalents on acquisition of subsidiary	27.74	-
Cash and cash equivalents at the end of the year	1,334.03	980.96

Changes in liabilities arising from financing activities during the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Non-current borrowings
Opening balance	31,712.75
Interest expense	2,911.45
Cash flows	(5,422.43)
Closing balance	29,201.77

Notes:

1. The above statement of cash flow has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per Note 17.
3. The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the year ended 31 March 2018

A. Equity share capital

(₹ in Lakhs)		
Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
9,616.28	-	9,616.28

B. Other equity

							(₹ in Lakhs)
Particulars	ATTRIBUTABLE TO OWNERS OF THE COMPANY					Non controlling interests	Total
	Reserves and surplus						
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Shares options outstanding account	Retained Earnings		
Balance at 1 April 2016	0.10	28,092.61	2,782.55	-	15,002.87	0.50	45,878.63
Additions during the year:							
Profit for the year	-	-	-	-	3,061.45	0.04	3,061.49
Other comprehensive income for the year, net of tax(*)	-	-	-	-	(40.39)	-	(40.39)
Total comprehensive income for the year	-	-	-	-	3,021.06	0.04	3,021.10
On account of stock options granted (see Note 43)	-	-	-	5.27	-	-	5.27
Balance as at 31 March 2017	0.10	28,092.61	2,782.55	5.27	18,023.93	0.54	48,905.00
Additions during the year:							
Profit for the year	-	-	-	-	11,462.92	0.02	11,462.94
Other comprehensive income for the year, net of tax(*)	-	-	-	-	65.19	-	65.19
Total comprehensive income for the year	-	-	-	-	11,528.11	0.02	11,528.13
On account of stock options granted (see Note 43)	-	-	-	179.49	-	-	179.49
Balance as at 31 March 2018	0.10	28,092.61	2,782.55	184.76	29,552.04	0.56	60,612.62

(*) Other comprehensive income for the year is in respect of remeasurement of defined benefit plans

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

As per our report of even date attached

For and on behalf of the Board of Directors

For Kulkarni and Company
Chartered Accountants

A.D.Talavlikar
Partner

Siddharth Jain
Director

Deepak Asher
Director

AlokTandon
CEO

Kailash B Gupta
CFO

Place: Vadodara
Date: 7 May, 2018

Place: Mumbai
Date: 7 May, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018

1. Group information

Inox Leisure Limited ("the Company") is a public limited company incorporated in India. These Consolidated Financial Statements ("these CFS") relate to the Company, its subsidiaries (collectively referred to as the "Group") and the Group's interest in a joint venture. The Group is engaged in operating & managing multiplexes and cinema theatres in India. The Company's holding company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at ABS Towers, Old Padra Road, Vadodara – 390 007, and the particulars of its other offices and multiplexes/cinema theatres are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These CFS comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

These CFS are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These CFS have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these CFS is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Group has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the transition date. The transition was carried out from the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), which was the Previous GAAP

These CFS have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

These CFS were authorized for issue by the Company's Board of Directors on 7 May 2018.

3. Basis of Consolidation and Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the members of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation..

3.1.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, gain or loss is recognized in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (See Note 3.11); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (See Note 3.2 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of a joint venture is described in note 3.4 below

3.4 Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Distributions received from a joint venture reduce the carrying amount of the investment. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

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When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed off the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of income can be measured reliably. Revenue is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of entertainment tax, service tax, sales tax, value added tax and other similar taxes.

3.5.1 Rendering of services

Revenue from services rendered is recognized in profit or loss by reference to the stage of completion of transaction at the reporting date and when the costs incurred for the transactions and the costs to complete the transaction can be measured reliably, as under:

Revenue from box office is recognized as and when the movie is exhibited. Conducting fees are in respect of charges received from parties to conduct business from the Group's multiplexes and the revenue is recognized over the period of contract or other appropriate basis as per the contractual terms. Advertisement income is recognized on exhibition of the advertisement or over the period of contract, as applicable.

3.5.2 Sale of goods

Revenue is recognized, when the significant risks and rewards of the ownership have been transferred to the buyers and there is no continuing effective control over the goods or managerial involvement with the goods. Revenue from sale of food and beverages is recognized at the point of sale. Income from sale of power is recognized on the basis of actual units generated and transmitted to the purchaser.

3.5.3 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment is established. Interest income from a financial asset is recognized on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants.

Government grants, whose primary condition is that the Group should establish and operate multiplexes in specified areas, are initially recognised as deferred revenue in the consolidated balance sheet and subsequently transferred to profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the assets of the respective multiplexes. Grants that compensate the Group for expenses incurred are recognized in profit or loss as other operating revenue on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.7 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transaction of the Group comprise of only operating leases.

The Group as lessee-

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.8 Foreign currency transactions and translation

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as permitted by para D13AA of Ind AS 101, the Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on

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for the year ended 31 March 2018 [CONTD...](#)

conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.10 Employee benefits

3.10.1 Retirement benefit costs and termination benefits

Recognition and measurement of defined contribution plans:

Payments to defined contribution benefit plan viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Recognition and measurement of defined benefit plans:

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.10.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, bonus, annual leave and sick leave etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 43.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options outstanding account in other equity.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3.12 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 21), equity shares of the Company have been issued to INOX Benefit Trust (the Trust) against the equity shares of Fame held by the Company at the time of amalgamation. 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 akin to treasury shares and are presented as a deduction in total equity. Difference between the cost and the amount received at the time sale of shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

3.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises

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from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets include 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 recognised as an deferred tax assets 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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.13.3 Presentation of current and deferred tax :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

3.14 Property, plant and equipment

An item of Property, Plant and Equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, property, plant and equipment are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any

expenses attributable to bring the PPE 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 PPE in respective multiplexes. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1 April 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. (see Note 3.8)

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements ranging from 10 - 25 years or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.15 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and impairment losses, on the same basis as intangible assets as above.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of the intangible assets are as follow:

- Operating software 3 years
- Other software 6 years
- Movie script 5 years
- Website 5 years

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.17 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.18 Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent period, such contingent liabilities are measured at the higher of the amounts that would be recognised in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate

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that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) **Subsequent measurement:**

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

- i. The Group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. **Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, other financial assets and certain investments of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. **Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Group.

iii. **Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

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In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses'/'Other income'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Group has not designated any financial liability as at FVTPL.

c) *Foreign exchange gains and losses:*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) *Derecognition of financial liabilities:*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The shares of the Company held by INOX Benefit Trust, being treasury shares, are excluded while computing the weighted average number of shares.

3.21 Recent accounting pronouncements

- a) On 28 March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Group from 1 April 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect on the financial statements is being evaluated by the Group.
- b) On 28 March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment has no impact on the financial statements of the Group.

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4 Critical accounting judgements and use of estimates

In application of Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

- 4.1 Following are the critical judgements that have the most significant effects on the amounts recognized in these CFS:

a) In respect of Government Grants

Some of the multiplexes operated by the Group are entitled to exemption from payment of entertainment tax in terms of the schemes notified by the respective State Governments, whose primary condition is that the Group should establish and operate multiplexes in specified areas. Therefore, in terms of Ind AS 20 Accounting for Government Grants, these grants are classified as grants related to assets of such multiplexes. Accordingly, the Group presents the same in the balance sheet by setting up the grant as deferred income and is recognised in profit or loss as other operating revenue on a systematic basis over the useful lives of the related asset.

b) In respect of assets taken on operating lease

The Group has taken most of the properties on operating lease from where the multiplexes and cinema theatres are being operated. The lease terms provide for periodic increase in the amount of lease payments. Considering the terms of the agreements and the rate of increase in lease payments, it is assessed that the payment to lessors are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the Group recognizes the lease payments as expenses as per the respective terms of the leases in such cases.

c) Leasehold land

In respect of leasehold lands, considering the terms and conditions of the leases, particularly the transfer of the significant risks and rewards, it is concluded that they are in the nature of operating leases.

d) Impairment of property, plant and equipment:

For the purpose of impairment testing of property, plant and equipment, each multiplex / cinema theatre is identified as a Cash-Generating Unit (CGU) being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Further, it is not possible to measure fair value less cost of disposal of a CGU (viz. a multiplex or a cinema theatre) because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell such CGU would take place between the market participant at the measurement date in case of such operating CGUs. Hence the asset's value in use is used as recoverable amount of such CGUs in determining the extent of impairment loss, if any.

e) In respect of Inox Employee Welfare Trust and Inox Benefit Trust

Inox Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited and Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited. Inox Leisure Limited is the Settlor for both these trusts. As a settlor, the Company has the power to remove the trustees as it may deem necessary. Hence, the directors of the Company have concluded that the Group has control over these trusts and the same has been consolidated in these CFS.

f) In respect of Swanston Multiplex Cinemas Private Limited (SMCPL), a joint venture:

SMCPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the company itself. However, considering the joint arrangement, inspite of the fact that the entity's interest is reduced to zero, additional losses are provided for and a liability is recognized as a liability for constructive obligation.

- 4.2 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Impairment of goodwill:

Determining whether goodwill is impaired requires an estimation of the value in use of the Cash-Generating Units (CGU) to which goodwill has been allocated. The value in use calculation requires the directors of the Company to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 March 2018 was ₹ 1750.97 lakhs (as at 31 March 2017: ₹ 1750.97 lakhs) after an impairment loss of ₹ 0.60 lakhs (previous year ₹ 40.88 lakhs) was recognized during the year 2017-2018. Details of impairment loss calculations are set out in Note 6.

b) Useful lives of Property, Plant & Equipment (PPE) and intangible assets (other than goodwill):

The Group has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.14 & 3.15 above. The Group reviews the estimated useful lives of PPE & intangible assets (other than goodwill) at the end of each reporting period.

c) Fair value measurements and valuation processes

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 42..

d) Other assumptions and estimation uncertainties, included in respective notes are as under:

- Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 12
- Measurement of defined benefit obligations and other long-term employee benefits – see Note 41
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 25 and Note 47
- Impairment of financial assets – see Note 42

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5. Property, plant and equipments

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,594.69	11,602.61
Leasehold improvements	21,815.12	18,865.88
Plant and equipment	28,234.79	25,613.37
Furniture and fixtures	7,067.84	5,837.28
Vehicles	48.23	53.60
Office equipment	2,840.56	2,640.16
Total	74,270.89	67,282.56

- (i) Details of freehold land and buildings that are mortgaged to secure borrowings of the Group (see Note 23) are as under. The Group is not allowed to mortgage these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Freehold land	1,743.99	1,743.99
Building	4,413.95	4,505.20
Total	6,157.94	6,249.19

- (ii) Details of leasehold improvements, plant and equipment, office equipment and furniture and fixtures that are hypothecated to secure loans from banks (see Note 23) are as under. The Group is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Leasehold improvements	9,320.74	10,089.97
Plant and equipment	12,127.51	13,134.25
Furniture and fixtures	3,961.62	4,055.59
Office equipments	1,445.78	1,535.70
Total	26,855.65	28,815.51

- (iii) Details of plant and equipment, office equipment and furniture and fixtures that are hypothecated to secure bank guarantee facility from bank are as under. The Group is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Plant and equipment	6,039.48	6,709.28
Furniture and fixtures	790.40	949.69
Office equipments	276.85	315.01
Total	7,106.73	7,973.98

- (iv) During the year, the Group has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 308.95 lakhs (as at 31 March 2017: ₹ 88.46 lakhs) due to lower than expected performances in respect of four multiplex theatres (as at 31 March 2017: two multiplex theatres). This impairment loss is recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 520.38 lakhs at 31 March 2018 (as at 31 March 2017: ₹ 218.00 lakhs) . It is not possible to measure fair value, less cost of disposal, of a multiplex theatre and hence the value in use is used as recoverable amount. The discount rate used in measuring the value in use was 12% per annum.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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5A. Property, plant and equipment

Description of Assets	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(₹ in Lakhs)								
Cost or deemed cost								
Balance as at 1 April 2016	2,669.66	11,705.83	19,274.90	26,109.54	6,481.53	109.86	3,194.57	69,545.89
Additions	-	539.63	3,796.63	6,382.89	2,259.14	-	1,312.09	14,290.38
Disposals	-	(175.99)	(100.26)	(378.41)	(434.54)	(11.08)	(122.02)	(1,222.30)
Effects of foreign currency exchange differences	-	-	-	2.23	-	-	-	2.23
Borrowing cost	-	-	31.49	24.42	8.52	-	-	64.43
Balance as at 31 March 2017	2,669.66	12,069.47	23,002.76	32,140.67	8,314.65	98.78	4,384.64	82,680.63
Additions	-	247.50	5,830.30	6,817.17	2,663.35	17.06	1,272.16	16,847.54
Disposals	-	(7.48)	(1,130.48)	(1,733.62)	(325.53)	-	(143.50)	(3,340.61)
Borrowing cost	-	-	22.84	25.10	7.91	-	-	55.85
Balance as at 31 March 2018	2,669.66	12,309.49	27,725.42	37,249.32	10,660.38	115.84	5,513.30	96,243.41
Accumulated depreciation and impairment								
Balance as at 1 April 2016	-	233.64	2,043.69	3,190.99	1,272.53	24.58	973.71	7,739.14
Depreciation expense for the year	-	239.91	2,121.87	3,461.09	1,371.48	23.06	879.27	8,096.68
Impairment losses recognised in profit or loss	-	-	11.13	71.07	2.53	-	3.73	88.46
Eliminated on disposal of assets	-	(6.69)	(39.81)	(195.85)	(169.17)	(2.46)	(112.23)	(526.21)
Balance as at 31 March 2017	-	466.86	4,136.88	6,527.30	2,477.37	45.18	1,744.48	15,398.07
Depreciation expense for the year	-	264.23	2,114.75	3,547.05	1,366.06	22.43	1,036.45	8,350.97
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52	308.95
Eliminated on disposal of assets	-	(16.29)	(459.29)	(1,234.36)	(261.82)	-	(113.71)	(2,085.47)
Balance as at 31 March 2018	-	714.80	5,910.30	9,014.53	3,592.54	67.61	2,672.74	21,972.52

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(₹ in Lakhs)								
As at 31 March 2017	2,669.66	11,602.61	18,865.88	25,613.37	5,837.28	53.60	2,640.16	67,282.56
As at 31 March 2018	2,669.66	11,594.69	21,815.12	28,234.79	7,067.84	48.23	2,840.56	74,270.89

5B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Capital work-in-progress	4,684.67	5,038.27
Pre-operative expenditure pending allocation	710.11	1,217.09
Total	5,394.78	6,255.36

Particulars of pre-operative expenditure incurred during the year are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening balance	1,217.09	1,214.10
Add: Expenses incurred during the year		
Salaries and wages	469.29	412.41
Contribution to provident and other funds	29.70	26.21
Staff welfare	0.27	-
Legal & professional fees and expenses	664.53	342.46
Travelling & conveyance	34.34	87.05
Power & fuel	55.41	24.26
Housekeeping expenses	18.13	5.35
Outsourced personnel cost	4.63	2.29
Security expenses	65.56	55.59
Miscellaneous expenses	87.61	17.26
Borrowings costs	55.86	82.41
	1,485.33	1,055.29
Sub total	2,702.42	2,269.39
Less: Capitalised during the year	1,992.31	1,052.30
Closing balance	710.11	1,217.09

Capital work in progress includes amount of ₹ 649.60 lakhs (as at 31 March 2017: ₹ 3,362.53 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (see Note 23). The Group is not allowed to hypothecate these assets as security for other borrowings or to sell them to another entity.

6. Goodwill

(₹ in Lakhs)

Description of Assets	As at 31 March 2018	As at 31 March 2017
Cost or deemed Cost		
Balance at beginning of year	1,750.97	1,791.85
Add: on acquisition of subsidiary	0.60	-
Less: impairment loss	(0.60)	(40.88)
Balance at end of the year	1,750.97	1,750.97
Accumulated impairment losses		
Balance at beginning of year	(40.88)	-
Impairment losses recognised in the year	(0.60)	(40.88)
Balance at end of the year	(41.48)	(40.88)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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- (i) During the year, the Group carried out a review of the recoverable amount of goodwill on consolidation. The review led to recognition of an impairment loss of ₹ 0.60 lakhs (previous year ₹ 40.88 lakhs) which had been recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ Nil as at 31 March 2018 (previous year 0.97 lakhs). The discount rate used in measuring the value in use was 12% per annum.

6A. Allocation of goodwill to cash generating units:

Goodwill is in respect of one of the multiplexes of the Group acquired through business combination and on consolidation of subsidiary companies.

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

(₹ in Lakhs)		
Cash generating units	As at 31 March 2018	As at 31 March 2017
Multiplex theatre	1,750.00	1,750.00
Shouri Properties Private Limited	41.85	41.85
Swanston Multiplex Cinemas Private Limited	0.60	-
Total	1,792.45	1,791.85

Multiplex Theatre

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cash flow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2017: 12% p.a.). The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Key Assumptions used in value in use calculations for this cash generating unit are as follows:

Budgeted Footfalls :

Budgeted footfalls are expected to grow by 3%. The values assigned to the assumption are based on the increased focus on these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Average Ticket Price (ATP):

Budgeted ATP is expected to grow by 7%. The values assigned to the assumption are based on the rebranding of these operations and newer cinema technology such as IMAX being introduced in this location.

Budgeted Spend per head (SPH):

Budgeted SPH is expected to grow by 10%. The values assigned to the assumption are based on the rebranding of these operations.

Shouri Properties Private Limited

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31 March 2017: 12% p.a.)

Budgeted Rental income:

Budgeted revenue of SPPL from rental income is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Budgeted Rental expense:

Budgeted rental expense of SPPL is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by the Company

Based on above, no impairment loss has been recognised during the year ended 31 March 2018 (previous year: ₹ 40.88 lakhs).

Swanston Multiplex Cinemas Private Limited

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a.

Since this cash generating unit was operating only one multiplex which had ceased operations w.e.f. 12 July 2012, there are no cashflows expected in the future. As such, the recoverable amount of this cash generating unit based on value in use method is Rs.Nil.

Based on above, impairment loss of Rs.0.60 lakhs has been recognised during the year ended 31 March 2018.

7. Other intangible assets

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Computer software	1,137.28	1,215.74
Website	17.38	26.92
	1,154.66	1,242.66

7 A. Other intangible assets

(₹ in Lakhs)				
Description of Assets	Computer software	Website	Movie script	Total
Cost or deemed Cost				
Balance as at 1 st April 2016	1,244.95	46.00	54.43	1,345.38
Additions	306.64	-	-	306.64
Disposals	(16.24)	-	-	(16.24)
Balance as at 31 March 2017	1,535.35	46.00	54.43	1,635.78
Additions	231.50	-	-	231.50
Disposals	(7.14)	-	-	(7.14)
Balance as at 31 March 2018	1,759.71	46.00	54.43	1,860.14
Accumulated amortisation and impairment				
Balance as at 1 st April 2016	55.08	9.54	32.41	97.03
Amortisation expense for the year	278.79	9.54	22.02	310.35
Disposal	(14.26)	-	-	(14.26)
Balance as at 31 March 2017	319.61	19.08	54.43	393.12
Amortisation expense for the year	309.37	9.54	-	318.91
Disposal	(6.54)	-	-	(6.54)
Balance as at 31 March 2018	622.44	28.62	54.43	705.49

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(₹ in Lakhs)				
Carrying amounts	Computer software	Website	Movie script	Total
As at 31 March 2017	1,215.74	26.92	-	1,242.66
As at 31 March 2018	1,137.27	17.38	-	1,154.65

8. Investments accounted for using the equity method

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
In equity instruments (unquoted, fully paid up)		
Swanston Multiplex Cinemas Private Limited - 10,15,000 equity shares	-	279.52
Less: share in accumulated loss	-	(273.71)
Carrying amount	-	5.81
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	-	5.81
Aggregate amount of impairment in value of investments	-	-

The Group held 50% equity shares in the joint venture, Swanston Multiplex Cinemas Private Limited ("SMCPL"). During the year, the Group has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary within the Group with effect from 5th March 2018.

8A) Details and financial information of joint venture

Details of the Group's joint venture at the end of the reporting period are as follows:

(₹ in Lakhs)		
Name of Joint Venture	Proportion of ownership interest and voting rights held by the Group	
	As at 31 March 2018	As at 31 March 2017
Swanston Multiplex Cinemas Private Limited (SMCPL)	-	50%

SMCPL is incorporated in India and was engaged in the business of operating a multiplex and has ceased its operations since July 2012.

SMCPL has become a subsidiary of the company w.e.f. 5 March 2018 which was accounted using the equity method in these consolidated financial statements till 4 March 2018.

(₹ in Lakhs)		
Particulars	For the period 1 April 2017 to 4 March 2018	Year ended 31 March 2017
The Group's share of profit/(loss)	(3.43)	8.12
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(3.43)	8.12

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amount of the Group's interests in this joint venture	-	5.81

There are no restrictions on the ability of joint venture to transfer funds to the Group in the form of cash dividend or to repay loans or advances made by the Group.

9. Other investments

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificates	168.36	156.57
Less: Current portion	(47.09)	(37.83)
Total Non-current investments	121.27	118.74
Current		
Unquoted investments (all fully paid)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - 416839.61 units (31 March 2017: Nil) (face value ₹ 100)	1,159.79	-
ICICI Prudential Liquid Plan-Growth - Nil units (31 March 2017: 417237) (face value ₹ 100)	-	1,002.02
ICICI Prudential Liquid Plan-Growth-Regular Plan -12518.31 (31 March 2017: 12518.31) (face value ₹ 100)	32.10	30.06
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	47.09	37.83
Total Current investments	1,238.98	1,069.91
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,360.25	1,188.65
Aggregate amount of impairment in value of investments	-	-

Investment in National Savings Certificate(NSC) carries interest in the range of 8.16% to 8.78% p.a as per the issue series invested. Interest is compounded on yearly basis and payable on maturity. These NSC's are pledged with Government authorities and held in the name of directors/ex-director/employees

(₹ in Lakhs)

Category-wise other investments – as per Ind AS 109 classification	As at 31 March 2018	As at 31 March 2017
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL - Mutual funds	1,191.89	1,032.08
Financial assets measured at amortised cost		
National Savings Certificates	168.36	156.57
	1,360.25	1,188.65

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for the year ended 31 March 2018 CONTD...

10. Loans

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits		
Unsecured, considered good	7,417.53	6,900.01
Unsecured, considered doubtful	205.47	91.51
	7,623.00	6,991.52
Allowance for doubtful deposits	(205.47)	(91.51)
Total	7,417.53	6,900.01
Current		
Security deposits		
Unsecured, considered good	590.31	441.99
Total	590.31	441.99
The above financial assets are carried at amortised cost		
Carrying amount of security deposits whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the date of transition to Ind AS	4,813.41	4,406.03

11. Other financial assets

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Entertainment tax refund claimed	2,633.97	3,701.70
Electricity charges refund claimed	389.83	389.83
Non-current bank balances (from Note 18)	226.80	211.50
Amount recoverable towards claims		
considered good	147.97	914.16
considered doubtful	854.16	-
	1,002.13	914.16
Less: Allowance for doubtful claims (see Note 49)	(854.16)	-
Amount recoverable towards claim	147.97	914.16
Other advances (*)		
considered good	3,354.11	1,961.61
considered doubtful	58.64	58.64
	3,412.75	2,020.25
Less: Allowance for doubtful advances	(58.64)	(58.64)
	3,354.11	1,961.61
Total	6,752.68	7,178.80
Current		
Interest accrued on others	18.42	18.19
Claims and receivables	-	12.16
Total	18.42	30.35

(*) Other advances represents advances given for properties to be taken on lease and under negotiations

12. Deferred tax assets (net)

The major components deferred tax assets/(liabilities) arising on account of timing differences are as follows:

Year ended 31 March 2018

Deferred tax (liabilities)/assets in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(1,325.48)	1,794.87			469.39
Intangible assets	(208.19)	50.53			(157.66)
Gratuity and leave benefits	419.60	52.21	(35.02)		436.79
Expenses allowable on payment basis	425.00	190.91			615.91
Allowance for doubtful trade receivables and expected credit loss	154.91	(28.12)			126.79
Effect of measuring investments at fair value	(0.20)	(3.22)			(3.42)
Government grants - deferred income	3,266.99	(285.38)			2,981.61
Others deferred tax assets	253.28	21.59			274.87
	2,985.91	1,793.39	(35.02)		4,744.28
MAT credit entitlement	1,842.64	2,924.48		(1,399.00)	3,368.12
Total	4,828.55	4,717.87	(35.02)	(1,399.00)	8,112.40

Year ended 31 March 2017

Deferred tax (liabilities)/assets in relation to:

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
Property, plant & equipment	(1,442.39)	116.91			(1,325.48)
Intangible assets	(75.71)	(132.48)			(208.19)
Gratuity and leave benefits	323.08	75.14	21.38		419.60
Expenses allowable on payment basis	442.38	(17.38)			425.00
Allowance for doubtful trade receivables and expected credit loss	153.14	1.77			154.91
Effect of measuring investments at fair value	(2.00)	1.80			(0.20)
Government grants - deferred income	3,381.57	(114.58)			3,266.99
Others deferred tax assets	270.18	(16.90)			253.28
	3,050.25	(85.72)	21.38		2,985.91
MAT credit entitlement	2,571.44	(126.80)		(602.00)	1,842.64
Total	5,621.69	(212.52)	21.38	(602.00)	4,828.55

As at 31 March 2018, the Group has following unused tax losses and unused tax credit under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss or tax credit	Financial Year	Gross amount (₹ in lakhs)	Expiry date
Business loss	2014-15	11.98	31 March 2023
Business loss	2015-16	13.76	31 March 2024
MAT credit entitlement	2016-17	1.25	31 March 2027
MAT credit entitlement	2017-18	0.64	31 March 2033
Unabsorbed depreciation	Various	114.06	No limit

The subsidiaries do not have undistributed profits.

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for the year ended 31 March 2018 CONTD...

13. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non current	Current	Non Current
Income tax assets (net)				
Income tax paid (net of provisions)	-	912.87	-	553.32
Total		912.87		553.32
Income tax liabilities (net)				
Provision for Income tax (net of payments)	214.35	-	1.25	-
Total	214.35	-	1.25	-

14. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Capital advances	584.99	574.90
Security deposits with government authorities	1,294.21	1,246.76
Deferred rent expense	4,437.96	5,547.72
Prepayments - leasehold land	280.71	287.57
Prepayments - others	1,670.37	106.07
Total	8,268.24	7,763.02
Current		
Advances to suppliers		
considered good	544.59	557.91
considered doubtful	-	35.81
	544.59	593.72
Less: allowance for doubtful advances	-	(35.81)
	544.59	557.91
Advances for expense	48.79	39.69
Balances with government authorities - GST/Service tax/ VAT, etc	588.26	333.90
Prepayments - leasehold land	6.96	7.06
Deferred rent expense	494.50	609.75
Prepayments - others	760.26	548.17
Total	2,443.36	2,096.48

15. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Food & beverages	619.09	523.90
Stores, spares & fuel	320.82	384.86
Total	939.91	908.76

The mode of valuation of inventories is stated in Note 3.17

16. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current		
Unsecured, considered good	7,610.64	4,661.00
Unsecured, considered doubtful	362.83	447.60
	7,973.47	5,108.60
Less:		
Allowance for doubtful trade receivables	(260.52)	(299.11)
Allowance for expected credit losses	(102.31)	(148.49)
	(362.83)	(447.60)
Net Trade receivables	7,610.64	4,661.00

17. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks	872.69	731.52
Cash on hand	461.34	249.44
Total	1,334.03	980.96

18. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Other bank balances		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	77.31	236.44
Deposit accounts with original maturity for more than 12 months	318.33	313.32
	395.64	549.76
Less: Amount disclosed under Note 11 - 'Other financial assets-non current'	(226.80)	(211.50)
Total	168.84	338.26

Notes:

Other bank balances include margin money deposits kept as security against bank guarantee as under:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
a) Deposit account with original maturity for more than 3 months but less than 12 months	77.31	236.44
b) Deposit account with original maturity for more than 12 months	318.33	313.32

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19. Share capital

Particulars	(₹ in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Authorised capital		
14,60,50,000 (31 March 2017: 14,60,50,000) equity shares of ₹ 10/- each	14,605.00	14,605.00
10,000 (31 March 2017: 10,000) preference shares of ₹10 each	1.00	1.00
Issued, subscribed and fully paid up		
9,64,57,754 (31 March 2017: 9,64,57,754) equity shares of ₹ 10 each	9,645.78	9,645.78
Less: 2,95,001 (31 March 2017: 2,95,001) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 43)	(29.50)	(29.50)
	9,616.28	9,616.28

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
At the beginning of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28
Shares outstanding at the end of the year	9,61,62,753	9,616.28	9,61,62,753	9,616.28

(ii) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. 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 of their shareholding.

(iii) Shares held by holding company and ultimate holding company

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
Gujarat Fluorochemicals Limited (holding company)	4,63,86,467	4,638.65	4,63,86,467	4,638.65
Inox Leasing & Finance Limited (ultimate holding company)	5,87,461	58.75	5,87,461	58.75
Total	4,69,73,928	4,697.40	4,69,73,928	4,697.40

The shareholders of the Company have passed a resolution at the Annual General Meeting held on 23 August 2013 amending the Articles of Association of the Company entitling Gujarat Fluorochemicals Limited (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, GFL is having control over the Company and hence the Company is a subsidiary of GFL.

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares held	% of holding	Number of shares held	% of holding
Gujarat Fluorochemicals Limited	4,63,86,467	48.09%	4,63,86,467	48.09%

(v) Shares reserved for issue under option

For details of equity shares reserved for issue under the employees stock option (ESOP) plan of the Company, see Note 43

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

During the year ended 31 March 2014, 3,45,62,206 equity shares of ₹10 each, fully paid-up, were issued to the shareholders of erstwhile Fame India Limited pursuant to the Scheme of Amalgamation. This includes equity shares allotted to INOX Benefit Trust (see Note 21).

20. Other equity

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Capital redemption reserve	0.10	0.10
Securities premium reserve	28,092.61	28,092.61
General reserve	2,782.55	2,782.55
Shares options outstanding account	184.76	5.27
Retained earnings	29,552.04	18,023.93
	60,612.06	48,904.46

Capital redemption reserve

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	0.10	0.10
Movement during the year	-	-
Balance at end of year	0.10	0.10

Capital redemption reserve represents amount taken over from erstwhile Fame India Ltd. on merger with the Company in FY 2012-13.

Securities premium reserve

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	28,092.61	28,092.61
Movement during the year	-	-
Balance at end of year	28,092.61	28,092.61

Securities Premium Reserve represents premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance at end of year	2,782.55	2,782.55

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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Share options outstanding account

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	5.27	5.27
On account of share options granted	179.49	-
Balance at end of year	184.76	5.27

The above reserve relates to share option granted by the Group to its employees/employees of the holding company under the employee share option plan. Further information about share based payment to employees is set out in Note 43. Movement during the year is on account of share options granted.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of year	18,023.93	15,002.87
Profit attributable to owners of the Company	11,462.92	3,061.45
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	65.19	(40.39)
On account of changes in non-controlling interest	-	-
Balance at end of year	29,552.04	18,023.93

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013 and also subject to levy of dividend distribution tax, if any. Thus, the amounts reported above may not be distributable in entirety.

21. Treasury shares

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

Particulars of shares of the Company held by the Trust, at cost, are as under:

As at 31 March 2018		As at 31 March 2017	
No. of shares	Cost (₹ in lakhs)	No. of shares	Cost (₹ in lakhs)
43,50,092	3,266.98	43,50,092	3,266.98

The Company's interest in the Trust, being akin to Treasury Shares, in accordance with their substance and economic reality, is deducted from Total Equity. Any profit or loss arising from sale of Treasury Shares by the Trust will be recorded separately as 'Reserve on sale of Treasury Shares' in other equity, being transactions relating to the capital of the Company.

The above treasury shares are excluded while computing the Earnings Per Share.

22. Non-controlling interests

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	0.54	0.50
Share of profit for the year	0.02	0.04
Balance at end of year	0.56	0.54

During the F.Y. 2014-15, the Company had acquired 93.75% of the equity shares in Shouri Properties Private Limited ("SPPL") and consequently SPPL had become a subsidiary of the Company with effect from 24 November 2014. SPPL holds a license to operate a multiplex cinema which is operated by the Company. During the F.Y. 2015-16, the Company has further subscribed to 12,50,000 equity shares of SPPL. On allotment of these shares, the Company now holds 99.29% Equity Shares of SPPL.

23. Non current borrowings

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Secured		
(i) Term loans - From banks	12,952.77	15,463.75
Unsecured		
(i) Inter-corporate deposits - from holding company	16,249.00	16,249.00
Total borrowings	29,201.77	31,712.75
Less: Current maturities disclosed under Note 24 "Other current financial liabilities"	(3,952.77)	(2,503.40)
Interest accrued	(8.77)	(16.35)
Total	25,240.23	29,193.00

(i) The terms of repayment of term loans from banks are as under:

As at 31 March 2018

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 October 2014.	8.75% to 9.40%
HDFC Bank Ltd	3,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	8.85% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	4,687.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.40% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,812.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.60% to 8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.60%

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As at 31 March 2017

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
Axis Bank (Term Loan II)	1,444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1 October 2014	9.40% to 9.70%
HDFC Bank Ltd	4,001.01	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 June 2017.	9.25% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	5,001.91	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 February 2018.	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	3,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 March 2018.	8.75%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.48	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 June 2018.	8.60% to 8.75%

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loan from Axis Bank 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 some multiplexes financed by the said term loans and escrow of entire cash flows relating to such multiplexes.

HDFC Bank Ltd

Term loan from HDFC Bank is secured by mortgage of immovable property situated at Mumbai and first exclusive charge on all movable fixed assets of some multiplexes financed by the said term loan.

The Hongkong and Shanghai Banking Corporation Limited

Term loans from The Hongkong and Shanghai Banking Corporation Limited are secured by paripasu charge on mortgage of immovable property situated at Vadodara and first exclusive charge on all movable fixed assets and current assets of some multiplexes financed by the said term loans.

(iii) The inter-corporate deposits are repayable in 6 to 8 years from the date of respective deposits and carry interest @ 10%. The earliest repayment is due on June 2020.

(iv) There is no default on repayment of principal or payment of interest on borrowings.

24. Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Non-current		
Security deposits	146.54	113.83
Retention money	166.30	193.98
	312.84	307.81
Current		
Current maturities of long-term debt	3,952.77	2,503.40
Interest accrued	8.77	16.35
Security deposits	157.92	176.08
Creditors for capital expenditure	2,850.19	1,702.15
Retention money	469.32	318.01
Business combination consideration payable	72.24	77.56
Employee dues	575.43	264.84
Expenses Payable	2,486.73	1,418.10
	10,573.37	6,476.49
Total	10,886.21	6,784.30

25. Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Employee benefits (see Note 41)		
a) Gratuity	865.13	809.28
b) Leave benefits	384.83	403.16
	1,249.96	1,212.44
Other provisions (see below)	1,238.15	1,228.05
Total	2,488.11	2,440.49
Non-current	1,009.79	1,001.45
Current	1,478.32	1,439.04
Total Provisions	2,488.11	2,440.49

Other provisions

(₹ in Lakhs)

Particulars	Service Tax	Municipal Tax	Other indirect taxes	Total
Balance as at 1 April 2016	1,042.44	235.80	-	1,278.24
Provided during the year	-	97.68	-	97.68
Paid during the year	-	147.87	-	147.87
Balance as at 31 March 2017	1,042.44	185.61	-	1,228.05
Provided during the year	-	283.38	87.18	370.56
Paid during the year	7.42	353.04	-	360.46
Balance as at 31 March 2018	1,035.02	115.95	87.18	1,238.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

- (i) Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1 June 2007 to 30 September 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1 June 2007. The matter is pending before the Hon'ble Supreme Court of India.
- (ii) Provision for municipal tax is in respect of disputed amount pertaining to one of the Group's multiplexes.
- (iii) Provision for other indirect taxes is in respect of matters contested by the Group at appropriate levels against the demands raised by the respective tax authorities.

26. Other non-current liabilities

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Deferred revenue arising from Government grant	8,532.55	9,439.97
Less: Current portion disclosed under Note 28 "Other current liabilities"	(966.83)	(1,147.12)
Total	7,565.72	8,292.85

27. Trade payables

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Dues to micro, small and medium enterprises	5.33	5.10
- Dues to others	11,315.54	8,836.40
Total	11,320.87	8,841.50

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

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
a) Principal amount due to suppliers under MSMED Act at the year end	5.33	5.10
b) Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	0.04	0.46
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	25.65	22.95
d) Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
e) Interest due and payable to suppliers under MSMED Act for payments already made	0.74	1.01
f) Interest accrued and remaining unpaid at the end of the year to supplier under MSMED Act	8.65	7.87

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Group.

28. Other current liabilities

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Advances received from customers	395.34	391.43
Income received in advance	1,177.82	959.74
Deferred revenue arising from Government grant (from Note 26)	966.83	1,147.12
Statutory dues		
- Taxes payable (other than income taxes)	1,179.60	1,001.83
- Employee recoveries and employer contributions	103.78	99.70
Total	3,823.37	3,599.82

29. Revenue from operations

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services	96,126.00	86,569.45
Sale of products	30,606.28	28,411.49
Other operating income	8,079.55	7,090.47
Total	134,811.83	122,071.41

30. Other income

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	35.22	46.52
On long term investments	11.79	11.94
On security deposits	518.42	383.64
	565.43	442.10
Other interest income		
Interest on income tax refund	107.38	49.88
Others	32.33	32.52
	139.71	82.40
	705.14	524.50
B) Other non-operating income		
Liabilities and provisions no longer required, written back	281.44	95.83
Miscellaneous income	87.89	56.48
Total other non-operating income	369.33	152.31
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	372.06	234.74
Total	1,446.53	911.55
Note: Realised gain in respect of mutual fund	360.82	239.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

31. Cost of materials consumed

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cost of food & beverages consumed	7,435.80	6,806.71
Total	7,435.80	6,806.71

32. Exhibition cost

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Distributors' share	36,122.48	33,508.79
Other exhibition cost	609.31	1,023.78
Total	36,731.79	34,532.57

33. Employee benefits expense

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	8,188.06	7,516.65
Contribution to provident and other funds	570.31	521.88
Expense on ESOP	159.40	-
Gratuity	240.50	180.24
Staff welfare expenses	477.29	420.33
Total	9,635.56	8,639.10

34. Finance costs

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,624.90	1,624.90
- other borrowings	1,286.55	921.73
- deferred credit	-	3.59
	2,911.45	2,550.22
b) Other Interest	9.12	15.35
	2,920.57	2,565.57
Less: amount included in the cost of qualifying assets	(55.86)	(82.41)
	2,864.71	2,483.16
Other borrowing costs	24.92	44.95
Total	2,889.63	2,528.11

The weighted average capitalisation rate of funds borrowed is 8.73% per annum (previous year 9.07% per annum).

35. Depreciation and amortisation expense

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	8,350.98	8,096.69
Amortisation of intangible assets	318.91	310.35
Total	8,669.89	8,407.04

36. Other expenses

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Power and fuel	9,531.96	9,063.47
Rent and common facility charges	26,415.53	24,023.36
Repairs to :		
- Buildings	316.89	200.71
- Plant and equipment	2,358.87	2,270.35
- Others	575.05	470.28
Rates and taxes	1,062.28	1,037.26
Expenditure on corporate social responsibility (CSR)-Note (i) below	64.01	103.38
Directors' sitting fees	10.20	12.20
Allowance for doubtful trade receivables and expected credit losses	-	5.12
Allowance for doubtful advances and deposits	113.96	35.00
Bad debts & remissions - Note (iii) below	13.98	148.53
Deposits and advances written off (net of provision adjusted ₹ 6.29 lakhs - previous year ₹ 281.50 lakhs)	63.61	-
GST & Service tax	2,188.26	5,113.72
Net loss on foreign currency transactions and translations	23.43	21.32
Legal and professional fees and expense	1,373.69	1,069.55
Advertisement & sales promotion	1,633.65	1,407.12
Travelling & Conveyance expenses	869.37	805.21
House Keeping expenses	2,578.68	2,261.15
Security charges	2,251.16	2,236.20
Outsourced personnel cost	5,326.50	4,563.99
Loss on sale / disposal of property, plant and equipment (net of impairment loss adjusted of ₹ 312.41 - previous year ₹ Nil)	1,085.22	429.24
Miscellaneous expenses	2,107.89	2,208.13
Total	59,964.19	57,485.29

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i) Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 102.84 lakhs (previous year ₹ 106.96 lakhs).

(b) Amount spent during the year on:

(₹ in Lakhs)			
Particulars	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any PPE			
FY 2017-18	Nil	Nil	Nil
FY 2016-17	Nil	Nil	Nil
ii) On purposes other than (i) above			
Donations			
FY 2017-18	64.01	Nil	64.01
FY 2016-17	103.38	Nil	103.38

ii) Donation to political party

During the previous year Company had given donation of ₹ 10 Lakhs to Bhartiya Janata Party and the same was included in Miscellaneous expenses.

iv) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 38.69 lakhs (previous year ₹ Nil) and reduction in provision for expected credit loss of ₹ 46.18 lakhs (previous year ₹ Nil)

37.1. Income tax recognised in profit or loss

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax		
In respect of the current year	3,251.61	1,474.25
In respect of earlier years	(232.32)	(285.34)
	3,019.29	1,188.91
Deferred tax		
In respect of the current year	420.28	85.72
In respect of earlier years	(5,138.15)	126.80
	(4,717.87)	212.52
Total income tax expense recognised in the current year	(1,698.58)	1,401.43

Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax	9,764.36	4,462.92
Income tax expense calculated at 34.608%	3,379.25	1,544.53
Effect of provision for doubtful deposits and claims	335.05	-
Effect of expenses/items that are not deductible in determining taxable profit	36.06	58.22
Effect of set-off of brought forward losses on which deferred tax asset was not recognised	-	(4.01)

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Tax incentives	(34.57)	(38.77)
Effect of change in tax rate for computation of deferred tax	(44.58)	-
Others pertaining to SPPL	0.68	
	3,671.89	1,559.97
Taxation in respect of earlier years	(5,370.47)	(158.54)
Income tax expense recognised in profit or loss	(1,698.58)	1,401.43

The tax rate used for the 2017-2018 and 2016-2017 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

The increase in corporate tax rate applicable to the Company from 34.608% to 34.944% (on account of increase in cess) was substantially enacted before 31 March 2018 and will be effective from 1 April 2018. As a result, the deferred tax balances have been remeasured and the effect of the same is reflected in the above reconciliation.

37.2. Income tax recognised in other comprehensive income

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Deferred tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	(35.02)	21.38
Total income tax recognised in other comprehensive income	(35.02)	21.38

37.3. In respect of taxation matters

The Group's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted by Hon'ble Supreme Court in respect of the exemption availed in the state of Maharashtra & West Bengal on the basis of Schemes pertaining to these two states. In respect of some other states the same has been accepted by various appellate authorities and Hon'ble High Court of Judicature at Gujarat. Provision for income tax, till the year ended 31 March 2015, was made on this basis, to the extent the entertainment tax exemption is held as capital receipt for such multiplexes.

In view of the assessment and appellate orders received during the year accepting certain claims of the Group, mainly regarding depreciation on goodwill arising on amalgamation of a subsidiary company and no disallowance required under section 14A of the Income tax Act, the tax liability (including deferred tax) for earlier years is recomputed and consequential reduction in taxation for earlier years is recognised in the Statement of Profit and Loss as under:

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
MAT credit entitlement	(2,924.48)	126.80
Income Tax	(232.32)	(285.34)
Deferred tax	(2,213.67)	-
Net credit	(5,370.47)	(158.54)

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38. Segment Information

Information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment viz. theatrical exhibition. All activities of the Group are in India and hence there are no geographical segments.

Information about products and services

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Details of sale of services		
Revenue from box office	80,219.57	74,814.19
Conducting fee income	1,593.47	1,766.93
Revenue from advertising income	13,890.88	9,619.74
Others	422.08	368.59
Sub-total	96,126.00	86,569.45
Details of sale of products		
Revenue from food & beverages	30,602.29	28,406.54
Sale of power	3.99	4.95
Sub-total	30,606.28	28,411.49
Details of other operating income		
Virtual Print fee	2,463.96	2,406.29
Convenience Fees	3,488.56	1,539.45
Government Grants - deferred revenue	1,387.99	2,110.88
Others	739.04	1,033.85
Sub-total	8,079.55	7,090.47
Grand total	1,34,811.83	1,22,071.41

Information about major customers:

There is no single customer contributing more than 10% of the Group's total revenue.

39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year attributable to owners of the Group (₹ in Lakhs)	11,462.94	3,061.49
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	9,18,12,661	9,18,12,661
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	12.49	3.33

Diluted earnings per share

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	11,462.94	3,061.49
Weighted average number of equity shares for the purpose of diluted earnings per shares (nos.)	9,18,76,160	9,18,15,515
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	12.48	3.33

Note: The shares of the Company held by Inox Benefit Trust (see Note 21) are excluded while computing the weighted average number of shares.

40. Details of subsidiaries

Details of the Group's subsidiaries are as follows.

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2018	As at 31 March 2017
Shouri Properties Private Limited	India	99.29%	99.29%
Swanston Multiplex Cinemas Private Limited	India	100.00%	50.00%
Inox Leisure Limited - Employees Welfare Trust	India	Controlled by Inox Leisure Limited	
Inox Benefit Trust	India	Controlled by Inox Leisure Limited	

- Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.
- SMCPL was engaged in the business of operating a multiplex and has ceased its operations since July 2012.
- Inox Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited.
- Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited.

The financial year of the above entities is 1 April to 31 March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

Change in the Group's ownership interest in the subsidiary

During the year, the Group has acquired the balance 50% of shares in SMCPL and consequently SMCPL has become a wholly owned subsidiary of the Group with effect from 5th March 2018.

41. Employee benefits

A. Defined contribution plans :

The Group contributes to the Government managed provident and pension fund for all qualifying employees. Contribution to provident and pension fund of ₹ 496.18 Lakhs (previous year ₹ 475.31 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 29.70 Lakhs (previous year ₹ 26.21 Lakhs) is included in pre-operative expenses.

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B. Defined benefit plan:

The Group has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. The Group's defined benefit plan is unfunded.

There are no other post retirement benefits provided by the Group.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2018 by Mr. G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Movement in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity	
	31 March 2018	31 March 2017
Opening defined benefit obligation	809.28	633.19
Current service cost	189.18	134.02
Interest cost	51.31	46.22
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Benefits paid	(84.43)	(65.92)
Closing defined benefit obligation	865.13	809.28

Components of amounts recognised in profit or loss and other comprehensive income are as under:

Particulars	Gratuity	
	31 March 2018	31 March 2017
Current service cost	189.18	134.02
Interest expense	51.31	46.22
Amount recognised in profit or loss	240.49	180.24
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	(54.45)	55.56
b) arising from experience adjustments	(45.76)	6.21
Amount recognised in other comprehensive income	(100.21)	61.77
Total	140.28	242.01

The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows.

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

This plan typically exposes the Group to actuarial risks such as interest rate risk and salary risk.

- a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

- b) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, any variation in the expected rate of the salary increase of the plan participants will change the plan liability.

Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity	
	31 March 2018	31 March 2017
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(54.59)	(55.05)
If discount rate is decreased by 1%	61.60	62.54
If salary escalation rate is increased by 1%	58.11	58.63
If salary escalation rate is decreased by 1%	(52.44)	(52.61)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined obligation as at 31 March 2018 is 7.82 years (previous year 7.87 years)

Expected outflow in future years (as provided in actuarial report)

Particulars	(₹ in Lakhs)
Expected outflow in 1st Year	116.85
Expected outflow in 2nd Year	119.09
Expected outflow in 3rd Year	131.66
Expected outflow in 4th Year	164.06
Expected outflow in 5th Year	115.74
Expected outflow in 6th to 10th Year	559.80

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected accrued benefit method resulted in decrease in liability by ₹18.33 lakhs (previous year increase by ₹102.80 lakhs) which is included in the employee benefits in the Statement of Profit and Loss.

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The principal assumptions used for the purposes of the actuarial valuations of leave benefits are as follows.

Particulars	Valuation as at	
	31 March 2018	31 March 2017
Discount rate	7.58%	6.69%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

42. Financial Instruments

(i) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt and total equity. The Group is not subject to any externally imposed capital requirements. The Company's Board of Directors (BOD) reviews the capital structure of the Group. As part of this review, BOD considers the cost of capital and risk associated with each class of capital.

Gearing ratio

The gearing ratio at the end of the year was as follows:

Particulars	As at	
	31 March 2018	31 March 2017
Total debt	29,201.77	31,712.75
Cash & bank balances (not subject to lien)	(1,334.03)	(980.96)
Net debt	27,867.74	30,731.79
Total Equity	66,961.92	55,254.30
Net debt to equity ratio	41.62%	55.62%

- (i) Debt is defined as long-term and current maturities of long term debt as described in Note 23 and 24
- (ii) Cash & bank balances includes cash and cash equivalents (Note 17), other bank balances (Note 18), not subject to lien

(ii) Categories of financial instruments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	1,191.89	1,032.08
Measured at amortised cost		
(a) Cash and bank balances	1,502.87	1,319.22
(b) Other financial assets at amortised cost		
(i) Investments in NSC	168.36	156.57
(ii) Trade receivables	7,610.64	4,661.00
(iii) Loans	8,007.84	7,342.00
(iv) Other financial assets	6,771.10	7,209.15
Sub-total	24,060.81	20,687.94
Total financial assets	25,252.70	21,720.02
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	29,201.77	31,712.75
(ii) Trade payables	11,320.87	8,841.50
(iii) Other financial liabilities	6,924.67	4,264.55
Total financial liabilities	47,447.31	44,818.80

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

(iii) Financial risk management

The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations including acquiring of PPE. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Group also holds FVTPL investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Senior management provides assurance to the Board of directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group does not enters into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

(i) Foreign Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group's import of materials and PPE and export of goods are not significant to cause major exposure to foreign currency variations. Exchange rate exposures are managed within approved policy parameters utilising forward foreign currency contracts, as and when necessary.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year, which are not hedged are as follows:

(USD In lakhs)

Particulars	Liabilities	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	10.95	-
Trade payables	-	7.28

Note: There are no foreign currency denominated monetary assets.

The carrying amount in INR value of above foreign currency is as under:

(₹ in Lakhs)

Particulars	Liabilities	
	As at 31 March 2018	As at 31 March 2017
Liabilities		
Capital Creditors	713.00	-
Trade payables	-	471.17

The Group is only exposed to changes in USD. The below table demonstrates the sensitivity to a 10% increase or decrease in the USD against INR, on profit or loss and total equity, with all other variable held constant.

The sensitivity analysis is prepared to the net unhedged exposure of the Group.

(₹ in Lakhs)

Particulars	Currency USD impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 10%	(46.62)	(30.81)
Decrease by 10%	46.62	30.81

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk mainly on account of its borrowing from banks and inter corporate deposits, which have

both fixed and floating interest rates. Bank overdrafts are subject to variable rate of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year.

Particulars	(₹ in Lakhs)	
	Impact (net of tax)	
	As at 31 March 2018	As at 31 March 2017
Increase by 50 basis points	(72.82)	(28.92)
Decrease by 50 basis points	72.82	28.92

(iii) **Other price risks**

The Group is exposed to equity price risks arising from equity investments. Equity investments in joint venture are held for strategic rather than trading purposes. The entity does not actively trade in these investments. The Group's investment in mutual funds are in debt funds. Hence the Group's exposure to equity price risk is minimal.

(b) **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining security deposits, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For trade receivables, the average credit period generally ranges from 60 to 90 days. Before accepting any new customer, Group uses information available in public domain and industry sources to assess the potential customer's credit quality and defines credit limits for respective customer. Credit Limits attributed to customers are reviewed periodically.

Customers who represents more than 5% of the total balance of trade receivable as at 31 March 2018 is ₹ 1,766.96 lakhs (as at 31 March 2017 of ₹ 2,712.91 lakhs) are due from 4 major customers who are reputed parties and having long term contract.

The Group uses a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the year is as follows.

Ageing	Expected credit loss (%)
Upto 1 year	0%
Above 1 year	25%
Above 2 years	50%
Above 3 years	100%

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Age of receivables

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Upto 1 year	7,568.27	4,336.98
Above 1 year	71.30	539.07
Above 2 years	409.09	167.42
Above 3 years	18.24	65.13
Gross trade receivables	8,066.90	5,108.60

Movement in the expected credit loss allowance

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Balance as at beginning of the year	148.49	190.30
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(46.18)	(41.81)
Balance as at end of the year	102.31	148.49

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. As per note given below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2018

(₹ in Lakhs)				
Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	11,320.87	-	-	11,320.87
Borrowings	3,952.77	25,240.23	-	29,193.00
Other financial liabilities	6,620.60	291.54	21.30	6,933.44
Total	21,894.24	25,531.77	21.30	47,447.31

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2017

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	8,841.50	-	-	8,841.50
Borrowings	2,503.40	29,193.00	-	31,696.40
Other financial liabilities	3,973.09	249.07	58.74	4,280.90
Total	15,317.99	29,442.07	58.74	44,818.80

The above liabilities will be met by the Group from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Group also has unutilised financing facilities.

(iv) Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's financial asset and liability that are measured at fair value

(₹ in Lakhs)

Financial Assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31 March 2018	31 March 2017		
Investments in Mutual Funds (Note 9)	1,191.89	1,032.08	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3.

Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different than the values that will be eventually received or paid.

43. Share-based payments

Details of the employee share option plan of the Company

The Company has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee on its own discretion. The scheme is administered through Inox Leisure Limited - Employees Welfare Trust.

In the year ended 31 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 ₹ 75.00 Lakh to the ESOP Trust for subscription of these shares at the beginning of the plan.

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Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of ₹15 per option. The option carry neither rights to dividends nor voting rights. The options granted are required to be exercised within a period of one year from the date of vesting of the respective options.

On 23 June 2017, stock options of 1,67,500 shares have been granted to employees and during the previous year, on 5 January 2017, stock options of 20,000 shares have been granted to an employee of holding company. The vesting period for these equity settled options is between one to four years from the date of the respective grants. The options are exercisable within one year from the date of vesting.

The compensation costs of stock options granted to employees are accounted using the fair value method

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 269.10 (previous year ₹ 217.56) in respect of growth options vesting in one to four years. The fair value has been calculated using the Black Scholes Options Pricing Model. The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option. The significant assumptions made in this regard are as under:

Particular	Options granted	
Date of grant	23 June 2017	5 January 2017
No of share options granted	1,67,500	20,000
Grant date share price	281.50	230.00
Exercise price	15	15
Expected volatility	33.53% to 39.82%	38.53% to 41.80%
Option life	1.5 to 4.5 years	1.5 to 4.5 years
Dividend yield	0	0
Risk free interest rate	6.25% to 6.53%	6.09% to 6.47%

Movements in share options during the year

Particular	2017-2018	2016-2017
Balance at beginning of year	20,000	NIL
Granted during the year	1,67,500	20,000
Forfeited during the year	20,000	NIL
Exercised during the year *	5,000	NIL
Balance at end of year	1,62,500	20,000
Exercisable as on 31st March 2018	NIL	NIL
Weighted average exercise price of all stock options	₹ 15	₹ 15

* During the year employee of holding company has exercised 5000 stock options, allotment of the same is pending as on 31 March 2018

Method used for accounting of share based payment plan:

The Company has used fair value method to account for the compensation cost of stock options granted to its employees and the employee of holding company. The compensation cost of ₹ 179.48 Lakhs (previous year ₹ 5.27 Lakhs) is recognised in the Statement of Profit and Loss.

Range of exercise price and weighted average remaining contractual life of outstanding options

For Options granted on 5 January 2017:	2017-2018	2016-2017
Number of options outstanding	15,000	20,000
Weighted Average Remaining Contractual Life (in years)	3.77	4.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23 June 2017:	2017-2018
Number of options outstanding	1,47,500
Weighted Average Remaining Contractual Life (in years)	4.23
Weighted Average Exercise Price (₹)	15

44. Related Party Transactions

(i) Where Control Exists:

- Gujarat Fluorochemicals Limited – holding company
- Inox Leasing & Finance Limited – ultimate holding company

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

Fellow subsidiaries

- Inox Wind Limited – subsidiary of Gujarat Fluorochemicals Limited

Joint Venture

- Swanston Multiplex Cinemas Private Limited - Joint venture company upto 4 March 2018

Key Management Personnel (KMP)

- Mr. Pavan Kumar Jain – Director
- Mr. Vivek Kumar Jain – Director
- Mr. Siddharth Jain – Director
- Mr. Deepak Asher – Director
- Mr. Amit Jatia – Director
- Ms. Girija Balakrishnan – Director
- Mr. Haigreve Khaitan – Director
- Mr. Kishore Biyani – Director
- Mr. Alok Tandon – Chief Executive Officer

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

- Inox India Private Limited (earlier Inox India Limited)
- Inox FMCG Private Limited

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Details of transactions between the Group and related parties are disclosed below.

The Group has entered into the following trading transactions with related parties:

Particulars	Sales and services		Purchases of goods	
	Year ended	Year ended	Year ended	Year ended
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
(₹ in Lakhs)				
a) Transactions with holding company:				
Gujarat Fluorochemicals Limited	5.43	4.76	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
INOX India Private Limited	2.44	1.98	-	-
INOX FMCG Private Limited	3.72	40.70	118.90	147.97
Sub-total	6.16	42.68	118.90	147.97
Total	11.59	47.44	118.90	147.97

The Group has entered into other transactions with related parties as under:

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
(₹ in Lakhs)		
Transactions with holding company:		
Gujarat Fluorochemicals Limited		
(a) Interest paid:	1,624.90	1,624.90
(b) Reimbursement of expenses paid	12.36	20.79
(c) Rent paid	32.51	71.38

Note: The above amounts are exclusive of taxes, wherever applicable.

The following balances were outstanding at the end of the year :

Particulars	Amounts owed to related parties	
	As at	As at
	31 March 2018	31 March 2017
(₹ in Lakhs)		
Trade payables		
a) Transactions with the holding company:		
Gujarat Fluorochemicals Limited	4.03	4.27
b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX FMCG Private Limited	1.86	28.50
Total	5.89	32.77

(₹ in Lakhs)		
Particulars	Amounts owed by related parties	
	As at 31 March 2018	As at 31 March 2017
Trade receivables		
a) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX FMCG Private Limited	-	1.24
Total	-	1.24

Loans from related parties

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Inter-corporate deposit payable - Gujarat Fluorochemicals Limited	16,249.00	16,249.00

- Sales of movie tickets, F&B and Advertising services and purchases are made at the arms length price.
- The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or previous year for bad or doubtful receivables in respect of the amounts owed by related parties.
- The Group has been provided Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans are unsecured.

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

(₹ in Lakhs)		
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Remuneration paid to Mr. Alok Tandon	107.35	97.43
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Sitting fees paid to directors	10.20	12.20
Total	147.55	139.63

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company as a whole, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is ₹ 5.56 lakhs (previous year ₹ 5.28 lakhs) included in the amount of remuneration reported above.

45. Operating lease arrangements

The Group as a lessee

- Leasing arrangements for multiplexes:

The Group is operating some of the multiplexes under operating lease/ business conducting arrangement. These arrangements are for an initial period of 3-25 years with a minimum lock-in period of 3-13 years and the agreements provide for escalation after pre-determined periods. The Group does not have an option to purchase the leased premises at the expiry of the lease periods.

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Lease payments recognised as expenses in the Statement of Profit and Loss is ₹ 19,841.82 Lakhs (previous year ₹ 18,041.74 Lakhs) in respect of such lease arrangements.

Non-cancellable operating lease commitments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
Not later than 1 year	20,281.93	18,036.75
Later than 1 year and not later than 5 years	82,404.51	72,923.31
Later than 5 years	159,605.39	169,971.72
Total	262,291.83	260,931.78

b) Interest in land taken on lease and classified as operating lease:

The leasehold land are taken for the period of 20 to 57 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in "Rent" in Statement of Profit and Loss and the balance remaining amount to be amortised is included in Balance Sheet as "Prepayments - Leasehold land".

c) Other leasing arrangements:

In respect of operating leases for office premises/godowns: The arrangements range between 11 months to 36 months and are cancellable. Lease payments of ₹ 23.31 Lakh (previous year ₹ 101.58 Lakh) are included in 'Rent and Common Facility Charges' in Note 36 to the Statement of Profit and Loss.

46. Commitments

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	5,018.37	2,723.36
(b) Other commitments		
Commitments for the operating multiplexes for minimum period of operations in terms of respective State Government policies equivalent to the exemption availed from commencement till reporting date (see Note below)	10,049.04	11,842.08
Note: The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 47(c)	1,237.91	1,195.85

47. Contingent liabilities

		(₹ in Lakhs)	
Particulars		As at 31 March 2018	As at 31 March 2017
a.	Claims against the Company not acknowledged as debt :	116.36	7,059.80
	This includes:		
i.	The Company had issued termination notice for one of its proposed multiplexes seeking refund of security deposit and reimbursement of the cost of fit-outs incurred by the Company, aggregating to ₹ 914.16 Lakhs. As per the arbitration award received during the year, Company's claim has been retained to the extent of ₹ 60 lakhs towards deposit and the claim of ₹ 854.16 lakhs towards the cost of fit-outs has been decided against the Company, for which provision is made during the year (see Note 49). The counter-claim made by the party towards rent for lock in period and other costs amounting to ₹ 6943.44 lakhs has been rejected by the arbitrator.	-	6,943.44
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.	116.36	116.36
b.	Property Tax matters:		
	The quantum of property tax levied in case of one multiplex is disputed and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. Estimated provision for the same is made by the Company – see Note 25.	224.00	569.73
c.	Entertainment Tax matters:	4,083.87	3,180.85
	This includes:		
i.	Demands in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.	3,246.41	2,385.46
ii.	Demand in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the same is contested by way of appeal before appropriate authorities.	735.14	693.07
iii.	Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	102.32
d.	Service Tax matters:	19,001.48	19,001.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 CONTD...

(₹ in Lakhs)		
Particulars	As at 31 March 2018	As at 31 March 2017
This includes:		
i. In respect of levy of service tax on film distributor's share paid by the Company and the matter is being contested by way of appeal / representation before the appropriate authorities. The Company has paid ₹ 657.45 Lakhs to the respective authorities under protest (which is included in 'Other non current assets')	16,641.03	16,641.03
ii. The Company has received an order from Commissioner of GST & Central Excise regarding levy of service tax on sale of food and beverages in multiplex premises.	2,360.45	2,360.45
e. Stamp duty matter:		
Authority has raised the demand for non-payment of stamp duty on Leave & License Agreement in respect of one of the multiplexes, holding the same as lease transaction. Stay has been granted and the matter is pending before Board of Revenue.	263.81	263.81
f. Custom duty matter in respect of import of projector:	4.36	4.36
In addition to above, the Company had also received a show cause cum demand notice from customs on import of cinematographic films, the amount of duty is yet to be quantified.		
g. VAT demand:	261.87	261.87
This includes:		
Demand pursuant to reassessment order for the year 2008-09. The Company has filed an appeal and stay is granted on payment of ₹ 2 Lakh.	237.06	237.06
h. Income-tax matters:	283.41	611.42
This includes:		
Assessment dues for assessment year 2013-14	216.16	216.16
Reassessment dues for assessment year 2011-12	-	183.19
Penalty levied for assessment year 2011-12	-	200.00
Penalty levied for assessment year 2010-11	43.25	-
Assessment dues for assessment year 2014-15	11.93	-
i. The Company may be required to charge additional cost towards electricity from 1 June 2007 to 31 March 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by the Company through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19 January 2009, for change in category, in favor of the appeal made by the Multiplex Association of India is passed in favor of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current assets')	389.83	389.83

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

48. In respect of Entertainment-tax exemption claimed and its treatment in these accounts:

The Entertainment tax exemption in respect of some of the Multiplexes of the Group 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 Group has recognized ₹ 160.55 lakh during the year ended 31 March 2018 (previous year ₹ 880.00 lakhs) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31 March 2018 is ₹ 4,075.77 lakhs (previous year ₹ 5,206.27 lakhs).

49. Exceptional Items

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2018	Year ended 31 March 2017
The Company had issued termination notice for one of its proposed multiplex seeking refund of security deposit and reimbursement of cost of fit outs incurred by the Company aggregating to ₹914.16 lakhs which was carried forward as amount recoverable towards claim in Note 11 "Other financial assets". During the year Company has received Arbitration Award and the claim of the Company towards reimbursement of cost of fit outs is decided against the Company. Even though the Company is taking further legal steps in this regard, provision of ₹ 854.16 lakhs is made towards this claim.	854.16	-
Total	854.16	-

50. Disclosure of additional information as required by the Schedule III

(a) As at and for the year ended 31 March 2018

Name of the entity in the Group	(₹ in Lakhs)							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	66,967.47	100.00%	11,464.19	100.00%	65.19	100.01%	11,529.38
Subsidiaries (Group's share)								
Indian								
Shouri Properties Pvt Ltd.	0.12%	77.25	0.02%	2.56	-	-	0.02%	2.56
Swanston Multiplex	0.01%	4.59	0.00%	(0.19)	-	-	0.00%	(0.19)
Cinemas Private Limited								
Inox Leisure Limited	0.02%	13.82	0.00%	0.50	-	-	0.00%	0.50
Employees welfare trust								
INOX Benefit Trust	0.001%	0.91	-	(0.09)	-	-	0.00%	(0.09)
Non-controlling Interest in subsidiaries	0.001%	0.56	0.000%	0.02	-	-	0.000%	0.02
Joint Ventures								
(Investments as per equity method)								
Indian								
Swanston Multiplex	0.00%	2.39	-0.03%	(3.43)	-	-	-0.03%	(3.43)
Cinemas Private Limited								
Consolidation eliminations / adjustments	-0.16%	(105.07)	-0.01%	(0.62)	-	-	-0.005%	(0.62)
Total	100.00%	66,961.92	100.00%	11,462.94	100.00%	65.19	100.00%	11,528.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2018 **CONTD...**

(b) As at and for the year ended 31 March 2017

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	55,258.61	99.54%	3,047.71	100.00%	(40.39)	99.54%	3,007.32
Subsidiaries (Group's share)								
Indian								
Shouri Properties Pvt Ltd.	0.14%	74.70	0.17%	5.15	-	-	0.17%	5.15
Inox Leisure Limited	0.02%	13.32	0.02%	0.52	-	-	0.02%	0.52
Employees welfare trust								
INOX Benefit Trust	0.002%	0.91	-	-	-	-	-	-
Non-controlling Interest in subsidiaries	0.001%	0.54	0.001%	0.04	-	-	0.001%	0.04
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited	0.011%	5.82	0.27%	8.12	-	-	0.27%	8.12
Consolidation eliminations / adjustments	-0.18%	(99.60)	0.00%	(0.05)	-	-	-0.002%	(0.05)
Total	100.00%	55,254.30	100.00%	3,061.49	100.00%	(40.39)	100.00%	3,021.10

As per our report of even date attached
For Kulkarni and Company
Chartered Accountants

A.D.Talavlikar
Partner

Place: Vadodara
Date: 7 May, 2018

Siddharth Jain
Director

Kailash B Gupta
CFO

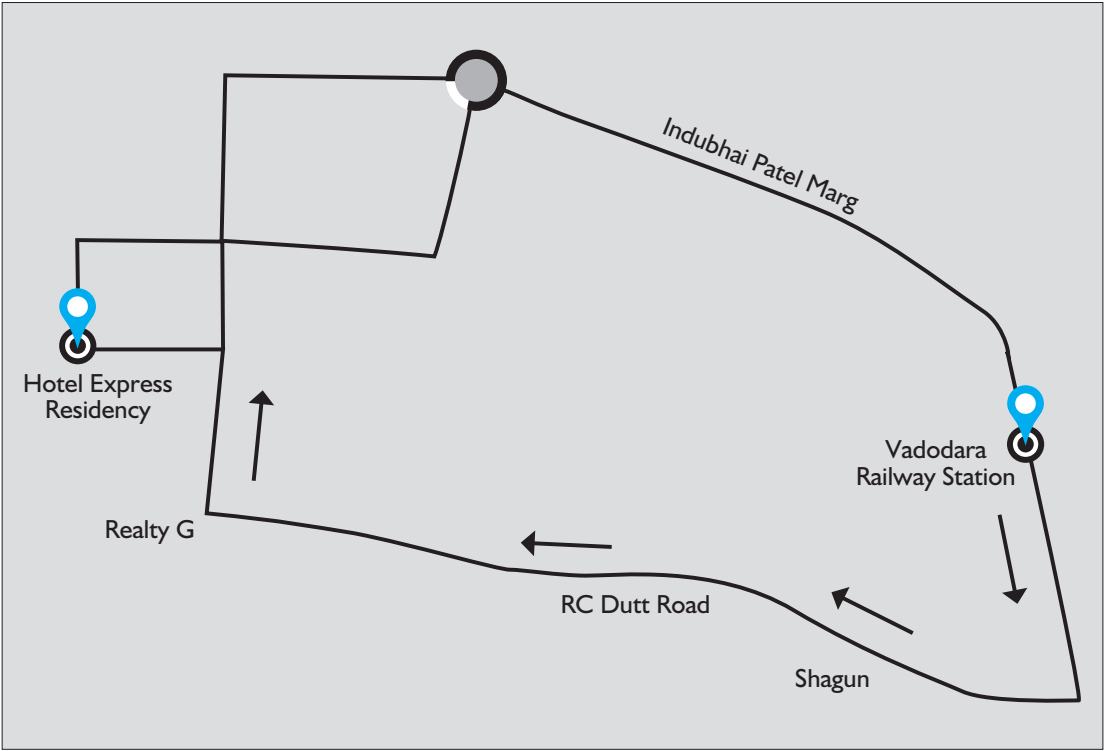
Place: Mumbai
Date: 7 May, 2018

For and on behalf of the Board of Directors

Deepak Asher
Director

AlokTandon
CEO

Route Map for the Venue of the Annual General Meeting



Notes



INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)

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

Telephone: 0265 6198111 | Fax: 0265 2310312

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

ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

I certify that I am a registered Member /Proxy for the registered Member of the Company.

I hereby record my presence at the Nineteenth Annual General Meeting of the Company held on Friday, 31st August, 2018 at 10:00 a.m. at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007.

Sr. No. :

Member's Name and Address details	
DP ID*	
Client ID*	
Folio No.	
No. of Shares	

* Applicable only for Investors holding shares in Electronic Form.

Note: Please fill in this attendance slip and hand it over at the **ENTRANCE OF THE HALL**.

Members attending the meeting are requested to bring their copies of the Annual Report with them.

Member's/Proxy's Signature

ELECTRONIC VOTING PARTICULARS

Members may please note the user id and password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration), Rules, 2014, as amended. Detailed instructions for e-voting are given in the attached AGM Notice.

E Voting Sequence Number (EVSN)	User ID	Sequence Number (Password)
180802023		

Note: The Voting period starts from Tuesday, 28th August, 2018 (9:00 a.m.) and ends on Thursday, 30th August, 2018 (5:00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

INOX LEISURE LIMITED

(CIN: L92199GJ1999PLC044045)

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

Telephone: 0265 6198111 | Fax: 0265 2310312

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies

(Management and Administration) Rules, 2014]

19th Annual General Meeting – Friday, 31st August, 2018

Name of the Member(s)	:																	
Registered Address	:																	
E-mail ID	:																	
Folio No./ Client ID	:																	
DP ID	:																	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

- Name: _____ E-mail id: _____
 Address: _____
 _____ Signature: _____
 or failing him /her
- Name: _____ E-mail id: _____
 Address: _____
 _____ Signature: _____
 or failing him /her
- Name: _____ E-mail id: _____
 Address: _____
 _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General Meeting of the Company, to be held on Friday, 31st August, 2018, at 10.00 a.m. at Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007 and at any adjournment thereof in respect of such Resolutions as are indicated below.

Resolution Number	Resolutions	Vote (Optional-see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of the (a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31 st March, 2018, 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 31 st March, 2018 and the report of the Auditors thereon.			
2.	Appointment of Director in place of Mr. Vivek Jain (DIN: 00029968), who retires by rotation and being eligible, seeks re-appointment.			
3.	To consider and approve re-appointment of Mr. Haigreve Khaitan (DIN:00005290) as an Independent Director for a period of 5 consecutive years from 1 st April, 2019 to 31 st March 2024			
4.	To consider and approve re-appointment of Mr. Amit Jatia (DIN:00016871) as an Independent Director for a period of 5 consecutive years from 1 st April, 2019 to 31 st March 2024			
5.	To consider and approve re-appointment of Mr. Kishore Biyani (DIN:00005740) as an Independent Director for a period of 5 consecutive years from 1 st April, 2019 to 31 st March 2024			
6.	To approve payment of remuneration to Non-executive Directors of the Company			

Signed this _____ day of _____ 2018.

Affix a Revenue
Stamp not less
than ₹ 1

Signature of Member

Signature of Proxy Holder(s)

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



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ATRIA WORLI, MUMBAI**



**METRO INOX,
MARINE LINES, MUMBAI**



**INOX NEHRU PLACE,
NEW DELHI**



**INOX R-CITY,
GHATKOPAR, MUMBAI**



**INOX LASERPLEX,
NARIMAN POINT, MUMBAI**



**INOX MANTRI SQUARE,
MALLESHWARAM, BENGALURU**



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