

24th August, 2019

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 20th Annual General Meeting of the Company to be held on Wednesday, 18th September, 2019 at 11.00 a.m. at INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, Vadodara – 390 007.

We request you to kindly take the same on record.

Yours faithfully,
For INOX Leisure Limited


Parthasarathy Iyengar
Company Secretary

Encl.: a/a



EXCEEDING EXPECTATIONS BREAKING BARRIERS



INOX LEISURE LIMITED | Annual Report 2018-19

INSIGNIA[®] | IMAX | MX4D | SCREENX[®] | Onyx Diner | BIGPIX[®] | LASER | CLUB | Kiddies

WE DEAL IN EXPERIENCES, AND ASPIRATIONS.

Our customers expect us to deliver a high-quality movie-going experience, without compromising on the variety and extensiveness of cinema itself. And we choose to not only meet each of those expectations but exceed them as well, by a long shot!

We have strategized on expanding our presence through the length and breadth of the country, to bring the joy of cinema closer to one and all. We have worked on consistently improving the very quality of the experience we provide – right from creating a world-class infrastructure that's high on comfort and aesthetics to staying updated with innovative audio and visual trends of the industry.

For us, cinema is not just a form of entertainment – it is a crucial communication medium that can touch hearts and generate infinite emotions among our culturally varied world! And through our offerings, we are facilitating just that – breaking the barriers while exceeding expectations – **every single day!**



CORPORATE OVERVIEW

- 003 A Blockbuster Year
- 008 About INOX Group
- 010 INOX Leisure at a Glance
- 012 Progressing on Strong Fundamentals
- 014 A Robust Business Model
- 018 Our Strategies to Respond to the Emerging Trends
- 020 Outcomes of Our Strategies
- 026 Technologies that Redefine Experiences
- 028 Our People
- 030 Board of Directors
- 034 Leadership Team
- 037 Corporate Information

STATUTORY REPORTS

- 038 Notice
- 051 Board's Report
- 084 Management Discussion & Analysis
- 091 Corporate Governance Report
- 109 Business Responsibility Report

FINANCIAL STATEMENTS

- 117 Standalone Financial Statements
- 192 Consolidated Financial Statements
- 266 Route Map



To learn more, visit
www.inoxmovies.com



85

New screens added

Making all time industry record of
highest ever opening in one single year.

A BLOCKBUSTER YEAR



1,692

Highest ever yearly revenue
(₹ in Cr.)

26% ↑
Y-o-Y growth

309

Highest ever yearly
EBITDA (₹ in Cr.)

47% ↑
Y-o-Y growth

74

Highest ever yearly SPH
(in ₹)

11% ↑
Y-o-Y growth

133

Highest ever yearly
PAT (₹ in Cr.)

16% ↑
Y-o-Y growth

8

Consecutive quarters of Highest Ad
revenue growth rate in the industry

22%

EBITDA to Capital Invested in
FY 2018-19 - Highest in the industry

197

Highest ever yearly ATP (in ₹)



First

multiplex chain with a
national presence in the
industry to be Net-debt free





6.25

INOX
INSIGNIA

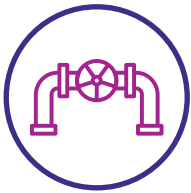
crores

Highest ever footfalls
achieved in FY 2018-19

ABOUT INOX GROUP

With diverse business presence across segments in India and abroad, INOX Group is worth USD 3 Bn. as on 31st March, 2019. We are a professionally managed conglomerate with leadership position across multiple business segments.

Our business portfolio



Industrial Gases



Entertainment



Refrigerant



Chemicals



Cryogenic Engineering



Renewable Energy

Group Highlights

USD 3+ Bn.

Combined Net worth of all group companies

10,000+

Employees across the globe

9+

Decades of existence

150+

Business units across India

50+

Countries of market presence

Group Structure

INOX Group Companies

Listed Companies



GFL Limited

GFL Limited

Erstwhile Gujarat Fluorochemicals Limited. Holding company of INOX Wind and INOX Leisure Ltd.



INOX
LIVE the MOVIE

INOX Leisure Limited

A premium multiplex chain, INOX Leisure is amongst one of India's largest cinema exhibition companies.



INOX WIND

INOX Wind Limited

With state-of-the-art manufacturing plants spread across India, INOX Wind is one of the largest wind energy solution providers in the market.

Other companies



GFL

Gujarat Fluorochemicals Limited

Erstwhile INOX Fluorochemicals Limited. The largest producer of Chloromethanes, Refrigerants and Polytetrafluoroethylene in India.



INOX AIR PRODUCTS

INOX Air Products Private Limited

One of the largest manufacturers of industrial gases in India with 40 plants spread across the country.



INOX CVA

INOX India Private Limited

One of the largest manufacturers of standard and engineered cryogenic equipment serving leading international gas companies in India, USA, Netherlands and Brazil.

INOX LEISURE AT A GLANCE

One of the largest multiplex chain operators in India, INOX Leisure Limited, is operating in 67 cities with 574 screens and 135,586 seating capacity.

Our focus is on providing our customers with the best possible cinema experience, offering a variety of movies in multi-languages clubbed with different formats using the modern technologies. Our Mission is to be the leader in the cinema exhibition industry, in every aspect right from the quality and choice of cinema to the varied services offered.

INOX Leisure In Perspective

19

States

67

Cities

139

Properties

574

Screens

625 lakhs

Number of patrons in
FY 2018-19

100+

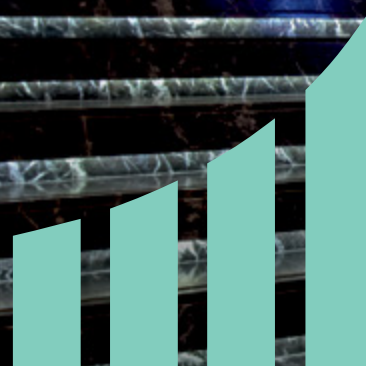
Leading Indian and
global brand partners

2,106

Total employee strength

135,586

Seats



Track record

of consistent business growth
since inception

Figures as on 31st March, 2019

Our Presence

East

- 1 **Assam**
1 Property | 2 Screens
- 2 **Chhattisgarh**
2 Properties | 8 Screens
- 3 **Jharkhand**
1 Property | 4 Screens
- 4 **Odisha**
4 Properties | 14 Screens
- 5 **West Bengal**
15 Properties | 59 Screens

West

- 6 **Goa**
4 Properties | 14 Screens
- 7 **Gujarat**
19 Properties | 76 Screens
- 8 **Madhya Pradesh**
5 Properties | 22 Screens
- 9 **Maharashtra**
28 Properties | 130 Screens

North

- 10 **Delhi**
5 Properties | 16 Screens
- 11 **Haryana**
6 Properties | 19 Screens
- 12 **Punjab**
2 Properties | 10 Screens
- 13 **Rajasthan**
13 Properties | 47 Screens
- 14 **Uttar Pradesh**
7 Properties | 27 Screens

South

- 15 **Andhra Pradesh**
8 Properties | 33 Screens
- 16 **Karnataka**
11 Properties | 45 Screens
- 17 **Kerala**
1 Properties | 6 Screens
- 18 **Tamil Nadu**
5 Properties | 31 Screens
- 19 **Telangana**
2 Properties | 11 Screens



PROGRESSING ON STRONG FUNDAMENTALS

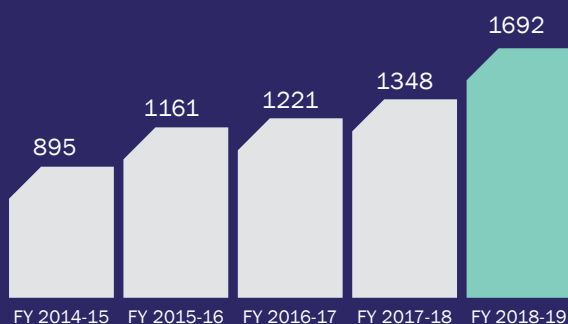
Revenue from Operations

(₹ in Cr.)

17%
5-year CAGR
growth



26%
Y-o-Y growth



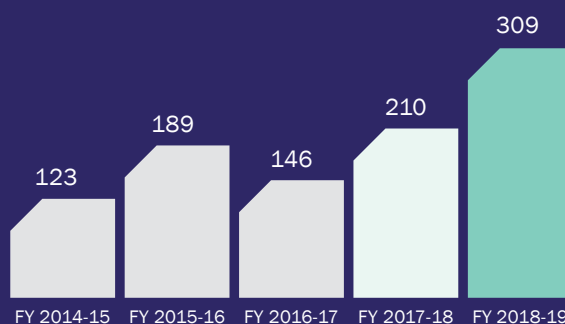
EBITDA

(₹ in Cr.)

26%
5-year CAGR
growth



47%
Y-o-Y growth



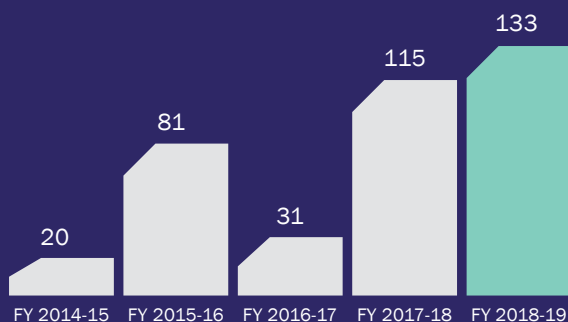
PAT

(₹ in Cr.)

61%
5-year CAGR
growth



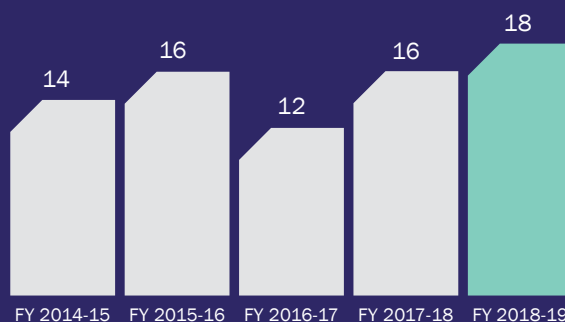
16%
Y-o-Y growth



EBITDA Margin

(in %)

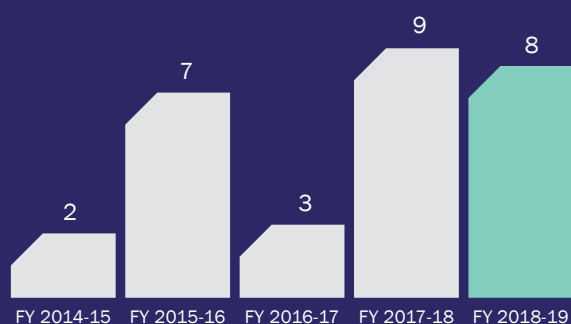
400
bps from
FY 2014-15



PAT Margin

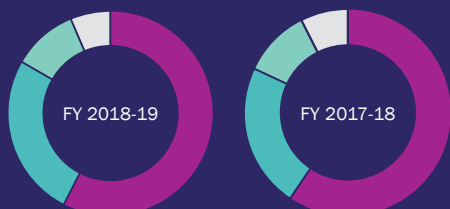
(in %)

↑
by
600
bps from
FY 2014-15

**Revenue break up**

('₹ in Cr.)

	FY 2018-19	FY 2017-18
Net Box Office collection	975	802
Food and Beverages	436	306
Advertising	177	139
Others	104	101

**16.3%**

Return on Equity (ROE)

20.9%

Return on Capital Employed (ROCE)

0.10^x

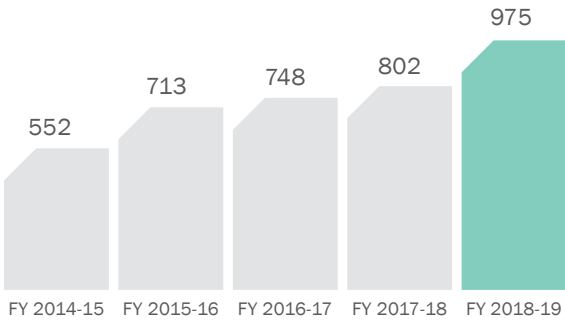
Net Debt : Equity

₹3383 crMarket Capitalization value as on
31st March, 2019

A ROBUST BUSINESS MODEL

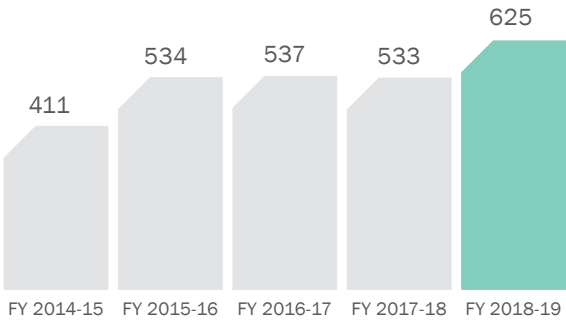
Net Box Office Collections

(₹ in Cr.)



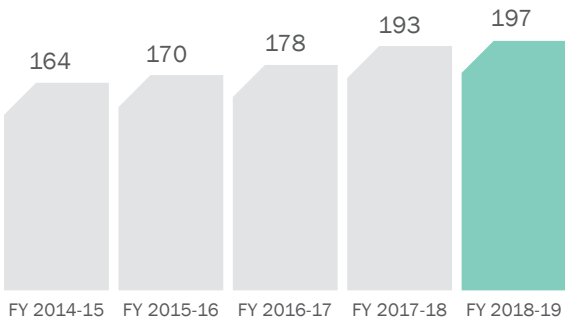
Footfall

(in Lakhs)



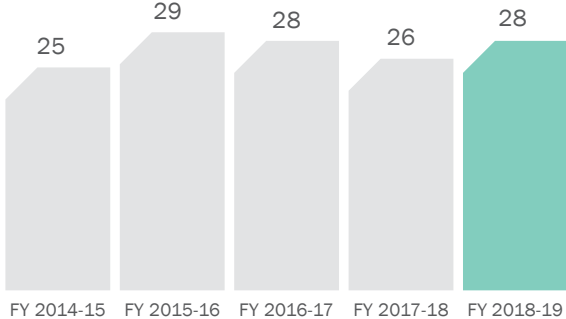
Average Ticket Price

(in ₹)



Average Occupancy Rate

(in %)



Foods and Beverages

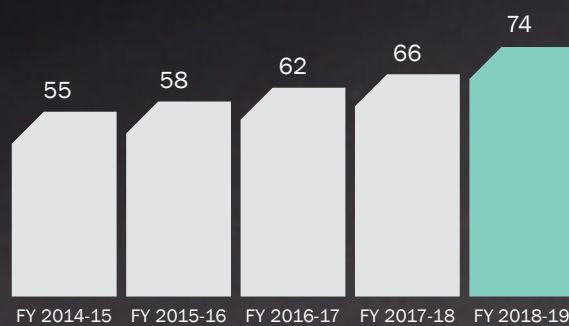
Revenue

(₹ in Cr.)



Spends per head

(in ₹)



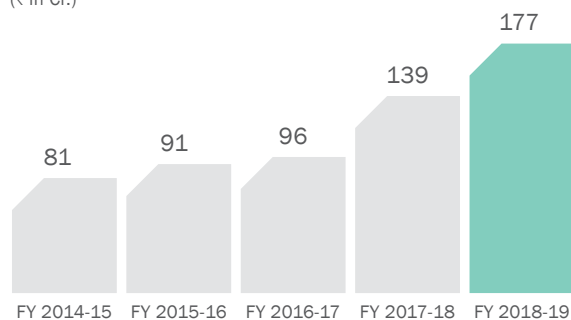
A ROBUST BUSINESS MODEL



Advertising

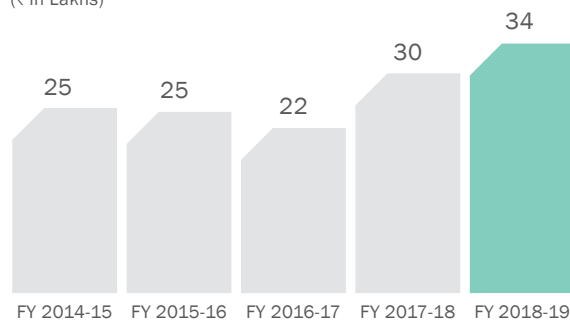
Revenue

(₹ in Cr.)



Revenue per screen

(₹ in Lakhs)

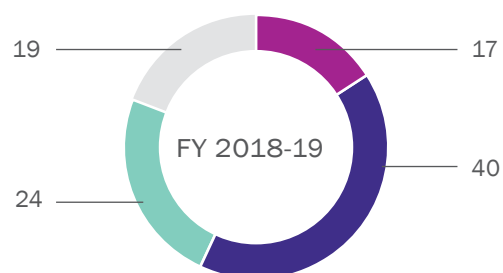


Geographical mix



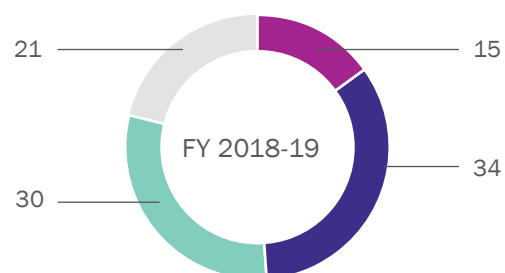
Properties

(in %)



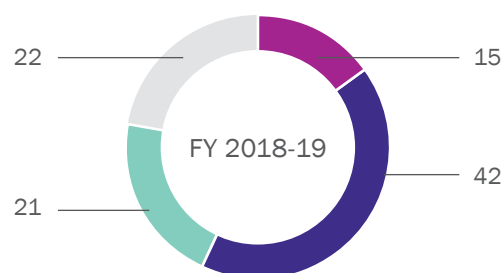
Cities

(in %)



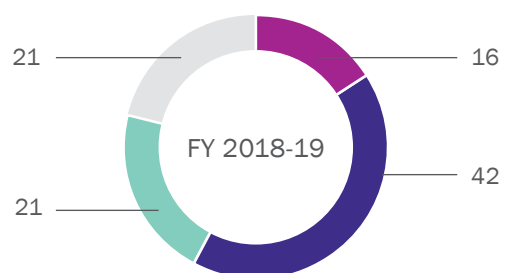
Screens

(in %)



Seats

(in %)



OUR STRATEGIES TO RESPOND TO THE EMERGING TRENDS

Market Drivers

Industry Trend



Technology and Innovation

The adoption of new technologies has brought new innovative audio and visual trends in the cinema industry. Further, changing lifestyle and penetration of internet has changed consumer's purchasing and buying trends.



Property market and development

The rate of new cinemas being opened depends upon various factors including local market conditions, laws and economic environment. Further, it is important to open a cinema property at appropriate location to garner a sustained profit margin.



Combining media and leisure activities

With increasing use of internet, cinema exhibition industry has been facing competition from other forms of media delivering content, for example video, OTT and Blu-ray.



GDP and economic environment

The most vital factor for growth of multiplex operator is increasing per capita spend by the consumer



Cinematic window

Cinematic window, the period between the release of a film in a cinema and on any other platform, has been a key topic of discussion for years.

Impact on INOX

Changes in technological landscape has increased consumer preference from buying tickets at click of a button to availing bundled benefits that come along with the audio-visual experience. Moreover, digitization of cinemas has resulted into increase in movies offered with improvement in content.

The local geographic location impacts the rate and feasibility of new property opening.

Despite increase in online streaming and downloading of movies at home, watching movies in cinema provides a distinguished experience which cannot be replicated at home. Watching a movie on a large screen with audio and visual experience attracts all age groups and marks an outing/social occasions.

Historic trends and patterns depict that cinema attendance is most closely related to the quality of the movies rather than the gross domestic product (GDP) of a country. However, value for money remains a crucial factor and cinema has tended to be a less expensive form of entertainment when compared with other leisure activities such as concerts and sporting events.

A material reduction in the cinematic window can have adverse impact on cinema admissions.

Our Strategy

One of our strategy to deliver robust growth is through sustained investment in cutting-edge technologies that delivers best-in-class and new-age cinematic experience to our consumers. We are continually reviewing and analysing the latest technologies available to ensure we pioneer in bringing a unique movie-going experience to the audience.

We have been successful in opening additional screens every single year, expanding our geographic footprint and market presence.

Our strategic framework ensures we remain a differentiated multiplex operator that is redefining movie experience for consumer.

We constantly monitor market trends to ensure our prices and bundled offers remain competitively-priced form of entertainment.

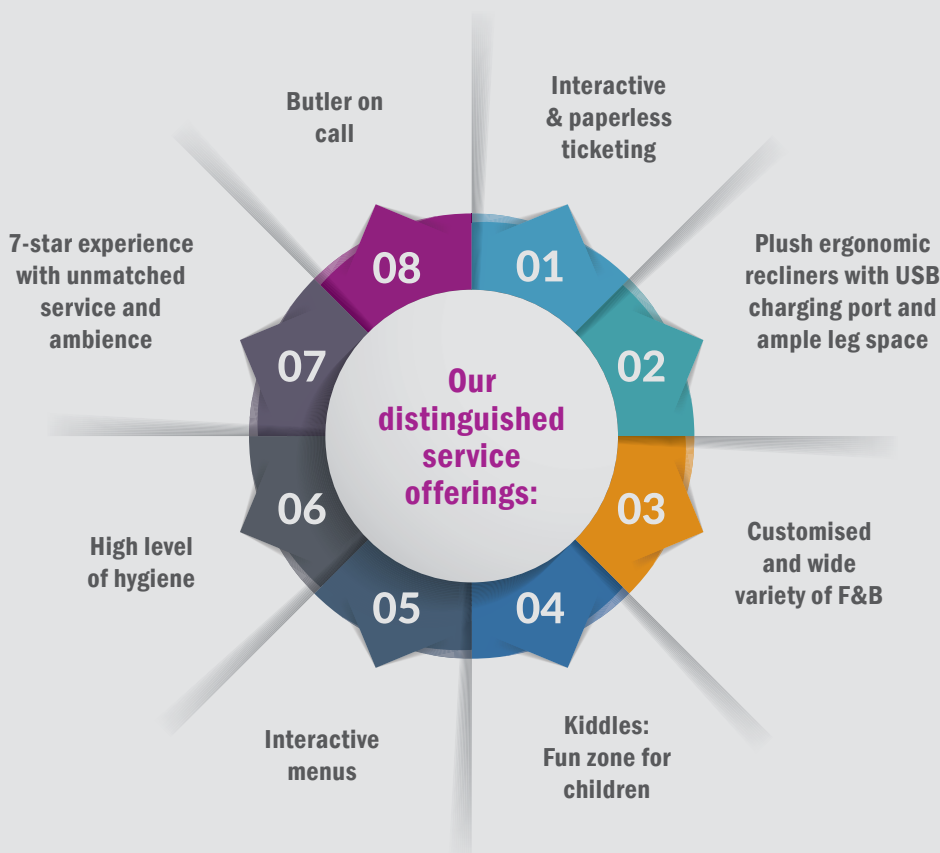
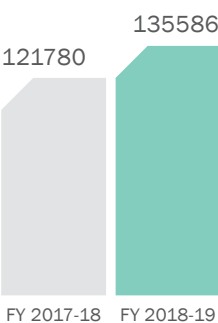
We do not expect any significant change in cinematic window in near future, however, we continually monitor the status of this discussion and regularly engage with industry peers.

OUTCOMES OF OUR STRATEGIES

1 Best cinema experience

Through our strategic planning, we strive to give our customers the choice of experience to watch a movie along with best-in-class customer services. This has resulted into increased admissions per year across our presence with more patrons trusting us.

Number of seats





OUTCOMES OF OUR STRATEGIES

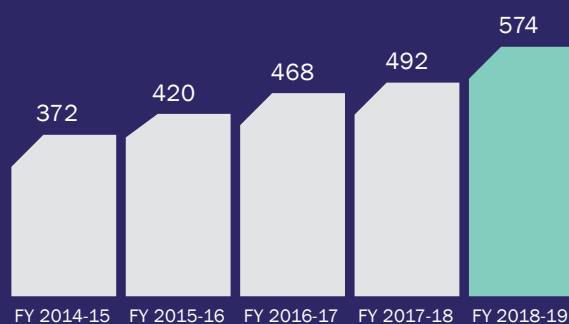
2 Expanding and improving our properties

We are committed to provide consistent, high quality and modern cinema experience to our customers. As a result, for selecting new sites or refurbishing existing ones we consider various economic factors such as location, accessibility and competition to deliver on our commitments.

Properties



Total number of screens



3 State-of-the-art and innovative technology

We constantly rollout latest technologies across our chain by strengthening partnership and relationships as well as entering into tie-ups with leading technology providers such as IMAX, MX4D, Samsung Onyx and ScreenX.

7-star properties providing best-in-class movie experience:

- Mumbai Nariman Point, ● Kolkata Southcity,
- Mumbai RCity, ● Bengaluru Malleshwaram,
- Delhi Nehru Place, ● Mumbai Atria Mall,
- Mumbai Metro Cinema, ● Delhi Epicuria

574 Screens



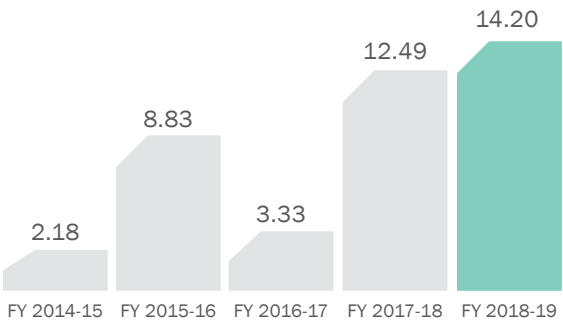
OUTCOMES OF OUR STRATEGIES

4 Increased value for shareholders

We remain focused on delivering constant growth in revenue, profitability and margins to manage our cash position and deliver consistent growth to our shareholders.

EPS

(in ₹)



5 Strengthened Relationship with our Partners

We work closely with our partners from various industries to ensure mutual success in the long run. Our close association has enabled us to build a strong and healthy relationship with our partners for on-screen advertisement, helping us bring new and innovative experience to the movie goers.

Major Advertising Partners



TECHNOLOGIES THAT REDEFINE EXPERIENCES

At INOX, the movie experience goes beyond the age-old conventions, giving the patrons an incredible experience, everytime. Digital remastering, surround sound and other technologies help turn a movie into an enthralling movie experience. INOX continually invests in upcoming technologies to enrich the customer experience.

Our state-of-the art cinema technologies

IMAX

IMAX

To provide an extraordinary experience to moviegoers, we have partnered with IMAX to upgrade our technology that combines proprietary software, architecture and equipment to create experiences like never before. It consists of giant-screen large-format film clubbed with a digital sound system.

10

IMAX screens



Laserplex

LASER

We have pioneered the Laser projection technology across the country making India's first Laserplex. Through this technology, movie-lovers can now enjoy movies with 300% enhanced picture quality, explosive cinema surround sound and brightest 3D screens.

Pioneer

Of Laserplex in India



ONYX Cinema LED screen

Onyx Diner

We have partnered with Samsung to introduce ONYX Cinema LED screen technology across our chain. The technology will provide better viewing in terms of contrast ratio, visual quality and 3D performance.

One

LED screen





MX4D

MX4D

To further increase consumer experience, we have launched India's first screen with MX4D® Theatre Effects in Mumbai. This innovative cinema technology enhances the action-rich blockbusters to a higher level, far beyond the traditional cinema experience. It provides in-cinema 4D effects such as moving seats that are perfectly synchronised with the on-screen action. This has led to an unprecedented and immersive film experience for cinema goers.

1

MX4D screens

ScreenX



Movie-lovers can now enjoy a 270-degree viewing experience on 3 walls of the theatre enabled through multi-projection system. This offers the viewers a new form of story telling with a spectacular panoramic view.

270

Degree screen installed in Mumbai



OUR PEOPLE

Our people are the key to deliver superior services and experience to our customers. We remain committed towards recruiting talented and dedicated employees providing them a career-growth platform. The work of our team compliments our unique service propositions, giving our audience an immersive movie-going experience.



2106

Total number of employees as on 31st March, 2019





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 45 years of experience.

With over 40 years of experience as the Managing Director of INOX Air Products Limited, Mr. Jain 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, Mr. Jain 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 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 (now known as GFL Limited) and has grown the Company to be the country's largest manufacturer and exporter of refrigerant gases.



Mr. Deepak Asher, Director

Mr. Deepak Asher is a Graduate in Commerce and Law, and thereafter took up Chartered Accountancy and Cost Accountancy as professional qualifications. He is presently a Fellow Chartered Accountant and an Associate Cost Accountant.

He has been associated, in different capacities, with the INOX Group of Companies, a USD 3 Bn. business group, for more than 30 years now. He is designated as Director and Group Head (Corporate Finance) for the INOX Group, sits on the Board of most of the Group Companies, and advises the Group on corporate finance, growth, diversification and other strategic initiatives.

Mr. Asher pioneered the Clean Development Mechanism (CDM) Project Development of Gujarat Fluorochemicals Limited. GFL's CDM Project was the first in the world to seek registration under the United Nations Framework Convention of Climate Change. The Project has been amongst the largest in the world, having reduced more than 55 Mn. tonnes of carbon dioxide emissions, contributing significantly to the environment, as well as earning the company valuable carbon credits.

Besides, Mr. Asher has set up the INOX Group's entertainment business. Operated under the INOX brand of multiplexes, this is amongst India's largest, fastest growing, most premium and profitable multiplex brand. Apart from driving organic growth, Mr. Asher also spearheaded several acquisitions in the multiplex space.

Mr. Asher also helped formulating the INOX Group's growth and diversification strategy in the renewable energy space, and helped develop an implementation plan to set up a significant renewable energy business.

Mr. Asher has been a member of the Entertainment Committee of the Federation of Indian Chambers of Commerce and Industry, and the Founder President of the Multiplex Association of India. Mr. Asher has been elected to this post continuously since the past 17 years.

Mr. Asher has been awarded the "Newsmaker of the Year Award" and

the “Lifetime Achievement Award” for his contribution to the Indian cinema exhibition industry. He has been recognized by the Institute of Chartered Accountants of India for enhancing the brand image of the Institute. He has also appeared in a global compilation of “Who’s Who in the World” for his professional accomplishments.



Mr. Siddharth Jain, Director

Mr. Siddharth Jain is a Member of the Board of the INOX Group. A diversified Indian conglomerate with activities spanning Manufacturing Industrial Gases, Fluorochemicals, PTFE, Cryogenic Equipment, LNG Storage & Distribution Equipment, Wind Turbines and Renewable Energy. The Group also owns one of the largest chains of movie cinemas in India with close to 600 screens serving more than 62 Mn. people annually. The Group has a track record of building successful businesses over the past 80 years, distinguished by integrity, delivery and best practices accompanied by sustained growth.

Mr. Siddharth Jain joined the Group in 2001 and has been actively involved in the Group’s

strategic planning & business development initiatives. He is directly responsible for the Industrial Gases, Entertainment and Cryogenics Equipment Manufacturing businesses. Under his management, each of these companies today have achieved leadership positions in their respective industries.

He is an Alumnus of University of Michigan Ann Arbor, with a degree in Mechanical Engineering and has an MBA from INSEAD. He is a Member at the World Economic Forum at Davos. He is also a Member of Young Presidents’ Organization & President of the Gas Industries Association of India. He is involved in various social work through his family’s foundation and is an avid golfer.



Mr. Haigreve Khaitan, Director

Mr. Haigreve Khaitan is a Senior Partner and heads the Corporate/ M&A and Private Equity practice at Khaitan & Co. He is an elected member of the National Executive Committee of the firm which is responsible for the firm’s strategic growth and development. 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 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, Indian regulatory agencies as well as some of the largest global funds investing in India. He advises a range of large Indian conglomerates and multinational clients in various business sectors, including financial services, manufacturing, retail, infrastructure, steel, software and information technology.

Mr. Haigreve Khaitan is consistently recommended by many of the world’s leading law chambers and accreditation bodies. Chambers and Partners have ranked him as “Star Individual” for M&A and an “Eminent Practitioner” for Private Equity. Sources praise him as an “Outstanding lawyer” who is “extremely good and very sharp when it comes to large transactions”. Legal 500 has recommended him as a “Leading expert” for Corporate and M&A. IFLR 1000 ranks him as a “Market Leading” lawyer for Corporate M&A. He is ranked amongst top 100 lawyers in India by India Business Law Journal (IBLJ) through an independent survey of General Counsels. He is on the board

BOARD OF DIRECTORS

of directors of various public listed companies and often speaks at various industry events.



Mr. Amit Jatia, Director

Mr. Amit Jatia is a seasoned entrepreneur and a business leader with over 25 years of experience of leading and growing the iconic McDonald's brand in India. As Vice-Chairman of Westlife Development Ltd., he has provided commendable strategic direction to the company to establish McDonald's as a leader in the QSR space.

Mr. Amit Jatia has also been responsible for providing guidance and leadership to several other family businesses including getting one of them listed on the London Stock Exchange.

Over the last few years Mr. Amit Jatia has been investing actively in a number of new companies that are looking to scale up. He has been investing across sectors, assisting sunrise businesses with capital, expertise and experience.

He serves as a director on the board of leading public listed companies.

Mr. Amit Jatia has been recognised for his achievements with the 'Young Achievers Award', given by the Indo-American Society. Under his leadership McDonald's India has been recognized as 'Most Respected Company' in Food Sector by Business World for three consecutive years.

Mr. Amit Jatia holds a B.Sc in Business Administration (Finance) from the University of Southern California. Mr. Amit Jatia is a member of YPO, a premier global leadership organisation of more than 27,000 chief executives from over 130 countries. He regularly participates in the Harvard YPO program to keep abreast with global management practices.



Mr. Kishore Biyani, Director

Mr. Kishore Biyani is the Chairman & Managing Director of Future Retail Limited and founder of Future Group. Widely credited as the pioneer of modern retail industry in India, Mr. Kishore Biyani is a mentor and role model for many Indian entrepreneurs and a thought leader in Indian business.

In 2001, Mr. Kishore Biyani led the creation of Big Bazaar, a 280-store large format retail network that is counted among the most trusted brands in the country. The group's businesses also include multiple retail chains like HyperCity, EasyDay, Nilgiris, Heritage Fresh, Central, Brand Factory, FBB and Home Town. These chains are present in over 424 cities and towns in almost every state of the country. The group also operates a PAN India logistics network, a fast growing portfolio of brands in fashion, footwear, food and personal care and manufacturing, agri-sourcing and processing facilities located across India. Every year, over 500 Mn. customer visits are recorded across the group's stores.

Mr. Kishore Biyani has also led Future Group in investing and mentoring a number of supply partners and entrepreneurs as well as joint ventures with British footwear maker, Clarks, Italy's leading insurer, Generali Group, Swiss consumer goods major, Mibelle AG, America's Hain Celestial, New Zealand's dairy group, Fonterra and Middle East's Ramdas Khimji.

Mr. Kishore Biyani is a firm believer in the maxim of 'Rewrite Rules, Retain Values.' He was born in Mumbai in 1961. In 2007, he authored the book, 'It Happened in India.'



Ms. Girija Balakrishnan, Director

Ms. Girija Balakrishnan, after graduating from the prestigious National Law School of India University in 1993, 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 general corporate advisory practice at Malvi Ranchoddas & Co.

Ms. Balakrishnan specializes in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures and Foreign Collaboration.

Ms. Balakrishnan has advised clients across a spectrum of sectors including Chemical Industry, Clutch and Automotive parts Industry, Multiplex Industry, Retail Industry operating on franchise model, Industrial 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, companies engaged in designing,

manufacturing, installing and commissioning equipment in field of bio-technology, pharmaceutical and other allied industry, companies dealing in specialty materials and filtration and separation capabilities, strategy and general management consulting company etc.

Ms. Balakrishnan also has immense experience in advising promoters of leading family owned business houses on family settlement matters.

Ms. Balakrishnan has also represented clients in various Courts, tribunals and forum including the High Court, Securities Appellate Tribunal, the Debt Recovery Tribunal, Consumer Forum, mediators, arbitrators, proceedings before the Estate Officer appointed under the Public Premises (Eviction) Act and adjudication proceedings before officers appointed by the Securities & Exchange Board of India.

In her spare time, Ms. Balakrishnan 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.

Ms. Balakrishnan has also presented papers on “Key Aspects of Legal Documentation in Business Transaction” to a select group of chartered accountants. She was also invited by the Bombay Chartered Accountants Society and a leading on-line legal research company to speak on various aspects of law.

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 Operation Officer

Ms. Daizy Lal Puri comes with over 23 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 22 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. 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 of CFO Leadership Summit.



Mr. Muralikrishna Yammanuru,
Chief People Officer

Mr. Muralikrishna Yammanuru has more than 27 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 23 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 undertaken in 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 24 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., and Reliance MediaWorks before joining INOX.

LEADERSHIP TEAM



Mr. Shirish Handa,
Chief Business Development
Officer

A Management post-graduate with more than 23 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. 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 24 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. 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.



Mr. Anand Vishal,
Chief Sales Officer

With a career spanning over two decades, Anand Vishal has helmed critical management roles with prestigious cinema exhibition entities in marquee functions such as business operations, sales and marketing. He currently leads the Sales function at INOX as Chief Sales Officer and is responsible for advertising revenue generation for the company across platforms and channels.

With a holistic and in-depth knowledge of the cinema exhibition business, Anand's expertise lies in developing and executing sales strategy, building strategic coalitions and collaborations to drive business growth and performance. He thrives on territory mapping, opportunity management and working with cross-functional peers to deliver consistently.

Prior to joining INOX, Anand was the Head of Business and Sales for Fun Cinemas.

Anand is a Commerce graduate from Bhopal School of Social Sciences, University of Bhopal. When not focused on driving bottom-line and closing deals, Anand unwinds by tuning-in to his love for music, movies and cooking for friends & family.

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. Haigreave 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 Fintech 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

Audit Committee

Mr. Haigreave Khaitan, Chairman

Mr. Amit Jatia, Member

Mr. Kishore Biyani, Member

Mr. Deepak Asher, Member

Compensation, Nomination & Remuneration Committee

Mr. Haigreave 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

Ms. Girija Balakrishnan, Member

Corporate Social Responsibility (CSR) Committee

Mr. Pavan Jain, Member

Mr. Deepak Asher, Member

Mr. Haigreave Khaitan, Member

Risk Management Committee

Mr. Pavan Jain, Chairman

Mr. Siddharth Jain, Member

Mr. Alok Tandon, Member

Business Responsibility Report Committee

Mr. Pavan Jain, Member

Mr. Vivek Jain, Member

Mr. Deepak Asher, Member

Mr. Siddharth Jain, Member

INOX Committee of the Board of Directors for Operations

Mr. Pavan Jain, Chairman

Mr. Siddharth Jain, Member

Mr. Deepak Asher, Member

Mr. Haigreave Khaitan, 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 Twentieth ANNUAL GENERAL MEETING of the Company will be held on Wednesday, 18th September, 2019 at 11.00 A.M. at INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, Vadodara – 390 007 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, 2019, 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, 2019 and the report of the Auditors thereon.

2. Re-appointment of Mr. Deepak Asher as a Director of the Company.

To appoint a Director in place of Mr. Deepak Asher (DIN: 00035371), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve the payment of professional fees to Mr. Deepak Asher (DIN: 00035371), Non-executive Director 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 the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”), the Rules made thereunder and pursuant to the provisions of Regulation 17(6)(a) and any other regulation as applicable of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and any other law as may be applicable from time to time, consent of the Members of the Company be and is hereby given for payment of Professional Fees of ₹10,00,000/- (Rupees Ten Lakhs only) per month, plus taxes as may be applicable, to Mr. Deepak Asher (DIN 00035371), Non-executive Director of the Company for the Financial Years 2019-20, 2020-21 and 2021-22 for availing of 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.

RESOLVED FURTHER THAT the above professional fees shall be exclusive of sitting fees payable to Mr. Deepak Asher, Non-Executive Director, for attending meetings of the Board or any Committees thereof.

RESOLVED FURTHER THAT Mr. Pavan Jain, Mr. Vivek Jain and Mr. Siddharth Jain, Directors of the Company be and are hereby severally authorized to finalize the other terms and conditions of this engagement including renewal thereof and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

4. To consider and approve payment of remuneration to Mr. Pavan Jain, Chairman and Non-Executive Director of the Company for the Financial Year 2018-19.

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 Regulation 17(6)(a) and 17(6)(ca) 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) (hereinafter referred to as Listing Regulations) and any other applicable provisions of the Listing Regulations, and pursuant to the consent of the Members of the Company accorded in the 19th Annual General Meeting of the Company, the approval of the Members of the Company be and is hereby accorded to pay a remuneration upto a sum not exceeding 1 % per annum of the Net Profits of the Company for the Financial Year 2018-2019 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹1,85,00,000/- (Rupees One Crore Eighty Five Lakhs Only) whichever is lower to Mr. Pavan Jain, Chairman and Non-executive Director of the Company for the Financial Year 2018-2019.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolution.”

5. To consider and approve payment of remuneration to Mr. Siddharth Jain, Non-Executive Director of the Company for the Financial Year 2019-20.

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 Regulation 17(6)(a) and 17(6)(ca) 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) (hereinafter referred to as Listing Regulations) and any other applicable provisions of the Listing Regulations, and pursuant to the consent of the Members of the Company accorded in the 19th Annual General Meeting of the Company, the approval of the Members of the Company be and is hereby accorded to pay a remuneration upto a sum not exceeding 1 % per

annum of the Net Profits of the Company for the Financial Year 2019-2020 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹3,00,00,000/- (Rupees Three Crores Only) whichever is lower to Mr. Siddharth Jain, Non-executive Director of the Company for the Financial Year 2019-2020.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolution.”

6. To consider and approve re-appointment of Ms. Girija Balakrishnan (DIN: 06841071) as an Independent Director for a period of 5 consecutive years from 3rd December, 2019 to 2nd December, 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), Ms. Girija Balakrishnan (DIN: 06841071) who was appointed as an Independent Director of the Company and who holds office of Independent Director upto 2nd December, 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 3rd December, 2019 upto 2nd December, 2024.”

By order of the Board of Directors
For INOX Leisure Limited

Place: Mumbai
Date: 2nd August, 2019

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 Friday, 6th September, 2019 to Wednesday, 18th September, 2019 (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 7th May, 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 has decided that Securities of listed companies can be transferred only in dematerialised form from a cut-off date i.e. 1st April, 2019. In view of the above and to avail various benefits of dematerialisation, 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 2018- 2019 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, 6th September, 2019.

The instructions for shareholders voting electronically are as under:

In case of Members receiving e-mail:

- (i) The voting period begins on Sunday, 15th September, 2019 at 9:00 A.M. and ends on Tuesday, 17th September, 2019 at 5:00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 6th September, 2019, 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 O'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 RAO0000001 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, 6th September, 2019. For all others who are not holding shares as on Friday, 6th September, 2019 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 Fintech 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 No 3:

Sub-section (4) of Section 197 of the Companies Act, 2013 provides that the remuneration payable to the directors of the Company shall be determined, subject to provisions of this Section, either by articles of the Company or, if article so require, by a special resolution passed by the Company in general meeting and the remuneration payable to a director shall be inclusive of the remuneration payable to him for services rendered by him in any other capacity. The Proviso to

this sub-section provides that any remuneration for services rendered by any director shall not be so included in computing ceiling limit as provided in the said Section, if the services rendered are of a professional nature; and in the opinion of Compensation, Nomination and Remuneration Committee of the Company, a director possesses requisite qualification for the practice of the profession.

Regulation 17 (6) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) states that all fees or compensation, if any, paid to non-executive directors, including independent directors shall be recommended by Board of Directors of the Company and shall require approval of Members in general meeting.

Accordingly, in compliance of Section 197 of the Act, Regulation 17 (6) (a) of the Listing Regulations, the Compensation, Nomination and Remuneration Committee of the Company and the Board of Directors of the Company at its Meetings held on 11th April, 2019 and 13th May, 2019 respectively have passed resolutions, subject to the approval of the Members, to avail professional services of Mr. Deepak Asher, Non- Executive Director of the Company for strategic business planning, formulation and implementation of various growth strategies as well as financial planning and management considering his professional expertise and achievements during the tenure of his directorship with the Company and payment of professional fees to him.

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 35 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 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.

Considering the above facts, it is recommended to approve payment of professional fees to Mr. Deepak Asher as mentioned in the proposed resolution.

Mr. Deepak Asher is interested in the resolution set out at Item No. 3 of the Notice with regard to payment of professional fees to him. The relatives of Mr. Deepak Asher may be deemed to be interested in the Resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Directors recommend the Resolution as stated at Item No. 3 of the Notice for approval of the Members by way of a Special Resolution.

Item No 4:

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. Accordingly, the Members of the Company in the Nineteenth Annual General Meeting of the Company held on 31st August, 2018 approved the payment of remuneration to Non-Executive Directors of the company subject to overall ceiling of one percent of the Net Profits of the Company (calculated in accordance with the provisions of Section 198 of the Act) for a period of five Financial Years commencing from Financial Year 2018-19. Further, the Members of the Company authorised the Compensation, Nomination and Remuneration Committee of the Company 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.

Accordingly, the Compensation, Nomination and Remuneration Committee of the Company in its' meeting held on 11th April, 2019 approved the payment of remuneration upto a sum not exceeding 1 % per annum of the Net Profits of the Company for the Financial Year 2018-2019 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹1,85,00,000/- (Rupees One Crore Eighty Five Lakhs Only) whichever is lower to Mr. Pavan Jain,

Chairman and Non-executive Director of the Company for the Financial Year 2018-2019.

Net Profits of the Company for the Financial Year 2018-2019 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 is ₹18,860.52 Lakhs. 1% of the same is ₹188.61 Lakhs. Accordingly, a sum of ₹1,85,00,000/- (Rupees One Crore Eighty Five Lakhs Only) is proposed to be paid to Mr. Pavan Jain, Chairman and Non-executive Director of the Company for the Financial Year 2018-2019 as the same is lower than the 1% of the Net Profits of the Company for Financial Year 2018-19.

This remuneration shall be in addition to fees payable to the Director 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, (Listing Regulations) any payment of remuneration to the Non-executive Directors is required to be approved by the Members in the General Meeting.

Further, Regulation 17(6)(ca) of the Listing Regulations, inter alia provides that the approval of the shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof. Accordingly, the details of remuneration paid to Non-Executive Directors for Financial Year 2018-2019 is as under:

Remuneration to Non-Executive Director for FY 2018-2019				
Name of Director	Sitting Fees (₹)	Remuneration (₹)	Total Remuneration (₹)	% of Total Remuneration paid to All Non-executive Directors
Mr. Deepak Asher	2,80,000	30,00,000	32,80,000	14.17%
Mr. Pavan Jain	1,40,000	1,85,00,000	1,86,40,000	80.55%
Mr. Siddharth Jain	2,40,000	-	2,40,000	1.04%
Mr. Vivek Jain	60,000	-	60,000	0.26%
Mr. Haigreve Khaitan	2,60,000	-	2,60,000	1.12%
Mr. Amit Jatia	2,60,000	-	2,60,000	1.12%
Mr. Kishore Biyani	2,40,000	-	2,40,000	1.04%
Ms. Girija Balakrishnan	1,60,000	-	1,60,000	0.69%
Total	16,40,000	2,15,00,000	2,31,40,000	100.00%

Since the remuneration proposed to be paid to Mr. Pavan Jain for the Financial Year 2018-2019 will exceed the 50% of the total annual remuneration payable to all non-executive directors the approval for resolution at Item No. 4 of the Notice is sought by way of a Special Resolution for payment of remuneration to Mr. Pavan Jain for the Financial Year 2018-2019.

Mr. Pavan Jain and his relatives shall be deemed to be concerned or interested in resolution set out at Item No. 4 of the Notice to the extent of the remuneration that may be received by him. 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. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No 5:

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. Accordingly, the Members of the Company in the Nineteenth Annual General Meeting of the Company held on 31st August, 2018 approved the payment of remuneration to Non-Executive Directors of the company subject to overall ceiling of one percent of the Net Profits of the Company (calculated in accordance with the provisions of Section 198 of the Act) for a period of five Financial Years commencing from Financial Year 2018-19. Further, the Members of the Company authorised the Compensation, Nomination and Remuneration Committee of the Company 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.

Accordingly, the Compensation, Nomination and Remuneration Committee of the Company in its' meeting held on 11th April, 2019 approved the payment of remuneration upto a sum not exceeding 1 % per annum of the Net Profits of the Company for the Financial Year 2019-2020 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 or ₹3,00,00,000/- (Rupees Three Crores Only) whichever is lower to Mr. Siddharth Jain, Non-executive Director of the Company for the Financial Year 2019-2020.

This remuneration shall be in addition to fees payable to the Director 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, (Listing Regulations) any payment of remuneration to the Non-executive Directors is required to be approved by the Members in the General Meeting.

Further, Regulation 17(6)(ca) of the Listing Regulations, inter alia provides that the approval of the shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof. It is assumed that the annual remuneration for Financial Year 2019-2020 to Mr. Siddharth Jain, Non-Executive Director will exceed the 50% of the total annual remuneration payable to all Non-Executive Directors for Financial Year 2019-2020 and hence the approval for resolution at Item No. 5 of the Notice is sought by way of a Special Resolution for payment of remuneration to Mr. Siddharth Jain for Financial Year 2019-2020.

Mr. Siddharth Jain and his relatives shall be deemed to be concerned or interested in resolution set out at Item No. 5 of the Notice to the extent of the remuneration that may be received by him. 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. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No 6:

Ms. Girija Balakrishnan (DIN: 06841071), was appointed as Independent Director 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. She holds office as Independent Director of the Company up to 02nd December, 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 Ms. Girija Balakrishnan as an Independent Director, has recommended her re-appointment as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Ms. Girija Balakrishnan, Independent Director and as per the recommendation of the Compensation, Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Ms. Girija Balakrishnan would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Ms. Girija Balakrishnan (DIN: 06841071) as an Independent Director 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.

Ms. Girija Balakrishnan, is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declarations from Ms. Girija Balakrishnan, that she meets 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, Ms. Girija Balakrishnan fulfils the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Ms. Girija Balakrishnan is independent of the management. Further, the appointee is not debarred from holding the office of Director pursuant to any SEBI Order.

Copy of draft letters of appointment of Ms. Girija Balakrishnan setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Ms. Girija Balakrishnan is interested in the resolution set out at Item No. 6 of the Notice with regard to her re-appointment. The relatives of Ms. Girija Balakrishnan may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No. 6 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 seeking appointment / re-appointment / revision in remuneration at the Annual General Meeting, 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. Deepak Asher	Mr. Pavan Jain	Mr. Siddharth Jain	Ms. Girija Balakrishnan
Item No.	Item No. 2 & 3	Item No. 4	Item No. 5	Item No. 6
Brief Resume	Mr. Deepak Asher is a Graduate in Commerce and Law, and thereafter took up Chartered Accountancy and Cost Accountancy as professional qualifications. He is presently a Fellow Chartered Accountant and an Associate Cost Accountant.	Mr. Pavan Jain, Chairman of the INOX Group, is a Chemical Engineer from IIT, New Delhi, and an industrialist with over 45 years of experience.	Mr. Siddharth Jain is a Member of the Board of the INOX Group. A diversified Indian conglomerate with activities spanning Manufacturing Industrial Gases, Fluorochemicals, PTFE, Cryogenic Equipment, LNG Storage & Distribution Equipment, Wind Turbines and Renewable Energy.	Ms. Girija Balakrishnan, after graduating from the prestigious National Law School of India University in 1993, 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.

Name of the Director	Mr. Deepak Asher	Mr. Pavan Jain	Mr. Siddharth Jain	Ms. Girija Balakrishnan
Item No.	Item No. 2 & 3	Item No. 4	Item No. 5	Item No. 6
	<p>He has been associated, in different capacities, with the INOX Group of Companies, a USD 3 Bn. business group, for more than 30 years now. He is designated as Director and Group Head (Corporate Finance) for the INOX Group, sits on the Board of most of the Group Companies, and advises the Group on corporate finance, growth, diversification and other strategic initiatives.</p> <p>Mr. Asher pioneered the Clean Development Mechanism (CDM) Project Development of Gujarat Fluorochemicals Limited. GFL's CDM Project was the first in the world to seek registration under the United Nations Framework Convention of Climate Change. The Project has been amongst the largest in the world, having reduced more than 55 Mn. tonnes of carbon dioxide emissions, contributing significantly to the environment, as well as earning the company valuable carbon credits.</p> <p>Besides, Mr. Asher has set up the INOX Group's entertainment business.</p>	<p>With over 40 years of experience as the Managing Director of INOX Air Products Limited, Mr. Jain 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, Mr. Jain has been instrumental in diversifying the INOX Group into various industries such as Refrigerant Gases, Chemicals, Cryogenic Engineering, Entertainment and Renewable Energy.</p>	<p>The Group also owns one of the largest chains of movie cinemas in India with close to 600 screens serving more than 62 Mn. people annually. The Group has a track record of building successful businesses over the past 80 years, distinguished by integrity, delivery and best practices accompanied by sustained growth.</p> <p>Mr. Siddharth Jain joined the Group in 2001 and has been actively involved in the Group's strategic planning & business development initiatives. He is directly responsible for the Industrial Gases, Entertainment and Cryogenics Equipment Manufacturing businesses. Under his management, each of these companies today have achieved leadership positions in their respective industries.</p>	<p>She presently heads the general corporate advisory practice at Malvi Ranchoddas & Co.</p> <p>Ms. Balakrishnan specializes in Corporate Laws, Mergers and Acquisitions, Commercial Laws, Foreign Direct Investments, Joint Ventures and Foreign Collaboration.</p> <p>Ms. Balakrishnan has advised clients across a spectrum of sectors including Chemical Industry, Clutch and Automotive parts Industry, Multiplex Industry, Retail Industry operating on franchise model, Industrial 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, companies engaged in designing, manufacturing, installing and commissioning equipment in field of bio-technology, pharmaceutical and other allied industry, companies dealing in specialty materials and filtration and separation capabilities, strategy and general management consulting company etc.</p>

Name of the Director	Mr. Deepak Asher	Mr. Pavan Jain	Mr. Siddharth Jain	Ms. Girija Balakrishnan
Item No.	Item No. 2 & 3	Item No. 4	Item No. 5	Item No. 6
	<p>Operated under the INOX brand of multiplexes, this is amongst India's largest, fastest growing, most premium and profitable multiplex brand. Apart from driving organic growth, Mr. Asher also spearheaded several acquisitions in the multiplex space.</p> <p>Mr. Asher also helped formulating the INOX Group's growth and diversification strategy in the renewable energy space, and helped develop an implementation plan to set up a significant renewable energy business.</p> <p>Mr. Asher has been a member of the Entertainment Committee of the Federation of Indian Chambers of Commerce and Industry, and the Founder President of the Multiplex Association of India. Mr. Asher has been elected to this post continuously since the past 17 years.</p> <p>Mr. Asher has been awarded the "Newsmaker of the Year Award" and the "Lifetime Achievement Award" for his contribution to the Indian cinema exhibition industry.</p>		<p>He is an Alumnus of University of Michigan Ann Arbor, with a degree in Mechanical Engineering and has an MBA from INSEAD. He is a Member at the World Economic Forum at Davos. He is also a Member of Young Presidents' Organization & President of the Gas Industries Association of India. He is involved in various social work through his family's foundation and is an avid golfer.</p>	<p>Ms. Balakrishnan also has immense experience in advising promoters of leading family owned business houses on family settlement matters.</p> <p>Ms. Balakrishnan has also represented clients in various Courts, tribunals and forum including the High Court, Securities Appellate Tribunal, the Debt Recovery Tribunal, Consumer Forum, mediators, arbitrators, proceedings before the Estate Officer appointed under the Public Premises (Eviction) Act and adjudication proceedings before officers appointed by the Securities & Exchange Board of India.</p> <p>In her spare time, Ms. Balakrishnan 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.</p> <p>Ms. Balakrishnan has also presented papers on "Key Aspects of Legal Documentation in Business Transaction" to a select group of chartered accountants.</p>

Name of the Director	Mr. Deepak Asher	Mr. Pavan Jain	Mr. Siddharth Jain	Ms. Girija Balakrishnan
Item No.	Item No. 2 & 3	Item No. 4	Item No. 5	Item No. 6
	He has been recognized by the Institute of Chartered Accountants of India for enhancing the brand image of the Institute. He has also appeared in a global compilation of "Who's Who in the World" for his professional accomplishments.			She was also invited by the Bombay Chartered Accountants Society and a leading on-line legal research company to speak on various aspects of law.
Date of Birth	15 th Jan, 1959	17 th May, 1951	21 st September, 1978	30 th March, 1969
Age	60 Years	68 Years	40 Years	50 Years
Date of first Appointment on the Board	15 th January, 2000	9 th November, 1999	10 th September, 2004	3 rd December, 2014
Directors Identification Number	00035371	00030098	00030202	06841071
Qualification	Commerce & Law Graduate, Chartered Accountant & Cost & Works Accountant	Chemical Engineer from Indian Institute of Technology, New Delhi	Mechanical Engineer from University of Michigan Ann Arbor and MBA from INSEAD.	LL.B. from National Law School of India University
Experience / Expertise in Specific Functional Area	Mr. Deepak Asher has more than 35 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 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. Pavan Jain is a chemical engineer from Indian institute of Technology, New Delhi, and an industrialist with over 45 years of experience. He has been instrumental in diversifying the INOX Group into various industries such as refrigerant gases, chemicals, cryogenic engineering, entertainment and renewable energy.	Mr. Siddharth Jain has over 19 years of work experience in various management positions. Mr. Siddharth Jain has been actively involved in the Groups' strategic planning and business development initiatives.	Ms. Girija Balakrishnan's main area of expertise are commercial and corporate laws, mergers and acquisitions, Foreign Direct Investments, Joint Ventures and Foreign Collaboration.

Name of the Director	Mr. Deepak Asher	Mr. Pavan Jain	Mr. Siddharth Jain	Ms. Girija Balakrishnan
Item No.	Item No. 2 & 3	Item No. 4	Item No. 5	Item No. 6
Directorships held in other Companies	<ul style="list-style-type: none"> GFL Limited Gujarat Fluorochemicals Limited INOX Infrastructure Limited Swanston Multiplex Cinemas Private Limited 	<ul style="list-style-type: none"> GFL Limited Gujarat Fluorochemicals Limited Devansh Gases Private Limited INOX Air Products Private Limited INOX Renewables Limited INOX Infrastructure Limited INOX Leasing And Finance Limited Rajni Farms Private Limited INOX India Private Limited N. K. Patni charitable foundation 	<ul style="list-style-type: none"> INOX Wind Limited INOX Consumer Products Private Limited Devansh Gases Private Limited INOX Air Products Private Limited Megnasolace City Private Limited INOX Leasing and Finance Limited Rajni Farms Private Limited INOX FMCG Private Limited INOX India Private Limited 	<ul style="list-style-type: none"> Lingamaneni Land Marks Developers Private Limited
Membership / Chairmanship of Committees of other Public Companies	<ul style="list-style-type: none"> GFL Limited (Member of Audit Committee and Stakeholders' Relationship Committee) INOX Infrastructure Limited (Member of Audit Committee) 	<ul style="list-style-type: none"> GFL Limited (Member of Stakeholders' Relationship Committee) 	<ul style="list-style-type: none"> INOX Leasing and Finance Limited (Member of Audit Committee and Share Transfer and Stakeholders' Relationship Committee) 	<ul style="list-style-type: none"> INOX Leisure Limited (Member of Stakeholders' Relationship Committee)
The number of Meetings of the Board attended during the year	7 out of 7	5 out of 7	7 out of 7	6 out of 7
Remuneration last drawn	₹32.80 Lakhs	₹186.40 Lakhs	₹2.40 Lakhs	₹1.60 Lakhs
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	Related to Mr. Siddharth Jain	Related to Mr. Pavan Jain	None
Shareholding in the Company	25,000	2,19,975	6,19,965	Nil
Summary of the Performance Evaluation Report		N.A.		Feedback received from the Directors reflected highly satisfactory performance.

By order of the Board of Directors
For INOX Leisure Limited

Parthasarathy Iyengar
Company Secretary

Place: Mumbai
Date: 2nd August, 2019

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 Twentieth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2019.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Income				
Revenue from operations (net of taxes)	167,956.82	133,225.11	167,956.82	133,225.11
Other operating Income	1,261.65	1,586.72	1,261.65	1,586.72
Total Income from Operations	169,218.47	134,811.83	169,218.47	134,811.83
Less: Total Expenses	147,933.08	122,746.78	147,934.10	122,747.18
Profit from operations before Other Income and Finance Cost and Exceptional Items	21,285.39	12,065.05	21,284.37	12,064.65
Add: Other Income	1,491.82	1,446.53	1,490.35	1,444.00
Profit from operations after Other Income and before Finance Cost and Exceptional Items	22,777.21	13,511.58	22,774.72	13,508.65
Less: Finance Cost	2,367.36	2,889.63	2,367.36	2,889.47
Profit from ordinary activities after finance cost but before exceptional items and share of profit of a joint ventures	20409.85	10,621.95	20,407.36	10,619.18
Share of profit / (loss) of joint ventures	-	(3.43)	-	-
Profit before exceptional items and tax	20409.85	10,618.52	20,407.36	10,619.18
Add/(Less): Exceptional items	(499.69)	(854.16)	(499.69)	(854.16)
Profit from ordinary activity before Taxation	19,910.16	9,764.36	19,907.67	9,765.02
Add/(Less): Provision for Taxation				
For the year	(7,016.54)	(3,671.89)	(7,015.84)	(3,671.28)
Taxation pertaining to earlier years	455.50	5,370.47	455.50	5,370.47
Net Profit for the year	13,349.12	11,462.94	13,347.33	11,464.21
Profit for the year attributable to:				
Equity holders of the Parent	13,349.10	11,462.92	-	-
Non-controlling interests	0.02	0.02	-	-
	13,349.12	11,462.94	-	-
Other Comprehensive Income				
A) Items that will not be reclassified to Profit & Loss				
(i) Actuarial gain/(loss) on employee defined benefit plan	9.10	100.21	9.10	100.21
(ii) Tax on above	(3.18)	(35.02)	(3.18)	(35.02)
Total Other Comprehensive Income	5.92	65.19	5.92	65.19

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Comprehensive Income for the year comprising Profit & Other Comprehensive Income	13,355.04	11,528.13	13,353.25	11,529.40
Profit brought forward form earlier year/s	29,552.04	18,023.93	29,558.15	18,028.75
On account of change in non-controlling interest	(0.02)	(0.02)	-	-
Balance Carried forward to Balance Sheet	42,907.06	29,552.04	42,911.40	29,558.15

During the year under review, 17 Multiplex Cinema Theatres with 77 screens and 8 screens in an existing Multiplex Theatre were added. An agreement for 1 Multiplex Cinema Theatre with 3 Screens was discontinued. Accordingly, the tally of Multiplex Cinema Theatres of your Company stands at 139 Multiplexes with 574 screens and 1,35,586 seats as on 31st March, 2019.

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 2018-19 have been prepared in compliance with applicable Accounting Standards and on the basis of Audited Financial Statements of the Company and its subsidiaries companies, 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 2018-19 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, 2019.

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. CHANGE IN CAPITAL STRUCTURE

During the year under review, the Company had made a preferential allotment of 64,00,000 equity shares of ₹ 10 each to GFL Limited (earlier known as Gujarat Fluorochemicals Limited), Promoter of the Company at a price of ₹ 250 per share (at a premium of ₹ 240 per share) on 30th November, 2018 ("Preferential Issue") and had raised ₹ 160 Cr.. Objects of the Issue, as approved by the shareholders of the Company in the Extraordinary General Meeting held on 29th November, 2018, was to strengthen the Balance Sheet of the Company, by reducing debt, improving leverage, enhancing borrowing power for future growth opportunities and increasing

profitability. There was no deviation in the utilization of proceeds of Preferential Issue from the objects as stated in the explanatory statement to the notice for the Extraordinary General Meeting held on 29th November, 2018. In terms of Regulation 32(7A) of the Listing Regulations the funds are fully utilized as per the objects of the issue.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

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

Ms. Girija Balakrishnan (DIN: 06841071), Independent Director of the Company was appointed in the 16th Annual General Meeting of the Company for a period of 5 consecutive years from 3rd December, 2014 upto 2nd December, 2019. Her first term as Independent Director of the Company will conclude on 2nd December, 2019 and accordingly the approval of the Members is being sought by way of Special Resolution for the re-appointment of Ms. Girija Balakrishnan for a period of 5 consecutive years from 3rd December, 2019 upto 2nd December, 2024. The Board, based on the performance evaluation of Ms. Girija Balakrishnan, Independent Director and as per the recommendation of the Compensation, Nomination and Remuneration Committee, considers that, given her background and experience and contributions made by her during her tenure, the continued association of Ms. Girija Balakrishnan would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Ms. Girija Balakrishnan (DIN: 06841071) as an Independent Director 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.

Necessary resolutions in respect of Director seeking re-appointment and in respect of appointment of Ms. Girija Balakrishnan 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, 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 KMP of the Company with effect from 18th June, 2018.

7. NOMINATION & REMUNERATION POLICY

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

8. 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).

The Independent Directors have complied with the code for Independent Directors prescribed in Schedule IV of the Act

9. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

10. 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 & Chairperson of the Company for the Financial Year 2018-19. Further, based on the feedback received by the Company, the Compensation, Nomination and Remuneration Committee at its Meeting held on 11th April, 2019 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.

11. MEETINGS OF THE BOARD

During the year under review, the Board met 7 (Seven) 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.

12. 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, 2019, 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.

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

Particulars of investments made and guarantees given are provided along with the purpose for which the Guarantee has been given are provided in the Standalone Financial Statements of the Company. The Company has not given any loan or provided any securities during the year. Please refer to Note nos. 9, 10, 43 and 46 to the Standalone Financial Statements of the Company.

14. 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.

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.

15. DEPOSITS

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

16. SUBSIDIARY COMPANY

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) is a wholly-owned subsidiary of the Company. SMCPL was engaged in the business of operating multiplex cinema theatres in India. Hon'ble National Company Law Tribunal, Bench at Ahmedabad (NCLT Ahmedabad) approved the scheme of Amalgamation (merger by absorption) of SMCPL with the Company, subject to any directions, if any given by National Company Law Tribunal, Mumbai (NCLT Mumbai) with respect to the application filed by SMCPL. The approval of NCLT Mumbai is awaited.

A separate statement containing the salient features of financial statements of all subsidiaries, of the Company forms a part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with Section 136 of the Companies Act, 2013, 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 <https://www.inoxmovies.com/Corporate.aspx?Section=3>. The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

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 Companies Act, 2013 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**.

17. 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.

18. 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.

19. 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 7th May, 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.

20. 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.

21. 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 & Kabra, Company Secretaries to conduct Secretarial Audit of the Company. The Secretarial Audit Report given by M/s. Samdani Shah & Kabra, Company Secretaries 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, Company Secretaries to the Company.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

22. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors and Secretarial auditors of the Company have not reported any frauds to the Audit committee or the Board of Directors under Section 143 (12) of the Act, including rules made thereunder.

23. 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.

24. 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.

25. BUSINESS RESPONSIBILITY REPORT

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 www.inoxmovies.com.

26. 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**.

27. 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**.

28. EMPLOYEE STOCK OPTION SCHEME

During the year under review, no options were granted to the employees of the Company. Further, 38,125 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.

During the year ended 31st March, 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to INOX Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. 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 23rd June, 2017, stock options of 1,67,500 shares had been granted and on 5th January, 2017, stock options of 20,000 shares had been granted. 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.

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>.

A certificate from Statutory Auditors, with respect to implementation of the Company's Employee Stock Option Schemes will be placed at the ensuing AGM for inspection by the Members, and a copy will also be available for inspection at the Registered Office of the Company.

29. 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

30. 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**.

31. INSURANCE

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

32. 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 13th May, 2019 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.

33. VIGIL MECHANISM

The Company has established a vigil mechanism vide its Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

With effect from 1st April, 2019 the Company has revised its Whistle Bowler Policy in line with changes mandated by the SEBI under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The details of the policy have been disclosed on the Company's website at <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

34. 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 2018-19.

Number of complaints pending as on 1 st April, 2018	01
Number of complaints received	14
Number of complaints disposed off	15
Number of complaints pending as on 31 st March, 2019	Nil

35. 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.

36. 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.

37. 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: 2nd August, 2019

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.
- 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

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.
- 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.

3. Definitions:

- a. "Board" means the Board of Directors of the Company.

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:

- i. 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 Lakh)

	Name of Subsidiary Company Shouri Properties Private Limited	Name of Subsidiary Company Swanston Multiplex Cinemas Pvt. Ltd.
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	(60.86)	(199.66)
Total Assets	208.38	26.34
Total Liabilities	128.24	23.00
Investments	8.39	Nil
Turnover	354.12	Nil
Profit / (Loss) before taxation	3.59	(1.25)
Provision for taxation	0.70	Nil
Profit / (Loss) after taxation	2.89	(1.25)
Proposed Dividend	Nil	Nil
% of Shareholding	99.29%	100%
Name of subsidiaries which are yet to commence operations:	Nil	
Names of subsidiaries which have been liquidated or sold during the year:	Nil	

Part B – Associates and Joint Ventures – Not Applicable

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

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 (%)	0.007	Nil*
Net Profit Contribution (%)	0.02	Nil*
Gross Block contribution (%)	Nil*	Nil*
Net Worth contribution (%)	0.08	0.003

*less than 0.00

ANNEXURE – C

Secretarial Audit Report

for the Financial Year ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

The Members,
INOX Leisure Limited
 ABS Towers,
 Old Padra Road,
 Vadodara, 390007,
 Gujarat, India.

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 31st March, 2019, 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 31st March, 2019, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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 and Listing of Debt Securities) Regulations, 2008;

- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/ 2018;
- vi. Other sector specific laws as follows:
 - (a) The Cinematograph Act, 1952;
 - (b) The Cinema compliance Regulations 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/ regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. There were no changes in the composition of the Board of Directors that took place during the period under review.
- 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 place, whereby the company ensures and monitor compliances of applicable laws, rules, regulations and guidelines.
- E. The Compliance Management Tool / System is adequate, commensurate with the size and operations of the company and operating effectively.
- F. During the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
 - i. The Company has approved a Scheme of Merger (By absorption) between Swanston Multiplex Cinemas Private Limited (Transferor Company) and the Company (Transferee Company) and same is subject to requisite approvals.
 - ii. The Company has issued and allotted 64,00,000 Equity Shares of face value ₹ 10/- each to Gujarat Fluorochemicals Limited, the holding company, (the 'Promoter') at the Issue Price of ₹ 250 per Equity Share, including a premium of ₹ 240/- per Equity Share, aggregating to ₹ 1,60,00,00,000/- (Rupees One Hundred and Sixty Crores Only) on Preferential basis.

S. Samdani

Partner

Samdani Shah & Kabra

Company Secretaries

FCS No. 3677

CP No. 2863

Place: Vadodara,

Date: 13th May, 2019

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

APPENDIX A

To,
The Members,
INOX Leisure Limited
ABS Towers,
Old Padra Road,
Vadodara, 390007,
Gujarat, India.

Our report of even date is to be read along with this letter.

- i. 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.
- ii. 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- iv. 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

Place: Vadodara,

Date: 13th May, 2019

ANNEXURE – D

MGT – 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2019

(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 Fintech Private Limited Karvy Selenium, Tower No. B, Plot No. 31 & 32, Gachibowli, Financial District Nanakramguda Serilingampally Mandal, Hyderabad – 500 032 Phone No.: 18003454001 Email: einward.ris@karvy.com

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.	GFL Limited (earlier known as Gujarat Fluorochemicals Limited) Survey No. 16/3, 26 & 27, Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389 380	L24110GJ1987PLC009362	Holding	51.32	2 (46)

Sr. No.	Name	CIN/GIN	Holding/ subsidiary/ associate	% of shares held	Applicable Section
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 9 th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400093	U92132MH2001PTC133639	Subsidiary	100.00	2 (87)

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

i. Category-wise Shareholding

Sr. No.	Category of Shareholders Particulars	No of shares held at the beginning of the year (1 st April, 2018)				No of shares held at the end of the year (31 st March, 2019)				% change during the year
		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	53373928	0	53373928	51.89	3.19
	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	53373928	0	53373928	51.89	3.19
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	53373928	0	53373928	51.89	3.19
B. Public Share Holding										
1. Institutions										
	a) Mutual Funds /UTI	16464818	0	16464818	17.07	21971161	0	21971161	21.36	4.29
	b) Alternate Investment Fund	372493	0	372493	0.39	55000	0	55000	0.05	-0.34
	c) Financial Institutions /Banks	19305	0	19305	0.02	53301	0	53301	0.05	0.03

Sr. No.	Category of Shareholders	No of shares held at the beginning of the year (1 st April, 2018)				No of shares held at the end of the year (31 st March, 2019)				% change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	d) Central Government /State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
	g) Foreign Institutional Investors	17795198	0	17795198	18.45	11588882	0	11588882	11.27	-7.18
	h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	i) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	j) Others	0	0	0	0.00	0	0	0	0.00	
	Sub Total (B) (1)	34651814	0	34651814	35.92	33668344	0	33668344	32.73	-3.19
	2. Non Institutions									
	a) Bodies Corporate									
	i. Indian	1925982	0	1925982	2.00	1871289	0	1871289	1.82	-0.18
	ii. Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 2 Lakh	4672680	7473	4680153	4.85	4951080	7371	4958451	4.82	-0.03
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	1566487	0	1566487	1.62	1744920	0	1744920	1.70	0.08
	c) Others									
	Clearing Members	21583	0	21583	0.02	429167	0	429167	0.42	0.40
	Directors	1505385	0	1505385	1.56	1505385	0	1505385	1.46	-0.10
	HUF	279928	0	279928	0.29	288718	0	288718	0.28	-0.01
	NBFC	23350	0	23350	0.02	8400	0	8400	0.01	-0.01
	Non Resident Indians	129205	0	129205	0.13	233618	0	233618	0.23	0.1
	Non Resident Indians (NON-REPATRIATION)	54249	0	54249	0.06	172969	0	172969	0.17	0.11
	Trusts	4350689	295001	4645690	4.82	4602565	0	4602565	4.47	-0.35
	Sub Total B2	14902031	302474	15204505	15.76	15815482	7371	15808111	15.38	-0.38
	Total Public Shareholding B=B(1) + B(2)	49181352	302474	49483826	51.30	49483826	7371	49476455	48.11	-3.19
	Total (A+B)	96155280	302474	96457754	100.00	102850383	7371	102857754	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	102850383	7371	102857754	100.00	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1 st April, 2018)			Shareholding at the end of the year (31 st March, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
A.	GFL Limited (Earlier known as Gujarat Fluorochemicals Limited)	46386467	48.09	0	52786467	51.32	0	3.23
	INOX Leasing and Finance Limited	587461	0.61	0	587461	0.57	0	(0.04)
	Total	46973928	48.70	0	53373928	51.89	0	3.19

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

Sr. No	Particulars	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
1.	GFL Limited (Earlier known as Gujarat Fluorochemicals Limited)	46386467	48.09	01/04/2018				
				30/11/2018	64,00,000	Allotment under Preferential Allotment	52786467	51.32
		52786467	51.32	31/03/2019				

(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, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
1.	DSP Blackrock Balanced Fund	6746830	6.99	01/04/2018				
				06/07/2018	-253504	Sale	6493326	6.73
				13/07/2018	-384615	Sale	6108711	6.33

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
				20/07/2018	-255130	Sale	5853581	6.07
				27/07/2018	-229928	Sale	5623653	5.83
				03/08/2018	-2245926	Sale	3377727	3.50
				31/08/2018	-270	Sale	3377457	3.50
				07/09/2018	-85630	Sale	3291827	3.41
				21/09/2018	-75000	Sale	3216827	3.33
				28/09/2018	-84152	Sale	3132675	3.25
				05/10/2018	-372337	Sale	2760338	2.86
				12/10/2018	-673856	Sale	2086482	2.16
		2086482	2.03	31/03/2019				
2.	HDFC Trustee Company Ltd. A/C HDFC Capital Builder	0	0.00	01/04/2018				
				03/08/2018	5000000	Purchase	5000000	5.18
				05/10/2018	150000	Purchase	5150000	5.34
				12/10/2018	615100	Purchase	5765100	5.98
				19/10/2018	11200	Purchase	5776300	5.99
				26/10/2018	96500	Purchase	5872800	6.09
				02/11/2018	500000	Purchase	6372800	6.61
				18/01/2019	252320	Purchase	6625120	6.44
				25/01/2019	83600	Purchase	6708720	6.52
				15/03/2019	-75000	Sale	6633720	6.45
				29/03/2019	-100000	Sale	6533720	6.35
		6533720	6.35	31/03/2019				
3.	Pavan Kumar Jain, Vivek Kumar Jain & Deepak Asher -Trustee of INOX Benefit Trust	4350092	4.51	01/04/2018	No Movement during the year.		4350092	4.51
		4350092	4.23	31/03/2019				
4.	Reliance Capital Trustee Co Ltd A/C Reliance Media	3868469	4.01	01/04/2018				
				18/05/2018	-120000	Sale	3748469	3.89
				25/05/2018	-2643347	Sale	1105122	1.15
				01/06/2018	2558007	Purchase	3663129	3.80
				08/06/2018	111993	Purchase	3775122	3.91
				22/06/2018	75000	Purchase	3850122	3.99
				29/06/2018	100000	Purchase	3950122	4.10
				06/07/2018	120000	Purchase	4070122	4.22
				13/07/2018	25000	Purchase	4095122	4.25
				20/07/2018	292368	Purchase	4387490	4.55

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
				20/07/2018	-113596	Sale	4273894	4.43
				27/07/2018	-117000	Sale	4156894	4.31
				10/08/2018	564833	Purchase	4721727	4.90
				10/08/2018	-37564	Sale	4684163	4.86
				17/08/2018	-47480	Sale	4636683	4.81
				24/08/2018	-360	Sale	4636323	4.81
				28/09/2018	43829	Purchase	4680152	4.85
				05/10/2018	13800	Purchase	4693952	4.87
				12/10/2018	15000	Purchase	4708952	4.88
				19/10/2018	26700	Purchase	4735652	4.91
				02/11/2018	25300	Purchase	4760952	4.94
				30/11/2018	533700	Purchase	5294652	5.49
				30/11/2018	-533700	Sale	4760952	4.94
				14/12/2018	187000	Purchase	4947952	4.81
				14/12/2018	-187000	Sale	4760952	4.63
				22/02/2019	-83679	Sale	4677273	4.55
				15/03/2019	-81645	Sale	4595628	4.47
				29/03/2019	-100895	Sale	4494733	4.37
		4494733	4.37	31/03/2019				
5.	Aditya Birla Sun Life Trustee Private Limited A/c	2950500	3.06	01/04/2018				
				04/05/2018	17640	Purchase	2968140	3.08
				11/05/2018	200000	Purchase	3168140	3.28
				25/05/2018	112000	Purchase	3280140	3.40
				01/06/2018	112000	Purchase	3392140	3.52
				15/06/2018	200000	Purchase	3592140	3.72
				15/06/2018	-200000	Sale	3392140	3.52
				26/10/2018	9000	Purchase	3401140	3.53
				09/11/2018	41000	Purchase	3442140	3.57
				11/01/2019	50000	Purchase	3492140	3.40
				15/02/2019	23000	Purchase	3515140	3.42
		3515140	3.42	31/03/2018				
6.	Kuwait Investment Authority - Fund No. 208	2903694	3.01	01/04/2018				
				02/11/2018	-403761	Sale	2499933	2.59
				09/11/2018	-61114	Sale	2438819	2.53
				16/11/2018	-104810	Sale	2334009	2.42
				30/11/2018	-68015	Sale	2265994	2.35
				07/12/2018	-117888	Sale	2148106	2.23
				14/12/2018	-318516	Sale	1829590	1.78

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
				21/12/2018	-438919	Sale	1390671	1.35
				28/12/2018	-101324	Sale	1289347	1.25
				11/01/2019	-120949	Sale	1168398	1.14
				18/01/2019	-252468	Sale	915930	0.89
		915930	0.89	31/03/2019				
7.	Goldman Sachs India Fund Limited	2480345	2.57	01/04/2018				
				03/08/2018	-2480345	Sale	0	0.00
		0	0.00	31/03/2019				
8.	Morgan Stanley Investment Funds Indian Equity Fund	2106920	2.18	01/04/2018				
				26/10/2018	-131701	Sale	1975219	2.05
				02/11/2018	-681074	Sale	1294145	1.34
				08/03/2019	-186040	Sale	1108105	1.08
				29/03/2019	-83199	Sale	1024906	1.00
		1024906	1.00	31/03/2019				
9.	Taiyo Greater India Fund Ltd	572935	0.59	01/04/2018				
				11/05/2018	189000	Purchase	761935	0.79
				06/07/2018	199300	Purchase	961235	1.00
				13/07/2018	185765	Purchase	1147000	1.19
				12/10/2018	210000	Purchase	1357000	1.41
				02/11/2018	508000	Purchase	1865000	1.93
				29/03/2019	-75000	Sale	1790000	1.74
		1790000	1.74	31/03/2019				
10.	Rams Equities Portfolio Fund-India Equities Portfolio	1775000	1.84	01/04/2018				
				18/05/2018	-105000	Sale	1670000	1.73
				25/05/2018	-130000	Sale	1540000	1.60
				01/06/2018	-189198	Sale	1350802	1.40
				08/06/2018	-19000	Sale	1331802	1.38
				22/06/2018	-98100	Sale	1233702	1.28
				01/02/2019	-198258	Sale	1035444	1.01
				15/03/2019	-49210	Sale	986234	0.96
				22/03/2019	-19094	Sale	967140	0.94
				29/03/2019	-2793	Sale	964347	0.94

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
		964347	0.94	31/03/2019				
11.	Sundaram Mutual Fund A/C Sundaram Select Microcap	1442096	1.50	01/04/2018				
				27/04/2018	209759	Purchase	1651855	1.71
				22/06/2018	103206	Purchase	1755061	1.82
				22/06/2018	(23763)	Sale	1731298	1.79
				20/07/2018	16996	Purchase	1748294	1.81
				27/07/2018	5000	Purchase	1753294	1.82
				03/08/2018	13278	Purchase	1766572	1.83
				12/10/2018	3453	Purchase	1770025	1.84
				02/11/2018	7902	Purchase	1777927	1.84
				16/11/2018	102469	Purchase	1880396	1.95
				23/11/2018	70188	Purchase	1950584	2.02
				23/11/2018	(60960)	Sale	1889624	1.96
				30/11/2018	219134	Purchase	2108758	2.19
				07/12/2018	122236	Purchase	2230994	2.31
				14/12/2018	1	Purchase	2230995	2.17
				21/12/2018	564061	Purchase	2795056	2.72
				28/12/2018	2637	Purchase	2797693	2.72
				31/12/2018	(43533)	Sale	2754160	2.68
				04/01/2019	43560	Purchase	2797720	2.72
				11/01/2019	45000	Purchase	2842720	2.76
				25/01/2019	61333	Purchase	2904053	2.82
				08/02/2019	(19248)	Sale	2884805	2.80
				15/02/2019	(12869)	Sale	2871936	2.79
				22/02/2019	3500	Purchase	2875436	2.80
				01/03/2019	(25176)	Sale	2850260	2.77
		2850260	2.77	31/03/2019				
12.	VFM Emerging Markets Trust	1433180	1.49	01/04/2018				
				08/06/2018	69934	Purchase	1503114	1.56
				27/07/2018	(41102)	Sale	1462012	1.52
				03/08/2018	(1369406)	Sale	92606	0.10
				10/08/2018	(92606)	Sale	0	0.00
		0	0.00	31/03/2019				
13.	BNP Paribas Mutual Fund A/C BNP Paribas Balanced Fund	153778	0.16	01/04/2018				
				13/04/2018	(40110)	Sale	113668	0.12
				20/04/2018	(33668)	Sale	80000	0.08
				04/05/2018	(52000)	Sale	28000	0.03

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the				No. of shares	% of total shares of the Company
				11/05/2018	(28000)	Sale	0	0.00
				07/12/2018	40000	Purchase	40000	0.04
				14/12/2018	235000	Purchase	275000	0.27
				21/12/2018	31935	Purchase	306935	0.30
				28/12/2018	250000	Purchase	556935	0.54
				04/01/2019	20000	Purchase	576935	0.56
				11/01/2019	125000	Purchase	701935	0.68
				22/02/2019	75000	Purchase	776935	0.76
				01/03/2019	30000	Purchase	806935	0.78
				15/03/2019	430600	Purchase	1237535	1.20
				29/03/2019	25000	Purchase	1262535	1.23
		1262535	1.23	31/03/2019				

(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, 2018)/ End of the Year (31 st March, 2019)		Date	Increase/ (Decrease) in shareholding Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
Directors							
1.	Mr. Pavan Jain	219975	0.23	01/04/2018	No Movement during the year.		
		219975	0.23	31/03/2019			
2.	Mr. Vivek Jain	640445	0.66	01/04/2018	No Movement during the year.		
		640445	0.66	31/03/2019			
3.	Mr. Siddharth Jain	619965	0.64	01/04/2018	No Movement during the year.		
		619965	0.64	31/03/2019			
4.	Mr. Deepak Asher	25000	0.03	01/04/2018	No Movement during the year.		
		25000	0.03	31/03/2019			
5.	Mr. Haigreve Khaitan	0	0.00	01/04/2018	No Movement during the year.		
		0	0.00	31/03/2019			
6.	Mr. Amit Jatia	0	0.00	01/04/2018	No Movement during the year.		
		0	0.00	31/03/2019			

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 st April, 2018)/ End of the Year (31 st March, 2019)		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
7.	Mr. Kishore Biyani	0	0.00	01/04/2018	No Movement during the year.		
		0	0.00	31/03/2019			
8.	Ms. Girija Balakrishnan	0	0.00	01/04/2018	No Movement during the year.		
		0	0.00	31/03/2019			
	KMP						
1.	Mr. Alok Tandon, Chief Executive Officer	28236	0.03	01/04/2018			
				28/09/2018	Acquisition of shares pursuant to ESOP	5000	0.005
				28/02/2019	Sale	(5000)	0.005
		28236	0.03	31/03/2019			
						0	0.00
2.	Mr. Kailash B. Gupta – Chief Financial Officer	0	0.00	01/04/2018	Acquisition of shares pursuant to ESOP	2500	0.002
				28/09/2018			
		2500	0.002	31/03/2019			
3.	Mr. Dhanraj Mulki – Vice President – Legal & Company Secretary*	40	0.00	01/04/2018	No Movement during the year.		
		40	0.00	17/04/2018			
4.	Mr. Parthasarathy Iyengar#	0	0.00	01/04/2018	No Movement during the year.		
		0	0.00	31/03/2019			

* Resigned with effect from 17th April, 2018

Appointed with effect from 18th June, 2018

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	12,944.00	16,249.00	--	29,193.00
ii. Interest due but not paid	--	--	--	-
iii. Interest accrued but not due	8.77	--	--	8.77
Total (i+ii+iii)	12,952.77	16,249.00	--	29,201.77
Change in Indebtedness during the Financial Year				
• Addition	--	8,000	--	8,000
• Reduction	(3,950.02)	(22,236.11)	--	(26,186.13)
Net Change	(3,950.02)	(14,236.11)	--	(18,186.13)
Indebtedness at the end of the Financial Year				
i. Principal Amount	9,000	2,000	--	11,000.00
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	2.75	12.89	--	15.64
Total (i+ii+iii)	9,002.75	2012.89	--	11,015.64

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/s 17(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 Lakhs)

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	2.60	2.60	2.40	1.60	9.20
	Commission	0	0	0	0	0
	Others	0	0	0	0	0
	Total (1)	2.60	2.60	2.40	1.60	9.20
2.	Other Non-Executive Directors	Mr. Pavan Jain	Mr. Vivek Jain	Mr. Deepak Asher	Mr. Siddharth Jain	-
	Fee for attending Board/ Committee Meetings	1.40	0.60	2.80	2.40	7.20
	Commission	185.00	0	0	0	185.00
	Others (Professional Fees)	0	0	30.00	0	30.00
	Total (2)	186.40	0.60	32.80	2.40	222.20
	Total of B = (1+2)					231.40
	Total Managerial Remuneration (A+B)					231.40
	Overall Ceiling as per the Act					565.82

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

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	109.38	33.36	75.55	218.29
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	12.14	Nil	6.08	18.22
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)	6.15	1.31	4.62	12.37
	Total	127.67	34.67	86.25	248.88

VII. PENALTIES /PUNISHMENTS / COMPOUNDING OF OFFENCES

(₹ in Lakhs)

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				Nil	
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 to reduce the Carbon Footprint of the Company:

- The Company has been using environmentally sustainable products (like paper cups, wooden spoons, paper straws, paper lids, etc.), for its Food & Beverages Section in approximately 60% of its multiplexes across India.
- The Company has been using urinal flush sensors in existing and upcoming properties which help in reducing water consumption.
- LED Retrofitting has been done at all the existing and new multiplex cinema theatres of the Company which helps in reducing energy consumption.
- Energy efficient HVAC pumps was installed at 11 properties which help in reducing energy consumption and others are under process
- Energy efficient chiller – Old Chillers were replaced with new energy efficient chillers with low ODP refrigerant (R134a) during the year at INOX Jaipur Space and INOX Kolkata City Center which help in reducing energy consumption.
- Energy efficient chiller – Old Chiller compressors and accessories were replaced with new energy efficient compressors with accessories during the year at INOX Kharghar Glomax which help in reducing energy consumption.
- Energy efficient fans – Old AHU fans and motors were replaced with new energy efficient EC fans and motors at 17 sites.
- Energy efficient Hydro pneumatic system with IE5 Motors and integrated drives installed at INOX Pune Bund Garden to help reduce energy consumption.
- INOX Nariman Point became India's First Multiplex to receive the Gold Certification for LEED v4 - Interior Design and Construction: Retail
- 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 equipment like motors and heaters.
- All multiplexes have implemented Planned Preventive Maintenance (PPM) program where the schedule for all the engineering equipment 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 renewable source of electricity generated by the wind mill for the multiplexes at Vadodara, Anand and Bharuch is used.
- Eco-friendly source of electricity generated through Mini hydro power plant for the multiplexes at Vijayawada is used.
- Timers are being used to optimize the operational hours of lighting including other load within the premises. Timers are also installed for the common area lightings and signages, 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 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 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 Lakhs)

		Current Year	Previous Year
(a)	Foreign exchange earnings	Nil	Nil
(b)	Foreign exchange outgo		
	- CIF value of Capital Goods imported	2450.55	2777.40
	- CIF Value of materials purchased	567.59	494.74
	- CIF Value of services	668.89	Nil
	- Travelling expenses	72.16	47.49
	Total	3759.19	3,319.63

ANNEXURE – F

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 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 2018-19 (₹ In Lakh)	% increase in remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees
1.	Pavan Jain, Chairman & Non-executive Director *	186.40	18540.00	54.03:1
2.	Vivek Jain, Non-executive Director	0.60	200.00	0.17:1
3.	Deepak Asher, Non-executive Director #	32.80	3.14	9.51:1
4.	Siddharth Jain, Non-executive Director	2.40	71.43	0.70:1
5.	Haigreve Khaitan, Independent Director	2.60	44.44	0.75:1
6.	Amit Jatia, Independent Director	2.60	62.50	0.75:1
7.	Kishore Biyani, Independent Director	2.40	33.33	0.70:1
8.	Girija Balakrishnan, Independent Director	1.60	166.67	0.46:1
9.	Alok Tandon, Chief Executive Officer	127.67	18.93	} Not Applicable
10.	Kailash B. Gupta	86.25	32.94	
11.	Chief Financial Officer Dhanraj Mulki,	14.54	Not applicable	
12.	Company Secretary § Parthasarathy Iyengar,	20.13	Not applicable	
	Company Secretary ^			

• For this purpose, Sitting Fees paid to the Director has been considered as Remuneration.

* Includes payment of a Commission of ₹ 1.85 Cr. to Mr. Pavan Jain for the Financial Year 2018-19.

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.

§ For period upto 17th April, 2018

^ from 18th June, 2018

- (ii) Percentage increase in the median remuneration of employees in the Financial Year is 11.41%.

- (iii) The number of permanent employees on the rolls of company as on 31st March, 2019 was 2106.

- (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 9.2% and percentile increase in the managerial remuneration is 15.8%.

- (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 the 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	₹7725.14 Lakh
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above.)	₹139.95 Lakh
5.	Details of CSR spent during the Financial Year	
	a. Total amount to be spent for the Financial Year	₹139.95 Lakh
	b. Amount unspent, if any	Nil
	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 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 Balawadis	Promoting Education	Vadodara, Gujarat	2,80,213	2,80,213	2,80,213	Through INOX Group CSR Trust
2.	Divyang Paralympic Run at Vadodara Marathon	Promoting Paralympic Sports	Mumbai	22,50,000	22,50,000	22,50,000	Direct
3.	Contribution for JITO Administrative Training Foundation	Promoting education	Vadodara, Gujarat	5,00,000	5,00,000	5,00,000	Through INOX Group CSR Trust

(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 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
4.	Contribution to INOX Group CSR Trust for maintaining Balawadis	Promoting education	Vadodara, Gujarat	1,43,429	1,43,429	1,43,429	Through INOX Group CSR Trust
5.	Donation to Sanctuary Nature Foundation	Animal welfare or conservation of natural resources”	Mumbai, Maharashtra	5,00,000	5,00,000	5,00,000	Through Sanctuary Nature Foundation
6.	Donation to JK Lakshmiapat University	Promotion of Education	Mumbai, Maharashtra	50,00,000	50,00,000	50,00,000	Through JK Lakshmiapat University
7.	Donation to Tata Memorial Centre	Promoting Healthcare	Mumbai, Maharashtra	25,00,000	25,00,000	25,00,000	Through Tata Memorial Centre
8.	Donation to Breach Candy Hospital Trust	Promoting Healthcare	Mumbai, Maharashtra	50,00,000	50,00,000	50,00,000	Through Breach Candy Hospital Trust
9.	Donation to Friends Of Tribal Society	Promoting Healthcare	Mumbai, Maharashtra	25,00,000	25,00,000	25,00,000	Through Friends Of Tribal Society
	Total			1,86,73,642	1,86,73,642	1,86,73,642	
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.			Not applicable			
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

Haigreva Khaitan

Chairman - CSR Committee

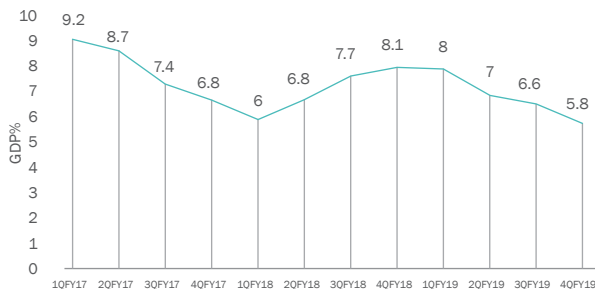
Mumbai
2nd August, 2019Mumbai
2nd August, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Indian economy review

India remained the fastest growing economy in the world with a GDP of 6.8% for FY19¹. The sustained investments and positive reforms by the government have helped improve India's ranking by 23 places to reach 77th in the World Bank's Ease of Doing Business Report 2018². The Interim Budget 2019-20 gave a significant push to consumption in the form of direct transfers to farmers, tax relief and greater investment opportunities. Further, the government's focus on the liberalisation of FDI regime for both Telecom and Media and Entertainment sectors have resulted in increased investments. Going forward, the strengthening investments and robust private consumption are expected to drive the country's economy to ~7% in FY20³.

Quarterly GDP Rate at Constant Prices (2011-12)



(Source: Ministry of Statistics and Programme Implementation)

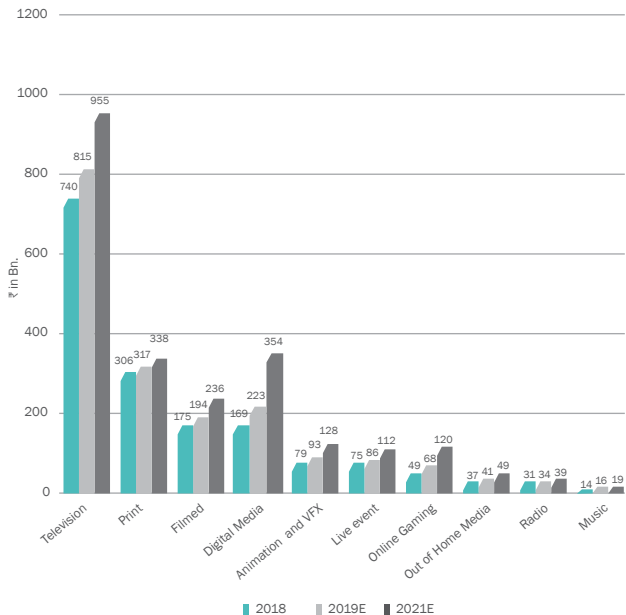
Indian Media and Entertainment Sector scenario

During the year gone by, the Indian Media and Entertainment (M&E) sector continued to embrace newer technologies as growth was witnessed across conventional platforms, broadcast TV and films, at the backdrop of growing subscription base and ticket prices respectively. The Indian M&E sector witnessed a robust growth of 13.4% YoY, reaching ₹1.67 Tn.

in CY2018. Further, the advertising sector grew at 12.7% in 2018 led by digital advertising which grew by 34% YoY, while television advertising grew 14% YoY. Moreover, during the year under review, the domestic theatrical revenue reached ₹102 Bn. registering a growth of 6% over previous year.⁴

Large talent pool, increasing employment opportunities, intriguing storytelling, post-production, and regulatory benefits are finding the right audience among the Indian diaspora, driving the sectoral growth. The sector is expected to cross ₹2.35 Tn. by CY 2021, growing at a CAGR of 12% between 2018 to 2021⁵.

Revenue Break-up of M&E Sector



E: Estimated; F: Forecasted

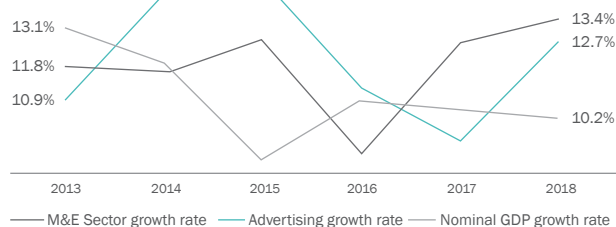
(Source: India's Media & Entertainment sector, March 2019, EY)

¹Ministry of Statistics and Programme Implementation

²The World Bank's 'Doing Business 2019: Training for Reform' report

³Economic Survey 2019

^{4&5}India's Media & Entertainment sector, March 2019, EY

M&E growth vs. nominal GDP growth

(Source: India's Media & Entertainment sector, March 2019, EY)

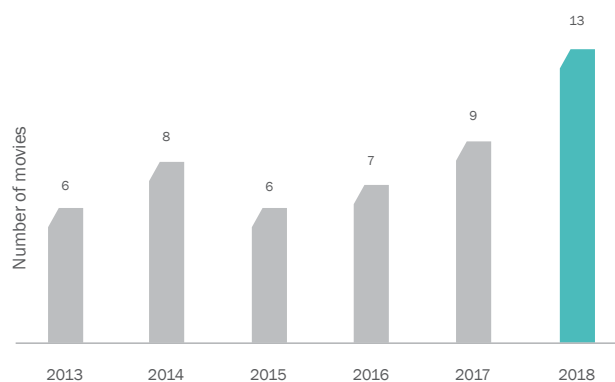
Indian Film Exhibition Industry- Overview

The Indian film industry demonstrated growth of 12.2% in 2018, reaching a market size of ₹174.5 Bn. in 2018. Although the sector witnessed a decline in a number of the movie released (from 1,807 films in 2017 to 1,776 films in 2018), the year proved to be blockbuster in terms of the box office collection with films entering the ₹1 Bn. club almost every month. Despite the fact that only 13.4% of films were released, Hindi films segment contributed about 42.1% to the annual Net Box Office Collection (NBOC) with other regional language movies contributing about 46%. Further, the domestic theatrical revenue registered a growth of 6% YoY basis to reached ₹102 Bn. in FY 2019⁶.

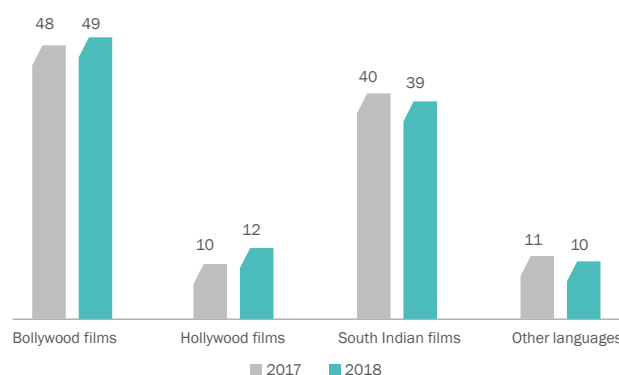
As a result of urbanization and favourable demographics, the demand for modern cinema screens featuring quality infrastructure, latest audio-visual systems, and multiple F&B offerings is on the rise. The new-age multiplexes have redefined the 'entertainment' quotient with enhanced facilities and services complementing the cinema experience. The single-screen cinemas are also investing in their infrastructure upgradation to stay relevant to the changing technologies and consumer experiences. In India, the total number of screens grew to 9,601 in 2018 as against 9,530 in 2017. Of the 9,601 screens, 2,950 were multiplex screens while 6,651 were single-screen theatres. Further, cable and satellite rights have also witnessed healthy growth in revenue from ₹19 Bn. in 2017 to ₹21.2 Bn. in 2018⁷.

₹ 35.2 Bn.

Net Box Office Collection of Hindi Theatricals in 2018⁸

Movies in ₹1 Bn. club

(Source: India's Media & Entertainment sector, March 2019, EY)

Box Office collections (₹ Bn.)

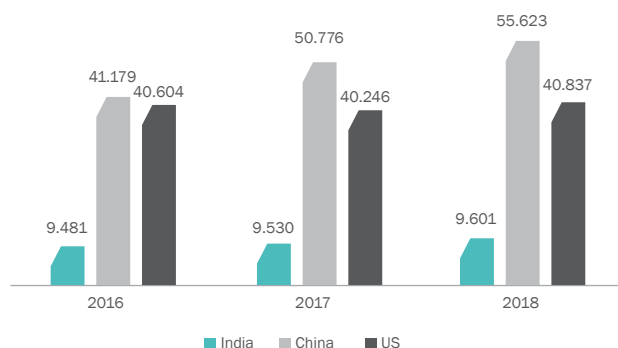
(Source: India's Media & Entertainment sector, March 2019, EY)

Opportunity unlimited

Despite being the largest film producing country in the world, India has less than 25% of the total number of screens as compared to China and the US⁹. This when compared to the rising population of the country, illustrates under-penetration of screens per million at a large scale in India. The rising per capita income, favourable tax reforms and under-penetration of screens in tier-II and tier-III cities are strong factors that will drive the screen count in coming years.

^{6,7,8 &9} India's Media & Entertainment sector, March 2019, EY

Screen count in India, China and US



(Source: India's Media & Entertainment sector, March 2019, EY)

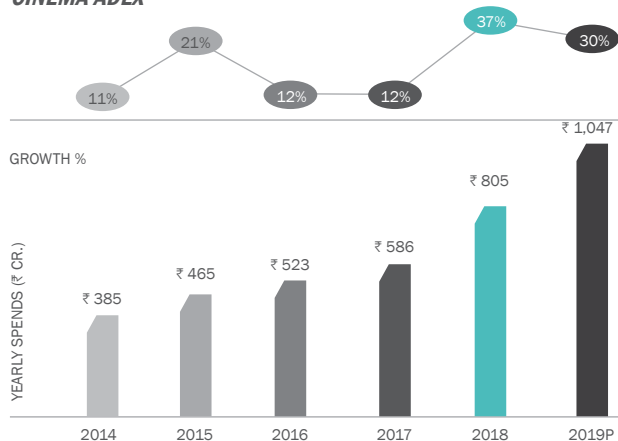
Megatrends for multiplexes

Advertising Expenditure

India continues to be the fastest-growing advertising market in the world with total Advertising Expenditure (AdEx) estimated to grow by 14.3% as against 3.6% growth rate globally in CY 2019. India is the 10th largest market in terms of advertisement spends. The key sectors that will contribute towards growth in AdEx include FMCG, Auto, retail, e-commerce, technology, and telecom.¹⁰

The AdEx in cinema showed a robust growth of 37% in 2018 amounting to ₹805 Cr.. This was on account of the improved expansion of digital distribution, infrastructure and opening of more multiplexes in tier-2 and tier-3 cities. The growth momentum is expected to continue in CY 2019 to register ₹1,047 Cr. of AdEx in cinemas.¹¹

CINEMA ADEX



P: Projected

(Source: Pitch Madison Advertising Report 2019)

¹⁰'This Year, Next Year' (TYNY), released by WPP's media investment firm - GroupM

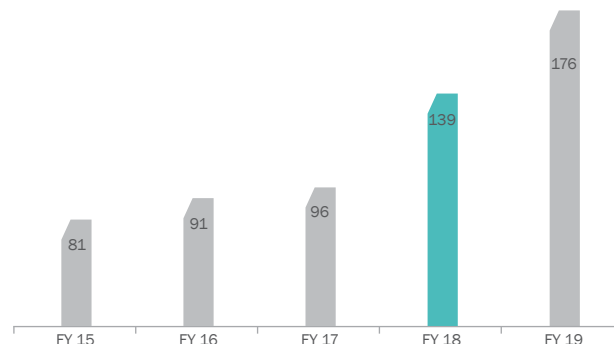
¹¹Pitch Madison Advertising Report 2019

¹²https://www.business-standard.com/article/economy-policy/indian-retail-mall-space-to-rise-to-95-million-sq-ft-in-7-cities-by-2021-119042500781_1.html

INOX's Strategy:

INOX Leisure's revenue from advertising continues to rise progressively, growing at 21% CAGR in the last five years. The increasing footfalls and rise in consumers' preference towards INOX multiplexes have helped the Company garner a larger share of advertising with INOX.

Advertising Rev (₹ in Cr.)



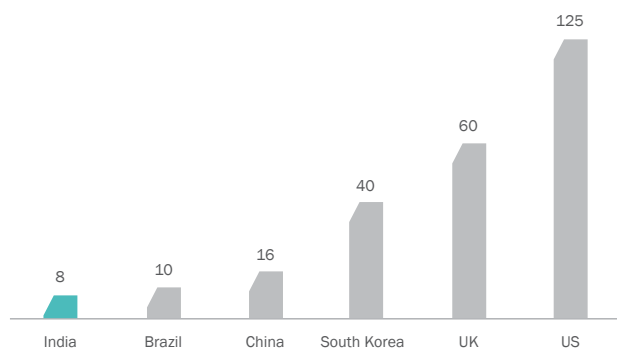
Growth in Retail Space

With rapid urbanization, changing demographic trends and improving infrastructure, India is making rapid strides towards growth in retail malls. The retail mall space is estimated to increase from 75 Mn. square feet in 2018 to 95 Mn. square feet by 2021 in the top seven cities in India¹². Further, significant growth is even estimated in tier-1 and tier-2 on account of increasing consumer spending and rising disposable income of middle-class people. The retail space consists of mixed businesses that include social entertainment options, attractive and global brands, and, most importantly, are present in prime destinations that are easily accessible by public and private transport.

INOX's Strategy

INOX is always at the forefront in providing quality infrastructure, latest audio-visual systems, and multiple F&B offerings to its patrons. India still lags behind in terms of the screen per million people, leaving significant growth opportunity for expansion. In line with this trend, INOX has been opening new screens across malls in several tier-II and tier-III cities in addition to urban cities. In FY 2019, INOX opened 85 screens in a single year making an Industry record of highest new screen opening in a single year. INOX continues to scale up its operations to offer a mix of exhibition and hospitality experience with deep audience engagement. The Company has transformed itself from just a multiplex operator to providing a premium entertainment experience.

Screens per Mn. of population

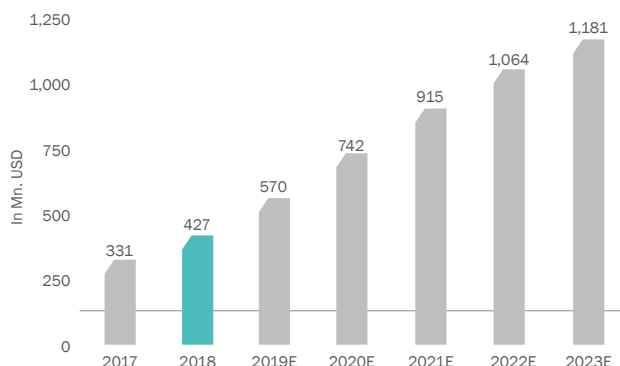


(Source: India's Media & Entertainment sector, March 2019, EY)

Food and Beverages sale

The revenue from Food and Beverages segments amounted for USD 570 Mn. in FY 2019. The segment is estimated to grow at a CAGR of 20% between 2019 and 2023 to register a market value of USD 1181 Mn. by 2023.¹³ The growth in sales of F&B has been growing on account of changing lifestyle, consumer buying trends, and growing youth population. The major platforms contributing to this growth includes e-commerce and entertainment events like cultural programs and movies.

Revenue in the Food & Beverages segment



(Source: Statista)

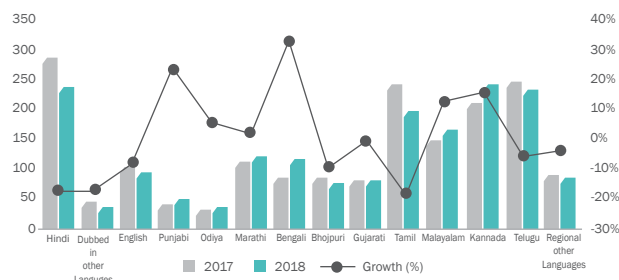
INOX Strategy

At INOX, customers are offered a gourmet of cuisines right from street food and local cuisines to international cuisines such as Italian and Continental. Along with a range of food, patrons are even offered attractive combos and offers in order to increase spend per head.

Multiple options in terms of content

Multiplexes offer multiple screens in one location offering a wider variety of content in terms of language at the same time. Along with Bollywood and Hollywood movies, other regional movies have been proving impactful and engaging content for the viewers. This has led to significant growth in footfall, occupancy rate and film releases of regional films.

Film releases 2017 vs 2018

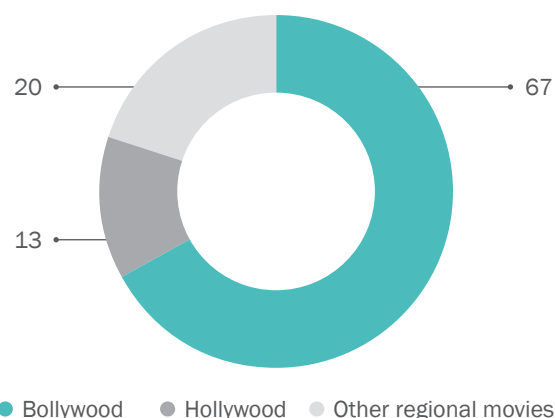


(Source: India's Media & Entertainment sector, March 2019, EY)

INOX's Strategy

The Company continues to release regional language movies for its patrons. With the growth of release of more regional movies, INOX has been adding more slots for these movies in order to address the growing demand.

Box office collection Mix in FY 19 (in %)	
Bollywood	67
Hollywood	13
Other regional movies	20



¹³<https://www.statista.com/outlook/253/119/food-beverages/india#market-revenue>

Business Overview

INOX Leisure Limited (INOX) is one of India's largest multiplex chains gaining ground with a whopping 139 multiplexes and 574 screens across 67 cities as of March 2019. With its unique architecture, aesthetics and impeccable customer-centric service, INOX is a class of its own when it comes to delivering delightful movie experiences. .

Core Competencies

- The Company is a part of the INOX Group, which is one of the most trusted and renowned business conglomerates in India.
- With substantial financial strength and unwavering corporate ethos, the company has established footprints and attained unprecedented growth in the cinema exhibition industry in a short span.

- The Company possesses a multitude of screens across the country
- The management team of the company is highly experienced in managing a diverse portfolio. Their experience and their commitment to enhancing customer experience remain the driving force of the Company.
- The Company delivers a fine blend of technology, luxury and service. The latest in projection and acoustic systems, state-of-the-art interiors, plush high-back seating, first-rate hygiene, wide-ranging food options and a selection of Bollywood, Hollywood, and regional movies are among the facilities offered by INOX as part of a wonderful movie watching experience.

Financial Highlights

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations, therefore. The key financial ratios are given below:

Particulars	FY 2019	FY 2018	YoY growth (%)	Reason for change
Interest coverage Ratio*	9.50	4.14	129%	Inter-Corporate Deposits amounting to ₹160 Cr. Repaid
Net Debt equity Ratio#	0.10	0.40	-75%	Inter-Corporate Deposits amounting to ₹160 Cr. Repaid
Operating Profit Margin	13%	9%	41%	Increase is due to: 1) Ad revenue increased by 27% (YoY) 2) Footfalls increased by 17% (YoY) 3) SPH increased by 11% (YoY)
Return on Net worth	16%	19%	-13%	Return on Net worth ratio has decreased due to increase in Shareholders fund on account of Preferential Allotment of 64,00,000 Equity Shares made during FY 2018-19 at a price of ₹250 per share. This has generated ₹160 Cr. to the company, which was utilized to repay debt. Debt repayment lead to reduction of Interest burden, thereby resulting in an increase in PAT. As a result, this has strengthen the Company's Balance Sheet.

* Operational Interest Considered

Net Debt = Gross Debt [-] Cash Equivalents [-] Mutual Fund Investment [-] Bank Balances

Key Developments, 2018-19

During the year under review, INOX made an Industry record of opening highest new screen, i.e. 85 screens, in one single year. The break of the same is highlighted in the below table:

Property Openings - FY19	Opened	Property	Screens	Seats
Mumbai Palm Beach	Q1 FY19	1	4	779
Cuttack SGBL Square mall	Q1 FY19	1	4	830
Zirakpur Dhillon Mall	Q1 FY19	1	4	945
Q1 FY19 Openings		3	12	2,554
Kakinda SRMT	Q2 FY19	1	5	915
Gurgaon Sapphire	Q2 FY19	1	3	567
Pune Heritage Mall (existing)	Q2 FY19	-	2	428
Coimbatore Prozone	Q2 FY19	1	9	2,057
Surat Reliance Mall	Q2 FY19	1	3	539
Gorakhpur City Mall	Q2 FY19	1	3	742
Delhi Epicuria	Q2 FY19	1	3	117
Q2 FY19 Openings		6	28	5,365
Mumbai Metro (existing)	Q3 FY19	-	2	94
Bangalore RMZ Galleria	Q3 FY19	1	5	1,317
Gwalior DB Mall	Q3 FY19	1	6	1,023
Kolkata Madhyamgram	Q3 FY19	1	4	809
Q3 FY19 Openings		3	17	3,243
9M FY19 Openings		12	57	11,162
Jaipur GT Central	Q4 FY19	1	7	731
Bhubhaneshwar D N Mall	Q4 FY19	1	4	762
Jamnagar Reliance	Q4 FY19	1	2	400
Mumbai Malad (existing)	Q4 FY19	-	4	168
Bhubhaneshwar Symphony	Q4 FY19	1	3	609
Chennai Marina Mall	Q4 FY19	1	8	1,820
Q4 FY19 Openings		5	28	4,490
YTD FY19 Openings		17	85	15,652

In Technology

- The Company is the first multiplex chain to implement SAP HANA with all integrated functions to streamline processes and bring efficiency.
- INOX had tied up with IMAX for a peerless cinema viewing experience for 10 screens.
- INOX had tied up with Samsung to bring in ONYX Cinema LED screen technology.
- The Company has joined hands with MX4D to offer rousing in-cinema 4D effects to its patrons.
- INOX has also teamed up with ScreenX enabling it to provide a 270-degree movie viewing experience on 3 walls of the theatre through multi-projection system.

Outlook

INOX Leisure is set to aggressively march into the next phase of growth by expanding its screen presence. By FY 2020, the Company is planning to add 80 screens across 18 new properties in a bid to make world-class cinema viewing experience accessible to more people. The company plans to add more of premium and advanced movie screens like Screen X, MX4D, LASER, etc., to its repertoire, in the future. The company expects an overall presence in 19 states, across 70 cities, comprising 157 properties and 654 screens with ~1.5 lakh seats by the end of FY2020.

Human Resource

Although technology forms the front and center of our business, it ceases to generate value without the skills, commitment, and

energy of our people. Our employees are our greatest asset and form an important driver of our performance. In its unflinching bid to build a value-based culture, the Company continuously invests in employee engagement and training and development activities. Our employees, in turn, leave no stone unturned in providing unique movie experiences to the consumers.

Risk Management and Internal Control

With a thorough risk mitigation and internal control evaluation system in place, the Company can effectively discern risks and threats that it is exposed to. The Company has put in place effective control system to counter threats and mitigate risks. A professional firm appointed by the Company assists in the evaluation of internal controls.

The current year saw the Company bolster its Enterprise Risk Management to adequately manage the different types of risks that come its way - strategic, operational, compliance or financial. Enterprise Risk Management (ERM) facilitates achievement of strategic objectives by identifying, analysing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. Quick and effective decision making is crucial in boosting a Company's organisational performance. The systemised and head-on approach to identifying risks and implementing congruous risk mitigation strategies helps to achieve just that.

In simple words, the ERM acts as a decision enabler. It not only helps minimise the impact of risks but also facilitates efficacious resource allocation methodically based on the risk impact ranking and risk appetite of the organisation. After diligently considering secondary risks and residual risks, the strategic decisions are taken.

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 a 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, FY2019.

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.

Securities and Exchange Board of India (SEBI) vide its circular dated 9th May, 2018, amended the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations") and adopted many recommendations of the Kotak Committee in order to improve the standards of Corporate Governance for listed entities in India. The Company welcomes this step by SEBI to improve the Corporate Governance standards for listed entities in India.

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, 2019, 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 2018-19, the Board met 7 (Seven) times on the following dates namely, 7th May, 2018, 18th June, 2018, 24th July, 2018, 22nd October, 2018, 1st November, 2018, 30th November, 2018 and 5th February, 2019.

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, 2019.

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	5 out of 7	No	Brother of Mr. Vivek Jain and Father of Mr. Siddharth Jain	2,19,975
Mr. Vivek Jain	Non-Executive – non Independent	3 out of 7	No	Brother of Mr. Pavan Jain	640,445

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. Deepak Asher	Non-Executive – non Independent	7 out of 7	Yes	No inter-se relationship between Directors	25,000
Mr. Siddharth Jain	Non-Executive – non Independent	7 out of 7	No	Son of Mr. Pavan Jain	6,19,965
Mr. Haigreva Khaitan	Non-Executive - Independent	5 out of 7	No	No inter-se relationship between Directors	0
Mr. Amit Jatia	Non-Executive - Independent	5 out of 7	No	No inter-se relationship between Directors	0
Mr. Kishore Biyani	Non-Executive - Independent	6 out of 7	No	No inter-se relationship between Directors	0
Ms. Girija Balakrishnan	Non-Executive - Independent	6 out of 7	No	No inter-se relationship between Directors	0

The Company has not issued any Convertible Instruments and hence the disclosure requirements in this regard are not applicable to the Company.

Mr. Pavan Jain, Mr. Vivek Jain and Mr. Deepak Asher jointly hold 43,50,092 equity shares, as trustees of INOX Benefit Trust, as on 31st March, 2019, which are not included above.

(c) Number of Directorships and Committees Membership / Chairmanship including the names of the listed entities where the person is a director and the category of directorship as on 31st March, 2019:

Name of the Director	Category of Director	Number of other Directorships / Committee Memberships / Chairmanships			Other Listed Company Directorship	Category of Directorship
		Other Directorship#	Committee(*)			
			Membership of Public Limited Companies	Chairpersonship of Listed Companies		
Mr. Pavan Jain	Chairman, Non-Executive – non Independent Director	9	1	1	Gujarat Fluorochemicals Limited (now known as GFL Limited)	Non-executive, Non-independent Director
Mr. Vivek Jain	Non-Executive – Non Independent Director	9	2	0	Gujarat Fluorochemicals Limited (now known as GFL Limited)	Managing Director
Mr. Deepak Asher	Non-Executive – Non Independent Director	7	8	1	Gujarat Fluorochemicals Limited (now known as GFL Limited) INOX Wind Limited	Non-executive, Non-independent Director Non-executive, Non-independent Director

Name of the Director	Category of Director	Number of other Directorships / Committee Memberships / Chairmanships			Other Listed Company Directorship	Category of Directorship
		Other Directorship [#]	Committee(*)			
			Membership of Public Limited Companies	Chairpersonship of Listed Companies		
Mr. Siddharth Jain	Non-Executive – Non Independent Director	9	3	0	INOX Wind Limited	Non-executive, Non-independent Director
Mr. Haigreve Khaitan	Non-Executive - Independent Director	9	4	3	Harrisons Malayalam Ltd Torrent Pharmaceuticals Ltd CEAT Limited Ambuja Cements Limited JSW Steel Limited	Independent Director Independent Director Independent Director Independent Director Independent Director
Mr. Amit Jatia	Non-Executive - Independent Director	11	3	0	V I P Industries Limited Westlife Development Limited	Non-Executive - Independent Director Executive Director & CEO
Mr. Kishore Biyani	Non-Executive - Independent Director	7	2	1	Future Retail Limited Future Lifestyle Fashions Limited Future Enterprises Limited Future Consumer Limited	Managing Director Managing Director Non-Executive - Non Independent Director Non-Executive Non-Independent Director
Ms. Girija Balakrishnan	Non-Executive - Independent Director	1	1	0	Not a Director in any other Listed Company	Not Applicable

*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 across all Public Limited Companies or act as a Chairman of more than 5 Committees across all listed entities.

(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, 2019 during the Financial Year 2018-19, with the following agenda:

- To review performance of Non-Independent Directors, the Board of Directors as a whole and Chairperson 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.

Matrix setting out the skills/expertise/competence of the board of directors

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

1. Media and Entertainment sector, particularly Cinema Exhibition
2. Hospitality, Food and Beverage, Retail Industry
3. Retail Marketing
4. Accounts & Finance, Financial Management, Taxation
5. Corporate Governance, Administration
6. Legal & Compliance and
7. Business Strategy & Management

In the opinion of the board, the independent directors fulfill the conditions specified in Listing Regulations and they are independent of the Management.

3. AUDIT COMMITTEE

(a) Terms of Reference of the Audit Committee:

The Role and the Terms of Reference of Audit Committee were amended at the Meeting of the Board of Directors held on 5th February, 2019 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
 - 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.
 21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Cr. or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 22. Review compliance with the provisions of PIT Regulations at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.
- (b) Composition, Name of Members and Chairperson, Meetings & Attendance during the year:**
- The Audit Committee comprises of Four Directors with Mr. Haigreve 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 2018-19, the Audit Committee met 5 (Five) times on the following dates, namely, 7th May, 2018, 24th July, 2018, 22nd October, 2018, 1st November, 2018 and 5th February, 2019.
- 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. Haigreve Khaitan, Independent Director | Chairman | 3 out of 5 |
| Mr. Deepak Asher, Non-Independent Director | Member | 5 out of 5 |
| Mr. Amit Jatia, Independent Director | Member | 3 out of 5 |
| Mr. Kishore Biyani, Independent Director | Member | 5 out of 5 |
- Mr. Haigreve Khaitan, Chairman of the Audit Committee was unable to attend the Annual General Meeting of the Company held on 31st August, 2018, 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 amended at the Meeting of the Board of Directors held on 5th February, 2019 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:

1. Implementation, administration and superintendence of the ESOP Scheme and formulate the detailed Terms & Conditions of the ESOP Scheme.
2. To frame suitable policies and system to ensure that there is no violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by any employee.
3. To exercise roles, powers and duties as vested under Schedule V to the Companies Act, 2013 and Part D Clause A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), 2015, as may be amended from time to time and to take decisions about remuneration payable to managerial personnel from time to time.
4. Lay down the Criteria for identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
5. Carry out evaluation of every director's performance.
6. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
7. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
8. Devising a policy on Board diversity;

(b) Composition, Name of Members, Chairperson, Meetings & Attendance during the Financial Year 2018-19:

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 2018-19, the Compensation, Nomination and Remuneration Committee met 4 (Four) times on following dates namely, 18th June, 2018 22nd September, 2018, 16th November, 2018 and 12th January, 2019.

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. Haigreve Khaitan, Independent Director	Chairman	4 out of 4
Mr. Amit Jatia, Independent Director	Member	4 out of 4
Mr. Siddharth Jain, Non-Executive Director	Member	3 out of 4

Pursuant to Regulation 19 (2A) of the Amendment Regulations, 2018, the Board has approved the quorum for the meeting of the Compensation, Nomination and Remuneration Committee of the Company, which shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

(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 2018-19. Further, based on the feedback received by the Company, the Nomination and Remuneration Committee at its Meeting held on 11th April, 2019 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 31st August, 2018.

24th September 2016 approving the payment of Professional Fees to Mr. Deepak Asher, Non-executive Director of the Company. Members of the Company had also passed a Special Resolution in the Annual General Meeting held on 31st August, 2018 approving the payment of 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.

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

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 2018-19 are given below:

(in ₹)

Name of Director	Sitting Fees*	Professional Fees	Remuneration	Total
Mr. Pavan Jain	1,40,000	-	1,85,00,000/-	1,86,40,000
Mr. Vivek Jain	60,000	-	-	60,000
Mr. Deepak Asher	2,80,000	30,00,000	-	32,80,000
Mr. Siddharth Jain	2,40,000	-	-	2,40,000
Mr. Haigreve Khaitan	2,60,000	-	-	2,60,000
Mr. Amit Jatia	2,60,000	-	-	2,60,000
Mr. Kishore Biyani	2,40,000	-	-	2,40,000
Ms. Girija Balakrishnan	1,60,000	-	-	1,60,000
Total	16,40,000	30,00,000	1,85,00,000/-	2,31,40,000

* Includes sitting fees paid for Board and Committee Meetings.

During the Financial Year 2018-19, 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. Parthasarathy Iyengar, Company Secretary
(c)	Number of Shareholders complaints received during the Financial Year 2018-19	7
(d)	Number not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

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 31st August, 2018.

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”**.

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	41	2245
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	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
2015 -16	17 th AGM on 24 th September, 2016 at 12.00 P.M.	At Maple Hall, Hotel Express Residency, 18/19, Alkapuri Society, Vadodara – 390 007	<ol style="list-style-type: none"> 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 INOX-Employee Stock Option Scheme – 2006.
2016 -17	18 th AGM on 28 th September, 2017 at 12.00 P.M.		No Special Resolution was passed in the Annual General Meeting.
2017 -18	19 th AGM on 31 st August, 2018 at 10.00 A.M.		<ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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. 4. To approve payment of Remuneration to Non-executive Directors of the Company

No special resolution was passed in the last year through postal ballot. Also, 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, 2019 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 : Wednesday, 18th September, 2019
- Time : 11:00 A.M.
- Venue : INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, Vadodara – 390 007

(b) Financial year : April, 2018 to March, 2019.

(c) Book Closure Dates : Friday, 6th September, 2019 to Wednesday, 18th September, 2019 (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

Listing Fees:

The Company has paid the annual listing fees for the Financial Year 2018-19 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 2018-19

Month	NSE Monthly High Price (₹)	NSE Monthly Low Price (₹)	BSE Monthly High Price (₹)	BSE Monthly Low Price (₹)
April, 2018	282.90	255.00	282.35	255.3
May, 2018	305.00	251.75	304.20	254.00
June, 2018	280.00	250.50	282.80	250.60
July, 2018	262.00	190.45	260.00	190.35
August, 2018	261.20	192.25	262.00	192.00
September, 2018	255.50	212.75	255.00	213.20
October, 2018	239.95	187.90	241.90	189.65
November, 2018	230.00	208.40	230.85	208.00
December, 2018	250.00	214.50	249.90	210.10
January, 2019	267.40	235.20	268.50	234.00
February, 2019	288.55	250.00	287.85	250.05
March, 2019	342.00	279.15	341.80	277.00

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

Date	Nifty 500	Company's Share Price on NSE
2 nd April, 2018	8,949.45	265.00
29 th March, 2019	9,663.7	329.40
Change	7.98%	24.30%

Date	BSE Sensex	Company's Share Price on BSE
2 nd April, 2018	33,030.87	267.45
29 th March, 2019	38,672.91	328.8
Change	17.08%	22.94%

The Equity Shares of the Company were not suspended from Trading during the Financial Year 2018-19.

(i) Registrar and Transfer Agents:

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

Karvy Fintech Private Limited

Karvy Selenium Tower No. B, Plot No.31-32, Financial District,
Nanakramguda, Serilingampally Mandal, 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, 2019:

Shareholding of Nominal Value	Number of Shareholders	% to Total	Number of Shares	Amount in Rupees	% to Total
1 – 5000	33,266	93.87	27,80,170	2,78,01,700	2.70
5001 – 10000	1,159	3.27	8,81,184	88,11,840	0.86
10001 – 20000	505	1.43	7,45,083	74,50,830	0.72
20001 – 30000	145	0.41	3,66,251	36,62,510	0.36
30001 – 40000	76	0.21	2,65,492	26,54,920	0.26
40001 – 50000	53	0.15	2,45,082	24,50,820	0.24
50001 – 100000	87	0.25	6,48,468	64,84,680	0.63
100001 & Above	147	0.41	9,69,26,024	96,92,60,240	94.23
TOTAL	35,438	100.00	102,857,754	1,02,85,77,540	100.00

(l) Shareholding Pattern as on 31st March, 2019 is as under.

Category	Number of Shares held	Percentage of Total Shareholding (%)
Promoter's holding		
- Indian Promoters	5,33,73,928	51.89
Sub-Total	5,33,73,928	51.89
Non-Promoters Holding		
Institutional Investors		
- Mutual Funds /UTI /AIF	2,20,26,161	21.41
- Financial Institutions/Banks	53,301	0.05
- Foreign Institutional Investors	1,15,88,882	11.27
Sub-Total	3,36,68,344	32.73
Others		
Bodies Corporate	18,71,289	1.82
Indian Public	82,08,756	7.98
Non Resident Indians	4,06,587	0.40
Any other		
- NBFCs registered with RBI	8,400	0.01
- HUF	2,88,718	0.28
- Trusts	43,50,689	4.23
- Clearing Members	4,29,167	0.42
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	2,51,876	0.24
Sub-Total	1,58,15,482	15.38
Grand Total	10,28,57,754	100.00%

Of the above 10,28,57,754 Equity Shares, 43,50,092 Equity Shares are held by INOX Benefit Trust as on 31st March, 2019. 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 1st 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 10th 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.

(m) Dematerialization of shares:

The Company's Equity Shares are traded compulsorily in dematerialized form. As of 31st March, 2019, 10,28,50,383 Equity Shares (99.99%) out of the Total 10,28,57,754 Equity Shares are held 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, Burdhan 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
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

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

Sr. No.	City	Location
101	Goa	2 nd Floor, A- Wing, Osia Commercial Arcade, SGPDA Market Complex, Margao
102	Meerut	PVS Mall, I Bock, Shastri Nagar, Meerut
103	Thrissur	Sobha City Mall, Thrissur
104	Surat	Aai Mata Chowk, Paravat Patia, Surat
105	Jorhat	ABS Mall, 4 th Floor, at Rd, Gar-Ali, Jorhat
106	Goa	Mall De Goa, Alto Porvorim, Bardez, Goa
107	Bengaluru	Brookefield Mall, Kundalahalli Village, Krishnarajapuram Hobli, Bengaluru
108	Kota	The Great Mall of Kota, DCM Road, Kota
109	Howrah	Rangoli Mall, 212, Girish Gosh Road, Belur, Howrah
110	Jaipur	Sunny's Big Junction (STC), Shukhalpura New Aatish Market, Manasarovar, Jaipur
111	Rajkot	Mouie Nana Mava, Rajkot
112	Mumbai [§]	Metro House, Mahatma Gandhi Road, Mumbai
113	Aurangabad	Reliance Mega Mall, Gajanan Maharaj Mandir Road, Garkheda, Aurangabad
114	Jamnagar	Crystal Mall, Airport Road, Jamnagar, Gujarat
115	Surat	Raj Imperial INOX, Deep Kamal Mall, Near Sarthana Zoo, Varachha Road, Surat
116	Gandhinagar	Old Shalimar Cinema, Sector-16, Gandhinagar
117	Bharuch	Blue Chip Complex, Seva Ashram Road, Bharuch
118	Pune [§]	Dorabjee's Royale Heritage Mall, NIBM Ext, Next to Vibgyor High School, Mohammed Wadi, Pune
119	Greater Noida	3 rd Floor, Omaxe Connaught Place Mall, H Block, Sector Beta – 2, Greater Noida
120	Mumbai	Atria Mall, Dr. Annie Besant Road, Worli, Mumbai
121	Kolhapur	2 nd Floor, Reliance Mega Mall, Old Dalal Market, Laxmipuri, Kolhapur
122	Ghaziabad	3 rd Floor, Shipra Mall, Plot no: 09, Vaibhav Khand, Indrapuram, Ghaziabad
123	Nadiad	3 rd Floor, Opal One Mall, College Road, Nadiad
124	Mumbai	3 rd Floor, Palm Beach Galleria Mall, Palm Beach Road, Sector 19, Vashi, Navi Mumbai
125	Cuttack	SGBL Square, Town Hall Road, Chowdhury Bazar, Cuttack
126	Zirakpur	1 st Floor, Dhillon Plaza, Chhat Road, Singhpura, Zirakpur
127	Kakinada	SRMT Mall, Lalitha Nagar, Sarpavaram Junction, Kakinada
128	Gurugram	2 nd Floor, Sapphire 83 Mall, N. H. 8, Gurugram
129	Coimbatore	S.F. No. 201, Sathy Main Road, Coimbatore
130	Surat	4 th Floor, Reliance Mall, Udna, Surat
131	Gorakhpur	City Mall, 2 nd Floor, 6 Civil Lines, Gorakhpur
132	Delhi	Lower Ground Floor, Epicuria, TDI South Bridge, Nehru Place Metro Station, PD Area, Nehru Place, Delhi
133	Bengaluru	2 nd Floor, RMZ Galleria Mall, Ambedkar Colony, Yelahanka,
134	Gwalior	2 nd Floor, DB Mall, Race Course Road, Old MPSRTC Work Station, Opp. Gwalior Rly Stn, Gwalior
135	Kolkata	3 rd Floor, Star Mall, 74/Mall/1, Jessore Road (North), Madhyamgram, Kolkata
136	Jaipur	G.T Central Mall, 4 th Floor, Plot No.4, Indira Palace, Malviya Nagar, Jaipur
137	Bhubaneswar	D N Regalia, IDCO Plot No 1/A, Bhagabanpur Industrial Estate, Patrapada, Bhubaneswar
138	Jamnagar	First Floor, Reliance Mall, Motikhavdi, Jamnagar
139	Bhubaneswar	Symphony Mall, Plot No.149, Rudrapur, Bhubaneswar
140	Chennai	3 rd Floor, The Marina Mall, Old Mahabalipuram Road, Egatoor, Chennai
141	Lucknow [*]	3 rd Floor, B-Block South City, Lucknow
142	Vadodara [*]	Taksh Galaxy Mall, Waghodia, Vadodara
143	Bengaluru [*]	Garuda Yelahanka, 1 st A Main Road, Yelahanka New Town, Bengaluru
144	Hyderabad [*]	4 th Floor, GSM Mall, Miyapur 99 & 100, Madeenaguda, Hyderabad

[§]discontinued operations w.e.f. 1st August, 2018.

^{*}Commenced operations after 31st March, 2019

[§]Additional Screens were added in the existing theatre.

(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.: 4062 6900 | Fax No.: 4062 6999
Website: www.inoxmovies.com
Email Address: investors@inoxmovies.com

(r) list of all credit ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

There are no debt instruments or any fixed deposit programme or any scheme or any proposal involving mobilization of funds and hence the Company has not obtained any Credit Ratings for the same.

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 AS 24) has been made in the Note 43 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 to report their concerns / grievances. The Vigil Mechanism / Whistle-blower Policy of the Company was amended by the Board in March 2019, in light of the recent amendments introduced through the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

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, 2019, 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>.

The Company has no Material Subsidiary as on 31st March, 2019.

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

g) Details of utilization of funds raised through preferential allotment:

During the year under review, the Company had made a preferential allotment of 64,00,000 equity shares of ₹10 each to GFL Limited (earlier known as Gujarat Fluorochemicals Limited), Promoter of the Company at a price of ₹250 per share (at a premium of ₹240 per share) on 30th November, 2018 ("Preferential Issue") and had raised ₹160 Cr.. Objects of the Issue, as approved by the shareholders of the Company in the Extraordinary General Meeting held on 29th November, 2018, was to strengthen the Balance Sheet of the Company, by reducing debt, improving leverage, enhancing borrowing power for future growth opportunities and increasing profitability. There was no deviation in the utilization of proceeds of Preferential Issue from the objects as stated in the explanatory statement to the notice for the Extra-ordinary General Meeting held on 29th November, 2018. In terms of 32(7A) of the Listing Regulations the funds are fully utilized as per the objects of the issue.

h) 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

11. 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 except that the Chairman of the Audit Committee could not attend the last AGM for the reason specified in Para 3(b) of the Corporate Governance Report.

12. 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.

13. 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.

14. 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>.

15. 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**.

16. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

A Certificate from M/s. Samdani Shah & Kabra, Practicing Company Secretaries is enclosed as **Annexure – B** to the report.

17. TOTAL FEES PAID TO STATUTORY AUDITORS FOR ALL SERVICES:

The detail of fees paid to M/s. Kulkarni & Company, Statutory Auditors (Membership No. 140959W) of the Company for their services is given hereunder.

(₹ in lakh)	
Particulars	2018-19
Statutory audit	32.00
Limited Review, Corporate governance and Consolidated accounts	11.00
Certificates	1.00
Total	44.00

18. DISCLOSURE IN RELATION TO 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 2018-19.

Number of complaints pending as on 1 st April, 2018	01
Number of complaints received	14
Number of complaints disposed off	15
Number of complaints pending as on 31 st March, 2019	Nil

19. COMPLIANCE CERTIFICATE FROM THE SECRETARIAL AUDITORS:

As stipulated in Para E of Schedule V of Listing Regulations, the Certificate from the M/s. Samdari Shah & Kabra, Company Secretaries, regarding compliance of conditions of corporate governance is annexed herewith.

By Order of the Board of Directors

Place: Mumbai
Date: 02nd August, 2019

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, 2019.

Place: Mumbai
Date: 02nd August, 2019

Alok Tandon
Chief Executive Officer

CERTIFICATE

Corporate Governance Compliance Certificate

[For the Financial Year ended 31st March, 2019 pursuant to SEBI
(Listing Obligations and Disclosure Requirements) Regulation, 2015]

To
The Members of
INOX Leisure Limited

We have examined the compliance of the conditions of Corporate Governance by **INOX Leisure Limited** for the year ended 31st March, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the 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 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 in respect of investor grievances received during the year ended 31st March, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

S. Samdani
Partner

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

Place: Vadodara
Date: 02nd August, 2019

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 from time to time) read with SEBI circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015 and its amendment vide Notification No. SEBI/LAD-NRO/GN/2015-16/27 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.

Since INOX Leisure Limited (hereinafter referred to as INOX or the Company) is a part of top 500 listed companies (based on market capitalisation as on 31st March, 2019) as per the list hosted on the websites of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), it is required to publish BRR in its Annual Report for Financial Year 2018-2019. 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 2018-19:

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	2018-2019
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	139 Locations as on 31 st March, 2019
10.	Markets served by the Company	National

Section B Financial details of the Company

1.	Paid up capital (INR)	₹1,02,85.78 Lakhs
2.	Total turnover (INR)	₹1,69,218.47 Lakhs
3.	Total profit after tax (INR)	₹13,347.33 Lakhs
4.	Total spending on CSR as percentage of PAT (%)	₹186.74 Lakhs i.e. 1.40% of PAT for FY 2018-19
5.	List of the activities in which expenditure in 4 above has been incurred	Activities related to promotion of education, healthcare, sports, animal welfare 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, 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%]	No
----	--	----

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)

Principle Number	Principle
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all the employees
P4	Businesses should respect the interests of, and be responsive towards all its stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board?	Y			Y				Y	
	If 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

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 our 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	The business responsibility performance of the Company is assessed annually by the BRR Committee constituted by the Board of Directors of the Company at its Meeting held on 27 th April, 2016.
(b)	Does the Company publish BR or Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?	Yes. BRR of Financial Year 2017-18 is placed on the website of the Company: https://www.inoxmovies.com/Corporate.aspx?Section=3 It is published annually.

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

INOX 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 INOX. 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 INOX 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, INOX 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 INOX 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 INOX 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 INOX property. Also the waste generated at all INOX 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 2106 employees (excluding outsourced employees).

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

A total of 7064 employees have been hired on temporary/contractual/casual basis.

3. Please indicate the number of permanent women employees.

The Company has 124 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 the 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	0	0
2.	Sexual harassment	14	Nil
3.	Discriminatory employment	0	0

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 INOX 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?

INOX 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, 2019.

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, INOX does not conduct a formal environmental risk assessment. However, the Company incorporates environment friendly practices in its day to day activities.

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 INOX'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, INOX 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, 2019.

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.

28 complaints are pending as on 31st March, 2019.

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.

27 complaints are pending as on 31st March, 2019 before various Consumer Forums for unfair trade practice. There was no pending stakeholder case against the company regarding irresponsible advertising and/or anti-competitive behaviour as on 31st March, 2019.

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: 02nd August, 2019

Pavan Jain
Chairman

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

to the members of INOX Leisure Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **INOX Leisure Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2019, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31st March, 2019

Sr.	Key Audit Matter	Auditor's Response
1	<p>Claims and exposure relating to indirect taxation</p> <p>The Company has disclosed in Note 46 the contingent liabilities as at 31st March, 2019 which includes amount of ₹ 24,165.67 Lakhs in respect of indirect tax matters viz. entertainment tax and service tax.</p> <p>This has been identified as a key audit matter due to magnitude of the amount involved, uncertainty of the matter and the potential financial impact on the financial statements.</p> <p>There is significant judgement required by management in assessing the exposure of each case due to the complexities of the cases and timescales for resolution.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained the summary of all pending indirect tax matters of the Company and assessed the management's position through discussion with the Head of Legal, CEO and CFO, on both the probability of success and the amounts involved. • Inspected external legal opinions (where considered necessary) and other evidence to corroborate management's assessment with respect to these issues. • Assessed the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the potential exposures and in accordance with Ind AS 37. <p>We are satisfied that the treatment in respect of the potential indirect tax matters is appropriate based on our procedures performed and we conclude that the related disclosures are appropriately presented in the financial statements.</p>
2	<p>Carrying amount of goodwill and property, plant & equipment</p> <p>As at 31st March, 2019, the carrying amount of goodwill is ₹ 1,750.00 lakhs and the carrying amount of property, plant & equipment (PPE) is ₹ 89,385.12 lakhs.</p> <p>The goodwill is in respect of the one of the multiplexes and the Company is required to annually assess the carrying amount of goodwill by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). As a result of performing value in use calculations, there is no impairment of the goodwill, either in current year or preceding year.</p> <p>The Company has also reviewed the carrying amounts of the PPE to determine whether the recoverable amount of a CGU is estimated to be less than its carrying amount by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). For this purpose, each multiplex of the Company is treated as a separate CGU. Based on this analysis, net impairment loss of ₹ 82.00 lakhs is recognised during the year (₹ 309.55 lakhs in the preceding year).</p> <p>This has been identified as a key audit matter since the value in use calculations includes key assumptions and judgments in the calculation of the recoverable amount, viz. forecast revenue growth rates, discount rate assumptions and the parameters used for growth forecast.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> • In case of PPE, we evaluated the appropriateness of the parameters used to identify whether any indication of impairment existed for the purpose of identification of CGUs to be tested • Obtained an external valuation report in respect of the goodwill. • For all CGUs identified for impairment testing and the CGU with goodwill, we obtained the discounted cash flow forecasts prepared by the management. • We evaluated the appropriateness of management's model used for the impairment assessment and considered the reasonableness of the cash flow forecast, judgments and assumptions used in the calculations. • For each CGU identified for impairment testing, we have checked the mathematical accuracy of the calculations. <p>On performing the above procedures, we concluded that no impairment is required in case of goodwill and the impairment loss recognised by the Company in respect of PPE is appropriate and we conclude that the related disclosures are appropriately presented in the financial statements.</p>

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31st March, 2019 (Contd..)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report, for example, Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance etc., but does not include the standalone financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, and Corporate Governance etc. is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, and Corporate Governance etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31st March, 2019(Contd..)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, 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, Statement of Changes in Equity, and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the

Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31st March, 2019 (Contd..)

Company's internal financial controls with reference to financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act.

(h) 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 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kulkarni and Company

Chartered Accountants

Firm's Registration No. 140959W

A.D Talavlikar

Partner

Membership No. 130432

Place: Pune

Date: 13th May, 2019

Annexure I 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 financial statements for the year ended 31st March, 2019 – 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	6,145.34	Conveyance deed is yet to be executed
	1	828.57	629.45	In the name of erstwhile amalgamated company and yet to be transferred in the name of the Company
	1	1,763.73	1,427.45	In the name of erstwhile amalgamated company and conveyance deed is yet to be executed
Building total		10,161.11	8,202.24	

- 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.
- 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
- The Company has complied with the provisions of section 185 and section 186 of the Act in respect of investments made and guarantees provided. The Company has not granted any loans or provided any security covered under section 185 and section 186 of the Act.
- 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.
- 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.
- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, cess 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 31st March, 2019 for a period of more than six months from the date they become payable.

Annexure I to Independent auditor's report

to the members of INOX Leisure Limited (Contd..)

Particulars of dues of service tax and duty of customs 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	Custom, Excise and Service Tax Appellate Tribunal, Hyderabad.
	For the period May 2008 to March 2014	2,853.23	Custom, Excise and Service Tax Appellate Tribunal, New Delhi.
	For the period July 2012 to December 2014	6,710.55	Custom, Excise and Service Tax Appellate Tribunal, Mumbai.
	For the Period April 2009 to July 2013 and for period Jan 2015 to March 2015	1,151.16	Custom, Excise and Service Tax Appellate Tribunal, Mumbai.
	Service tax on Food & Beverage		
	For the period April 2013 to February 2014	1387.28	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
	For the period March 2014 to December 2014	723.36	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
	For the period January 2015 to September 2015	794.17	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
	For Period October 2015 to June 2017	3231.38	Custom, Excise and Service Tax Appellate Tribunal, Mumbai
	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, Nhava Sheva

There are no dues of income-tax, value added tax, 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.

Annexure I to Independent auditor's report

to the members of INOX Leisure Limited (Contd..)

11. The Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
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 made preferential allotment of equity shares during the year and the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year under review.
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 and Company**
Chartered Accountants
Firm's Registration No. 140959W

A.D Talavlikar
Partner
Membership No. 130432

Place: Pune
Date: 13th May, 2019

Annexure II to Independent auditor's report

to the members of INOX Leisure Limited

Annexure II to Independent auditor's report to the members of INOX Leisure Limited on the standalone financial statements for the year ended 31st March, 2019 - 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 with reference to financial statements 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 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal 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 ("the 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, 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 control 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

Annexure II to Independent auditor's report

to the members of INOX Leisure Limited (Contd..)

are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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 31st March, 2019 based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Place: Pune
Date: 13th May, 2019

A.D Talavlikar
Partner
Membership No. 130432

Standalone Balance Sheet

as at 31st March, 2019

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5A	89,385.12	74,270.89
(b) Capital work-in-progress	5B	6,372.71	5,394.78
(c) Goodwill	6	1,750.00	1,750.00
(d) Other intangible assets	7	1,105.43	1,154.66
(e) Financial assets			
(i) Investments			
(a) Investments in subsidiaries	8	102.12	102.12
(b) Other investments	9	61.38	121.27
(ii) Loans	10	8,922.16	7,417.53
(iii) Other financial assets	11	8,597.21	6,753.68
(f) Deferred tax assets (net)	12	5,285.34	8,112.40
(g) Income tax assets (net)	13	838.82	883.50
(h) Other non-current assets	14	10,368.66	8,246.17
Total Non - current assets		1,32,788.95	1,14,207.00
2 Current assets			
(a) Inventories	15	1,218.75	939.91
(b) Financial assets			
(i) Other investments	9	53.10	1,206.88
(ii) Trade receivables	16	8,824.01	7,590.83
(iii) Cash and cash equivalents	17	1,125.78	1,279.40
(iv) Bank balances other than (iii) above	18	186.97	168.84
(v) Loans	10	518.31	590.31
(vi) Other financial assets	11	22.12	18.42
(c) Income tax assets (net)	13	455.13	-
(d) Other current assets	14	2,660.91	2,463.17
Total Current assets		15,065.08	14,257.76
Total Assets (1+2)		1,47,854.03	1,28,464.76
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	10,260.59	9,616.28
(b) Other equity	20	89,391.88	60,618.17
(c) Interest in INOX Benefit Trust	21	(3,266.98)	(3,266.98)
Total equity		96,385.49	66,967.47
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	5,500.00	25,240.23
(ii) Other financial liabilities	23	895.54	312.84
(b) Provisions	24	1,266.97	1,009.79
(c) Other non-current liabilities	25	6,904.20	7,565.72
Total Non - current liabilities		14,566.71	34,128.58
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	2,000.00	-
(ii) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises	27	1.43	5.33
b. total outstanding dues of creditors other than micro enterprises and small enterprises	27	15,960.46	11,299.99
(iii) Other financial liabilities	23	12,013.40	10,550.78
(b) Other current liabilities	28	4,745.09	3,819.94
(c) Provisions	24	1,440.84	1,478.32
(d) Income tax liabilities (net)	13	740.61	214.35
Total Current liabilities		36,901.83	27,368.71
Total Equity and Liabilities (1+2+3)		1,47,854.03	1,28,464.76

The accompanying notes are an integral part of the standalone 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

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Kailash B Gupta

Chief Financial Officer

Place: Mumbai

Date: 13th May, 2019

Deepak Asher

Director

DIN: 00035371

Parthasarathy Iyengar

Company Secretary

Alok Tandon

Chief Executive Officer

Place: Pune

Date: 13th May, 2019

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from operations	29	1,69,218.47	1,34,811.83
Other income	30	1,490.35	1,444.00
Total Income (I)		1,70,708.82	1,36,255.83
Expenses			
Cost of materials consumed	31	11,249.51	7,435.80
Exhibition cost	32	44,420.91	36,731.78
Employee benefits expense	33	11,516.77	9,635.55
Finance costs	34	2,367.36	2,889.47
Depreciation and amortisation expense	35	9,549.07	8,669.89
Impairment losses(net)	5/8	82.00	308.95
Other expenses	36	71,115.84	59,965.21
Total expenses (II)		1,50,301.46	1,25,636.65
Profit before exceptional items and tax (I - II = III)		20,407.36	10,619.18
Exceptional items (IV)	48	499.69	854.16
Profit before tax (III-IV = V)		19,907.67	9,765.02
Tax expense: (VI)	37		
Current tax		6,010.00	3,251.00
Deferred tax		1,005.84	420.28
Taxation pertaining to earlier years		(455.50)	(5,370.47)
		6,560.34	(1,699.19)
Profit for the year (V - VI = VII)		13,347.33	11,464.21
Other comprehensive income (VIII)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		9.10	100.21
(ii) Income tax on above	37	(3.18)	(35.02)
Total Other comprehensive Income (I-ii)		5.92	65.19
Total Comprehensive income for the year (VII +VIII = IX)		13,353.25	11,529.40
(Comprising profit and other comprehensive income for the year)			
Earnings per equity share (in ₹)			
1) Basic	39	14.20	12.49
2) Diluted	39	14.19	12.48

The accompanying notes are an integral part of the standalone 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

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Standalone Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cash flows from operating activities		
Profit for the year after tax	13,347.33	11,464.21
Adjustments for:		
Income tax expense	6,560.34	(1,699.19)
Finance costs	2,367.36	2,889.47
Interest income recognised in profit or loss	(786.89)	(704.64)
Government grants - deferred revenue	(1,051.85)	(1,387.99)
Gain on investments measured at fair value through profit or loss	(87.60)	(370.03)
Deferred rent expenses	542.33	616.77
Loss on disposal of property, plant and equipment (net)	479.86	1,085.22
Liabilities and provisions, no longer required, written back	(473.05)	(281.44)
Expense on ESOP	126.10	179.49
Bad debt & remissions	41.40	13.98
Deposits and advances written off	5.00	63.61
Allowance for doubtful deposits and advances	29.22	113.96
Allowance for doubtful trade receivables and expected credit losses	46.01	-
Allowance for amount recoverable towards claim	-	854.16
Impairment loss on property, plant and equipment (net)	82.00	308.95
Depreciation and amortisation expense	9,549.07	8,669.89
Unrealised exchange loss/(gain)	(3.16)	10.32
	30,773.47	21,826.74
Movements in working capital:		
(Increase)/decrease in trade receivables	(1,320.59)	(2,943.81)
(Increase)/decrease in inventories	(278.84)	(31.15)
(Increase)/decrease in loans	(928.78)	(261.38)
(Increase)/decrease in other financial assets	(1,717.93)	(377.22)
(Increase)/decrease in other assets	(2,854.72)	(1,487.40)
Increase/(decrease) in trade payables	4,656.57	2,457.18
Increase/(decrease) in provisions	228.80	147.83
Increase/(decrease) in other financial liabilities	1,323.92	1,494.81
Increase/(decrease) in other liabilities	1,788.53	1,162.83
Cash generated from operations	31,670.43	21,988.43
Income taxes paid	(3,675.65)	(1,735.52)
Net cash generated by operating activities	27,994.78	20,252.91
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(24,650.44)	(15,003.15)
Payments for other intangible assets	(308.88)	(231.50)
Proceeds from disposal of property, plant and equipment and intangible assets	40.32	170.52
Interest received	317.93	174.20
Maturity of Government securities	41.30	-
Purchase of current investments	(35,000.00)	(54,700.00)
Sale/redemption of current investments	36,247.39	54,912.26
Investment in subsidiary company	-	(3.00)
Payments towards business combination consideration payable	(72.24)	(5.32)
Movement in other bank balances	(203.97)	154.12
Net cash used in investing activities	(23,588.59)	(14,531.87)

Standalone Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cash flows from financing activities		
Proceeds from preferential issue of equity shares	16,000.00	-
Share issue expenses	(67.79)	-
Shares issued under ESOP	6.47	-
Repayment of borrowings - non current	(20,193.00)	(2,503.40)
Net movement in current borrowings	2,000.00	-
Finance costs	(2,305.49)	(2,897.05)
Net cash used in financing activities	(4,559.81)	(5,400.45)
Net increase/(decrease) in cash and cash equivalents	(153.62)	320.59
Cash and cash equivalents at the beginning of the year	1,279.40	958.81
Cash and cash equivalents at the end of the year	1,125.78	1,279.40

Changes in liabilities arising from financing activities during the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings
Opening balance	29,201.77	-
Interest expense	2,144.39	96.19
Cash flows	(22,343.41)	1,916.70
Closing balance	9,002.75	2,012.89

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

(₹ in Lakhs)

Particulars	Non-current borrowings	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 and on behalf of the Board of Directors**

For **Kulkarni and Company**

Chartered Accountants

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Kailash B Gupta

Chief Financial Officer

Deepak Asher

Director

DIN: 00035371

Parthasarathy Iyengar

Company Secretary

Alok Tandon

Chief Executive Officer

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Standalone Statement of Changes in Equity

for the year ended 31st March, 2019

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	644.31	10,260.59

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus					Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Shares options outstanding account	Retained Earnings	
Balance as at 1st April, 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 42)				179.49		179.49
Balance as at 31st March, 2018	0.10	28,092.61	2,782.55	184.76	29,558.15	60,618.17
Additions during the year:						
Profit for the year	-	-	-	-	13,347.33	13,347.33
Other comprehensive income for the year, net of tax(*)	-	-	-	-	5.92	5.92
Total comprehensive income for the year	-	-	-	-	13,353.25	13,353.25
On account of stock options (see Note 42)	-	113.05	-	15.20	-	128.25
On preferential issue of equity shares	-		-	-	-	15,360.00
		15,360.00				
Share issue expenses	-	(67.79)	-	-	-	(67.79)
Balance as at 31st March, 2019	0.10	43,497.87	2,782.55	199.96	42,911.40	89,391.88

(*) 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 and on behalf of the Board of Directors

For **Kulkarni and Company**

Chartered Accountants

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 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.

2.3 Basis of Preparation and Presentation

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.

Following accounting standards and amendments were applicable to the Company for the first time in the annual reporting period commencing from 1st April, 2018:

- a) New Accounting Standard - Ind AS 115: Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115: Revenue from Contracts with Customers, on 28th March, 2018, which is effective for accounting periods beginning on or after 1st April, 2018. The Company has transitioned to Ind AS 115 with effect from 1st April, 2018 using

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

cumulative catch-up transition method, applied to contracts that were not completed as of 1st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The Company had to change its accounting policies following the adoption of Ind AS 115. However, in view of the nature of the revenue streams of the Company, the adoption of Ind AS 115 did not have any impact on the revenue recognition and measurement in respect of its revenue from operations. Additional disclosures required by Ind AS 115 are given in Note no. 29.

b) Amendments to existing accounting standards applicable to the Company

- Amendments to Ind AS 12: Recognition of deferred tax assets for unrealized losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Company as the Company does not have any deductible temporary differences or assets that are in the scope of the amendments.

- Amendments to Ind AS 20: Government Grants related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including

non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

- Appendix B: Foreign Currency Transactions and Advance Consideration to Ind AS 21

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

- Amendments to Ind AS 38: Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

The above amendments to Ind AS did not have any impact on the Company's financial statements and not expected to significantly affect the future periods.

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 13th May, 2019.

2.4 Particulars of investments in subsidiaries 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
Shouri Properties Private Limited	India	99.29%	At cost
Swanston Multiplex Cinemas Private Limited	India	100%	At cost

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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 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 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Revenue from Services:

Revenue from services is recognized, at a point in time or over time, on satisfaction of performance obligation for the services rendered as under:

Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time. Advertisement revenue is recognized on exhibition of the advertisement or over the period of contract as applicable, Revenue from other Services is recognised over the period of contract or at a point in time, as per contractual terms.

Food and beverages revenue:

Food and beverages revenue is recognized when the control of goods have been transferred to the customers. The performance obligation in case of products is satisfied at a point in time i.e. at the point of sale.

No element of financing is deemed present as the payment of transaction price is either made in advance / due immediately at the point of sale or the sales are made with a credit term of 60-90 days, which is consistent

with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money. Non-cash consideration (or promise of non-cash consideration) is measured at fair value. If the fair value of the non-cash consideration cannot be reasonably estimated, the same is measured indirectly by reference to the standalone selling price of the goods or services promised to the customer (or class of customer) in exchange for the consideration.

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

3.4 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

3.5 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 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.

3.6 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.

3.7 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.

3.8 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.

3.9 Employee benefits

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 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.

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.

3.10 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 42.

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.

3.11 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 of sale of such shares by the Trust, is recognized directly under 'Other Equity' as 'Reserve on Sale of Treasury Shares'.

312 Taxation

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

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 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.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

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.

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.

313 Property, plant & equipment

An item of Property, Plant & 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 1st 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 3.7).

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 1st 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 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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.

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 1st 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 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.

3.16 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.

3.17 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 requirements for revenue recognition.

3.18 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:

- i. The Company's business model for managing the financial asset and

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

- 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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.

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 is 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.

3.19 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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.

3.20 New Accounting Standards and recent accounting pronouncements

a) New Accounting Standard - Ind AS 116 Leases:

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The variable component of lease payments will continue to be charged to the statement of profit and loss as lease expenses. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116. Under this approach, the Company proposes to record the right of use asset at its carrying amount as if the standard had been applied since the commencement date, but discounted at its incremental borrowing rate at the date of initial application and take the cumulative adjustment to retained earnings, net of deferred tax, on the date of initial application (1st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would result in an increase in Right of use asset in the range of ₹ 160000 lakhs to ₹ 170000 lakhs and an increase in lease liability in the range of ₹ 210000 lakhs to ₹ 230000 lakhs. The difference, after giving effect to the deferred tax, will be adjusted in the opening retained earnings as at 1st April, 2019.

b) Amendments to existing accounting standards applicable to the Company

- Appendix C: Uncertainty over Income Tax Treatments to Ind AS 12: Income Taxes

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

On 30th March, 2019, Ministry of Corporate Affairs has notified Appendix C: Uncertainty over Income Tax Treatments. The interpretation addresses the accounting income taxes when tax treatment involves uncertainty that affects the application of Ind AS 12. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Company will adopt the standard on 1st April, 2019 and is not likely to have significant impact on the Company's financial statements.

- **Amendment to Ind AS 12: Income Taxes**

The amendments to Ind AS 12 clarify that the income tax consequences of dividend are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity recognises income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments are applicable from annual periods beginning on or after 1st April, 2019. These amendments will not have any impact on the Company's financial statements.

- **Amendment to Ind AS 19: Employee Benefits**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. These amendments apply to plan amendments, curtailments, or settlements occurring from annual periods beginning on or after 1st April, 2019 and will apply only to any future plan amendments, curtailments, or settlements.

- **Amendment to Ind AS 23: Borrowing Costs**

The amendment clarifies that any borrowing originally made to develop a qualifying asset should be treated as a part of general borrowings when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. This amendment will be applicable to the borrowing costs incurred from 1st April, 2019. The Company is currently evaluating the effect of this amendment and the impact is not likely to be significant.

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.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

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 31st March, 2019 was ₹ 1,750 Lakhs (as at 31st March, 2018:

₹ 1,750 Lakhs). Details of impairment calculations are set out in Note 6A.

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 3.13 and 3.14 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 41.

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 37 and 12.
- Measurement of defined benefit obligations and other long-term employee benefits – see Note 40.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 24 and 46.
- Impairment of financial assets – see Note 41.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,345.57	11,594.69
Leasehold improvements	29,308.64	21,815.12
Plant and equipment	33,785.14	28,234.79
Furniture and fixtures	8,693.56	7,067.84
Vehicles	148.55	48.23
Office equipment	3,434.00	2,840.56
TOTAL	89,385.12	74,270.89

- (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.

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Freehold Land	1,743.99	1,743.99
Buildings	4,322.71	4,413.95
Total	6,066.70	6,157.94

- (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 st March, 2019	As at 31 st March, 2018
Leasehold improvements	10,921.85	9,320.74
Plant and equipment	13,339.68	12,127.51
Furniture and fixtures	3,850.14	3,961.62
Office equipments	1,293.32	1,445.78
Total	29,404.99	26,855.65

- (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 st March, 2019	As at 31 st March, 2018
Plant and equipment	-	6,039.48
Furniture and fixtures	-	790.40
Office equipments	-	276.85
Total	-	7,106.73

- (iv) The Company has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 103.00 lakhs due to lower than expected performances in respect of two multiplex theatres (as at 31st March, 2018: ₹ 308.95 lakhs in respect of four multiplex theatres). The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 575.33 lakhs (as at 31st March, 2018: ₹ 520.38 lakhs).

Further, in respect of one multiplex, there is reversal of impairment loss of ₹ 21.00 lakhs which was recognized in earlier year. This reversal is due to extension of lease period for the said multiplex. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 38.97 lakhs (as at 31st March, 2018: ₹ Nil lakhs).

The net impairment loss is recognised in the Statement of Profit and Loss. 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 is 12% per annum.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

5A. Property, plant and equipment

(₹ in Lakhs)

Description of Assets	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost								
Balance as at 1st April, 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 31st 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
Additions	-	-	10,091.39	9,694.71	3,187.18	128.18	1,802.42	24,903.88
Disposals	-	-	(769.25)	(556.08)	(244.74)	(61.49)	(48.05)	(1,679.61)
Borrowing cost	-	-	1.73	1.43	0.33	-	-	3.49
Balance as at 31st March, 2019	2,669.66	12,309.49	37,049.29	46,389.38	13,603.15	182.53	7,267.67	1,19,471.17
Accumulated depreciation and impairment								
Balance as at 1st April, 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	2,114.76	3,547.05	1,366.06	22.43	1,036.45	8,350.98
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52	308.95
Eliminated on disposal of assets	-	(16.29)	(459.30)	(1,234.36)	(261.82)	-	(113.71)	(2,085.48)
Balance as at 31st March, 2018	-	714.80	5,910.30	9,014.53	3,592.54	67.61	2,672.74	21,972.52
Depreciation expense for the year	-	249.12	2,361.47	3,842.26	1,513.78	24.54	1,200.83	9,192.00
Impairment losses recognised in profit or loss	-	-	39.39	52.66	6.41	-	4.54	103.00
Reversal of Impairment Loss	-	-	(0.14)	(18.57)	(1.42)	-	(0.87)	(21.00)
Eliminated on disposal of assets	-	-	(570.37)	(286.64)	(201.72)	(58.17)	(43.57)	(1,160.47)
Balance as at 31st March, 2019	-	963.92	7,740.65	12,604.24	4,909.59	33.98	3,833.67	30,086.05

(₹ in Lakhs)

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 st 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
As at 31 st March, 2019	2,669.66	11,345.57	29,308.64	33,785.14	8,693.56	148.55	3,434.00	89,385.12

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

5B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital work-in-progress	5,461.59	4,684.67
Pre-operative expenditure pending allocation	911.12	710.11
Total	6,372.71	5,394.78

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening balance	710.11	1,217.09
Add: Expenses incurred during the year		
Salaries and wages	569.62	469.29
Contribution to provident and other funds	39.15	29.70
Staff welfare	1.00	0.27
Borrowings costs	-	55.86
Lease Rent	323.75	-
Legal & professional fees and expenses	956.51	664.53
Travelling & conveyance	334.23	34.34
Power & fuel	70.34	55.41
Housekeeping expenses	30.69	18.13
Outsourced personnel cost	54.48	4.63
Security expenses	113.53	65.56
Miscellaneous expenses	192.31	87.61
	2,685.61	1,485.33
Sub total	3,395.72	2,702.42
Less: Capitalised during the year	2,484.60	1,992.31
Closing balance	911.12	710.11

Capital work in progress includes amount of ₹ Nil (as at 31st March, 2018: ₹ 649.60 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)

Description of Assets	As at 31 st March, 2019	As at 31 st March, 2018
Cost or deemed Cost		
Balance at the beginning of year	1,750.00	1,750.00
Balance at the 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

6A. Allocation of goodwill to cash generating units: (Contd..)

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

(₹ in Lakhs)

Cash generating units	As at 31 st March, 2019	As at 31 st March, 2018
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 cash flow projections covering a ten year period and a discount rate of 12% p.a. (as at 31st March, 2018: 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 5%. 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 10% 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 9%. The values assigned to the assumption are based on the rebranding of these operations.

7. Other intangible assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Carrying amounts of:		
Computer software	1,097.59	1,137.28
Website	7.84	17.38
	1,105.43	1,154.66

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, 2017	1,535.35	46.00	54.43	1,635.78
Additions	231.50	-	-	231.50
Disposals	(7.14)	-	-	(7.14)
Balance as at 31st March, 2018	1,759.71	46.00	54.43	1,860.14
Additions	308.88	-	-	308.88
Disposals	(3.05)	-	(54.43)	(57.48)
Balance as at 31st March, 2019	2,065.54	46.00	-	2,111.54

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

7A. Other intangible assets(Contd..)

(₹ in Lakhs)

Description of Assets	Computer software	Website	Movie script	Total
Accumulated amortisation				
Balance as at 1st April, 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 31st March, 2018	622.43	28.62	54.43	705.48
Amortisation expense for the year	347.53	9.54	-	357.07
Eliminated on disposal of assets	(2.01)	-	(54.43)	(56.44)
Balance as at 31st March, 2019	967.95	38.16	-	1,006.11

(₹ in Lakhs)

Carrying amounts	Computer software	Website	Movie script	Total
As at 31 st March, 2018	1,137.28	17.38	-	1,154.66
As at 31 st March, 2019	1,097.59	7.84	-	1,105.43

8. Investment in subsidiaries

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Investment carried at cost		
In equity instruments (unquoted, fully paid up)		
Shouri Properties Private Limited - 14,00,000 equity shares (31 st March, 2018: 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 (31 st March, 2018: 20,30,000) (see Note (ii) below)	282.52	282.52
Less: Provision for impairment in value of investment	(279.52)	(279.52)
	3.00	3.00
	102.12	102.12
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	102.12	102.12
Aggregate amount of impairment in value of investments	320.40	320.40

- (i) The Company has carried out a review of the recoverable amount of the investment in the subsidiaries and on the basis of review, no further impairment provision is required.
- (ii) During the year, the Board has approved the Scheme of Amalgamation (Merger by absorption) ("the Scheme") under Section 230 to 232 and other applicable sections of the Companies Act, 2013, for amalgamation of Swanston Multiplex Cinemas Private Limited ("SMCPL") with the Company, subject to the approval of the Scheme by the Shareholders and Creditors of the respective Companies, Hon'ble National Company Law Tribunal, Bench at Ahmedabad and Mumbai. The

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

8. Investment in subsidiaries(Contd..)

Scheme has been approved by the Shareholders, Secured Creditors and Unsecured Creditors of the Company in their meeting held on 31st August, 2018. Further, on 15th October, 2018 the Hon'ble National Company Law Tribunal, Bench at Ahmedabad has approved the Scheme subject to any directions as may be given by Hon'ble National Company Law Tribunal, Bench at Mumbai ("NCLT Mumbai"). Pursuant to an order of the NCLT Mumbai dated 20th November, 2018 the meeting of the Equity Shareholders of the SMCPL was held on 5th January, 2019 and Chairman's Report on result of the Meeting of shareholders of SMCPL has been filed with NCLT Mumbai on 14th January, 2019. Once approved, the Scheme will be effective from the appointed date i.e. 1st April, 2018. The effect to the said Scheme will be given after obtaining the necessary approvals and completion of other legal formalities.

9. Other investments

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificate	114.48	168.36
Less: Current portion	(53.10)	(47.09)
Total	61.38	121.27
Current		
Unquoted investments (all fully paid-up)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - Nil units (31 st March, 2018: 416,839.61) (face value ₹ 100)	-	1,159.79
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	53.10	47.09
Total	53.10	1,206.88
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	114.48	1,328.15
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 st March, 2019	As at 31 st March, 2018
Financial assets measured at fair value through profit or loss (FVTPL)		
Mandatorily measured at FVTPL - Mutual funds	-	1,159.79
Financial assets measured at amortised cost		
National Savings Certificates	114.48	168.36
	114.48	1,328.15

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

10. Loans

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Security deposits		
Considered good - unsecured	8,922.16	7,417.53
Security deposits which have significant increase in credit risk	-	-
Security deposits - credit Impaired	147.46	205.47
	9,069.62	7,623.00
Less: Provision for Impairment	(147.46)	(205.47)
Total	8,922.16	7,417.53
Current		
Security deposits		
Unsecured, considered good	518.31	590.31
Total	518.31	590.31

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 | 5,121.43 | 4,813.41 |

11. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Entertainment tax and GST subsidy claimed	1,591.60	2,633.97
Electricity charges refund claimed (see Note 46)	389.83	389.83
Non-current bank balances (from Note 18)	417.40	226.80
Amount recoverable towards claims		
Considered good - unsecured	87.97	147.97
Amount recoverable towards claims which have significant increase in credit risk	-	-
Amount recoverable towards claims - credit Impaired	914.16	854.16
	1,002.13	1,002.13
Less: Provision for Impairment	(914.16)	(854.16)
	87.97	147.97
Other advances (*)		
Considered good - unsecured	6,110.41	3,355.11
Advances which have significant increase in credit risk	-	-
Advances - credit Impaired	22.50	58.64
	6,132.91	3,413.75

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

11. Other financial assets (Contd..)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Less: Provision for Impairment	(22.50)	(58.64)
Total	6,110.41	3,355.11
Current	8,597.21	6,753.68
Interest accrued	22.12	18.42
Total	22.12	18.42

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

12. Deferred tax assets (net)

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

Year ended 31st March, 2019

Deferred tax asset/(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	469.39	(1,383.36)			(913.97)
Intangible assets	(157.66)	39.42			(118.24)
Gratuity and leave benefits	436.79	76.11	(3.18)		509.72
Expenses allowable on payment basis	615.91	86.88			702.79
Allowance for doubtful trade receivables and expected credit loss	126.79	2.11			128.90
Effect of measuring investments at fair value	(3.42)	3.42			-
Government grants - deferred income	2,981.61	(283.60)			2,698.01
Others deferred tax assets	274.87	(123.62)			151.25
	4,744.28	(1,582.64)	(3.18)		3,158.46
MAT credit entitlement	3,368.12	726.62		(1,967.86)	2,126.88
Total	8,112.40	(856.02)	(3.18)	(1,967.86)	5,285.34

Year ended 31st March, 2018

Deferred tax asset/(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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

12. Deferred tax assets (net) (Contd..)

Year ended 31st March, 2018

Deferred tax asset/(liabilities) in relation to: (Contd..)

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing Balance
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

13. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Current	Non current	Current	Non current
Income tax assets (net)				
Income tax paid (net of provisions)	455.13	838.82	-	883.50
Total	455.13	838.82	-	883.50
Income tax liabilities (net)				
Provision for Income tax (net of payments)	740.61	-	214.35	-
Total	740.61	-	214.35	-

14. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Capital advances	592.83	584.99
Security deposits	1,532.86	1,272.14
Deferred lease rent expense	5,777.03	4,437.96
Prepayments - leasehold land	273.74	280.71
Prepayments - others	2,192.20	1,670.37
Total	10,368.66	8,246.17
Current		
Advances to suppliers	631.08	544.59
Other advances for expense	57.75	48.79
Balances with government authorities - GST credit available	127.58	588.26
Deferred lease rent expense	614.91	494.50
Prepayments - leasehold land	6.96	6.96
Prepayments - others	1,140.92	760.26
Unbilled revenue	81.71	19.81
Total	2,660.91	2,463.17

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

15. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Food & beverages	825.68	619.09
Stores, spares & fuel	393.07	320.82
	1,218.75	939.91

The mode of valuation of inventories is stated in Note 3.16

16. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Considered good - unsecured	8824.01	7590.83
Trade receivables which have significant increase in credit risk	117.19	102.31
Trade receivables - credit Impaired	251.67	260.52
	9192.87	7953.66
Less: Provision for expected credit loss and Impairment	(368.86)	(362.83)
	8,824.01	7,590.83

17. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balances with banks in current accounts	488.59	818.07
Cash on hand	637.19	461.33
Total	1,125.78	1,279.40

18. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Other bank balances		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	71.87	77.31
Deposit accounts with original maturity for more than 12 months	532.50	318.33
	604.37	395.64
Less: Amount disclosed under Note 11 - 'Other financial assets-non current'	(417.40)	(226.80)
Total	186.97	168.84

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

18. Other bank balances (Contd..)

Notes:

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a) Deposit account with original maturity for more than 3 months but less than 12 months	71.87	77.31
b) Deposit account with original maturity for more than 12 months	532.50	318.33

19. Share capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Authorised capital		
14,60,50,000 (31 st March, 2018: 14,60,50,000) equity shares of ₹ 10 each	14,605.00	14,605.00
10,000 (31 st March, 2018: 10,000) preference shares of ₹ 10 each	1.00	1.00
Issued, subscribed and fully paid up		
10,28,57,754 (31 st March, 2018: 9,64,57,754) equity shares of ₹ 10 each	10,285.78	9,645.78
Less: 2,51,876 (31 st March, 2018: 2,95,001) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 42)	(25.19)	(29.50)
	10,260.59	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 st March, 2019		As at 31 st March, 2018	
	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
Add: Issued during the year under ESOP	43,125	4.31	-	-
Add: Issued during the year under preferential allotment	64,00,000	640.00	-	-
Shares outstanding at the end of the year	10,26,05,878	10,260.59	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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

19. Share capital (Contd..)

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

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
Gujarat Fluorochemicals Limited (holding company)	5,27,86,467	5,278.65	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	5,33,73,928	5,337.40	4,69,73,928	4,697.40

During the year, the Company has allotted additional 64,00,000 fully paid-up equity shares of ₹ 10 each to Gujarat Fluorochemicals Limited (GFL) on preferential basis. Consequently, the shareholding of GFL in the Company has increased from 48.09% to 51.32%. Even prior to the said preferential allotment, the Company was a subsidiary of GFL since the shareholders of the Company had passed a resolution at the Annual General Meeting held on 23rd August, 2013 amending the Articles of Association of the Company entitling GFL to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of the Company and accordingly, GFL was having control over the Company.

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

Name of shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	5,27,86,467	51.32%	4,63,86,467	48.09%
HDFC Trustee Company Limited	65,33,720	6.35%	-	-

(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 42.

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

During the year ended 31st 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 st March, 2019	As at 31 st March, 2018
Capital redemption reserve	0.10	0.10
Securities premium	43,497.87	28,092.61
General reserve	2,782.55	2,782.55
Shares options outstanding account	199.96	184.76
Retained earnings	42,911.40	29,558.15
	89,391.88	60,618.17

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

20. Other equity (Contd..)

Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	0.10	0.10
Movement during the year	-	-
Balance at the 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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	28,092.61	28,092.61
Movement during the year		
On issue of shares on preferential basis	15,360.00	-
On account of ESOP	113.05	-
Share issue expense	(67.79)	-
Balance at the end of year	43,497.87	28,092.61

Securities premium represents premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

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 42.

General reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance at the 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.

Share options outstanding account

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	184.76	5.27
On account of share options	15.20	179.49
Balance at the end of year	199.96	184.76

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 42.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

20. Other equity (Contd..)

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	29,558.15	18,028.75
Profit for the year	13,347.33	11,464.21
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	5.92	65.19
Balance at the end of year	42,911.40	29,558.15

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. Interest in INOX Benefit Trust - 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 1st 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 10th 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 st March, 2019		As at 31 March 2018	
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 st March, 2019	As at 31 st March, 2018
Secured:		
(i) Term loans - from banks	9,002.75	12,952.77
Unsecured:		
(i) Inter-corporate deposits - from holding company	-	16,249.00
Total borrowings	9,002.75	29,201.77
Less: Amounts disclosed under Note 23 "Other current financial liabilities"		
Current maturities	(3,500.00)	(3,952.77)
Interest accrued	(2.75)	(8.77)
Total	5,500.00	25,240.23

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

22. Non current borrowings (Contd..)

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

As at 31st March, 2019

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	2,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 th June, 2017.	8.85% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	3,437.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 th February, 2018.	8.40% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,062.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 th March, 2018.	8.60% to 8.96%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	1,500.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 th June, 2018.	8.53% to 8.60%

As at 31st 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 st 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 th 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 th 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 th 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 th June, 2018.	8.60%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

22. Non current borrowings (Contd..)

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loan from Axis Bank was 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. The entire loan has been repaid during the current financial Year.

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 were repayable in 6 to 8 years from the date of respective deposits and carried interest @ 10%. The entire inter-corporate deposit has been repaid during the current financial year.

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

23. Other financial liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Security deposits	759.45	146.54
Retention money	136.09	166.30
	895.54	312.84
Current		
Current maturities of long-term debt	3,500.00	3,952.77
Interest accrued	15.64	8.77
Security deposits	214.57	157.92
Creditors for capital expenditure	4,089.73	2,850.19
Retention money	930.50	469.33
Business combination consideration payable	-	72.24
Employee dues	716.42	575.43
Expenses and other payable	2,546.54	2,464.13
	12,013.40	10,550.78
Total	12,908.94	10,863.62

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

24. Provisions

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Employee benefits (see Note 40)		
a) Gratuity	1,047.85	865.13
b) Leave benefits	410.83	384.83
	1,458.68	1,249.96
Other provisions (see below)	1,249.13	1,238.15
Total	2,707.81	2,488.11
Non-current	1,266.97	1,009.79
Current	1,440.84	1,478.32
Total	2,707.81	2,488.11

Other provisions

(₹ in Lakhs)

	Service Tax	Municipal Tax	Other Indirect Taxes	Total
Balance as at 1st April, 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 31st March, 2018	1,035.02	115.95	87.18	1,238.15
Provided during the year	-	224.00	126.93	350.93
Paid during the year	-	(339.95)	-	(339.95)
Balance as at 31st March, 2019	1,035.02	-	214.11	1,249.13

- Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1st June, 2007 to 30th September, 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1st June, 2007. The matter is pending before the Hon'ble Supreme Court of India.
- Provision for municipal tax was in respect of disputed amount pertaining to one of the Company's multiplexes. The entire amount is paid during the current year.
- 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 st March, 2019	As at 31 st March, 2018
Deferred revenue arising from Government grant	7,720.95	8,532.55
Less: Current portion disclosed under Note 28 "Other current liabilities"	(816.75)	(966.83)
Total	6,904.20	7,565.72

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

25. Other non-current liabilities(Contd..)

Movement in deferred revenue arising from government grant

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening Balance	8,532.55	9,439.97
Add: Recognised during the year	240.25	480.57
Less: Transferred to other operating revenue	(1,051.85)	(1,387.99)
Closing Balance	7,720.95	8,532.55

26. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Unsecured loan		
-From bank		
Short term working capital demand loan	2,012.89	-
Less: Interest disclosed under Note 23 "Other current financial liabilities"	(12.89)	-
Total	2,000.00	-

The above loan is repayable in bullet repayments on 15th May, 2019 and 7th June, 2019 of ₹ 1,000 lakhs each, and carries interest @ 9.05% p.a.

27. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Trade payables		
- Dues of micro enterprises and small enterprises	1.43	5.33
- Dues to creditors other than micro enterprises and small enterprises	15,960.46	11,299.99
Total	15,961.89	11,305.32

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 st March, 2019	As at 31 st March, 2018
a) Principal amount due to suppliers under MSMED Act, 2006 at the year end	1.43	5.33
b) Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end	-	0.04
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	16.86	25.65
d) Interest paid to suppliers under section 16 of MSMED Act, 2006 during the year	9.43	-
e) Interest due and payable to suppliers under MSMED Act for payments already made	-	0.74
f) Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	-	8.65

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

28. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Revenue received in advance	1,705.73	1,177.82
Advances from customers	512.72	395.35
Deferred revenue arising from Government grant (from Note 25)	816.75	966.83
Statutory dues		
- Taxes payable (other than income taxes)	1,272.59	1,176.16
- Employee recoveries and employer contributions	122.61	103.78
Other liabilities - (see Note 48)	314.69	-
Total	4,745.09	3,819.94

29. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from contracts with customers:		
Revenue from services	1,24,364.27	1,02,622.81
Food and beverages revenue	43,592.55	30,602.30
	1,67,956.82	1,33,225.11
Other operating revenue	1,261.65	1,586.72
Total revenue	1,69,218.47	1,34,811.83

Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019
a) On the basis of type of goods or service	
Revenue from box office	97,538.25
Revenue from advertisement services	17,666.54
Convenience fees	5,002.37
Virtual print fees	2,697.95
Other services	1,459.16
	1,24,364.27
Food and beverages revenue	43,592.55
Total revenue from contracts with customers	1,67,956.82

Contract balances

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019
Trade receivables	8,824.01
Contract assets	81.71
Contract liabilities	2,218.45

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

29. Revenue from operations (Contd..)

During the year ended 31st March, 2019, the Company has recognized revenue of ₹ 1,513.62 Lakhs arising from opening contract liabilities.

Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as under:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019
Within one year	5,561.32
More than one year but less than five years	6,189.33
Total	11,750.65

The transaction price allocated to service contracts for original expected duration of one year or less are not included in amounts disclosed above as permitted under Ind AS 115. Further, as permitted under the transitional provisions in Ind AS 115, the transaction price allocated to remaining performance obligations (unsatisfied or partially satisfied) as at 31st March, 2018 is not disclosed.

Additional disclosure on transition to Ind AS 115

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended and as at 31st March, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹ 81.71 Lakhs as at 31st March, 2019 has been considered as a non financial asset.

30. Other income

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	29.71	35.22
On long term investments	9.99	11.79
On security deposits	473.08	518.42
	512.78	565.43
Other interest income		
Interest on income tax refunds	200.46	107.38
Others	73.65	31.83
	274.11	139.21
Total interest income	786.89	704.64
B) Other non-operating income		
Liabilities and provisions no longer required, written back	473.05	281.44
Miscellaneous income	142.81	87.89
Total other non-operating income	615.86	369.33
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	87.60	370.03
Total	1,490.35	1,444.00
Note: Realised gains in respect of mutual funds	97.39	360.82

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

31. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cost of food & beverages consumed	11,249.51	7,435.80
Total	11,249.51	7,435.80

32. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Distributors' share	43,678.88	36,122.48
Other exhibition cost	742.03	609.30
Total	44,420.91	36,731.78

33. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Salaries and wages	9,849.80	8,188.05
Contribution to provident and other funds	666.55	570.32
Expense on ESOP	115.57	159.40
Gratuity	260.42	240.49
Staff welfare expenses	624.43	477.29
Total	11,516.77	9,635.55

34. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,135.20	1,624.90
- other borrowings	1,105.38	1,286.55
	2,240.58	2,911.45
b) Other Interest		
Interest on income tax	55.00	-
Other Interest expense - see Note 2 below	39.53	8.96
	94.53	8.96
Total interest	2,335.11	2,920.41
Less: amount included in the cost of qualifying assets	-	(55.86)
	2,335.11	2,864.55
Other borrowing costs	32.25	24.92
Total	2,367.36	2,889.47

Note:

- The weighted average capitalisation rate of funds borrowed is Nil (previous year 8.73% p.a)
- Excluding interest of ₹ 89.69 lakhs included in exceptional item (see Note 48)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

35. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Depreciation of property, plant and equipment	9,192.00	8,350.98
Amortization of intangible assets	357.07	318.91
Total	9,549.07	8,669.89

36. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Power and fuel	10,707.28	9,531.95
Rent and common facility charges	31,867.39	26,418.69
Repairs to :		
- Buildings	353.11	316.89
- Plant and equipment	2,503.01	2,358.86
- Others	700.18	575.06
Rates and taxes	1,189.87	1,062.28
Expenditure on corporate social responsibility (CSR) - Note (ii) below	186.74	64.01
Directors' sitting fees	16.40	10.20
Commission to non-executive director	185.00	-
Allowance for doubtful trade receivables and expected credit losses	46.01	-
Allowance for doubtful advances and deposits	29.22	113.96
Bad debts & remissions - Note (iii) below	41.40	13.98
Deposits and advances written off - Note (iv) below	5.00	63.61
GST & Service tax	2,906.23	2,187.95
Net loss on foreign currency transactions and translation	53.90	23.43
Legal and professional fees and expense	1,720.75	1,372.01
Advertisement & sales promotion	2,308.71	1,633.64
Travelling and conveyance	1,043.57	869.36
Housekeeping expenses	3,115.55	2,578.67
Security charges	2,700.79	2,251.16
Outsourced personnel cost	6,510.42	5,326.50
Loss on sale / disposal of property, plant and equipment (net of Impairment loss adjusted of ₹ Nil - previous year ₹ 312.41 lakhs)	479.86	1,085.22
Miscellaneous expenses	2,445.45	2,107.78
Total	71,115.84	59,965.21

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

36. Other expenses (Contd..)

i) Legal and professional fees and expense includes:

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) payments to auditors:		
Statutory audit, limited reviews and corporate governance report	43.00	36.00
Certification matters	1.00	-
	44.00	36.00
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 (excluding amount of ₹ 5.07 lakhs (previous year ₹ Nil), towards share issue expenses and adjusted in security premium)	223.37	330.25

Note - All above amounts are exclusive of GST

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 ₹ 139.95 lakhs (previous year ₹ 102.84 lakhs).

(b) Amount spent during the year on:

Particulars	(₹ in Lakhs)		
	In cash	Yet to be paid in cash	Total
Construction/acquisition of any PPE			
FY 2018-19	Nil	Nil	Nil
FY 2017-18	Nil	Nil	Nil
On purposes other than (i) above			
Donations			
FY 2018-19	186.74	Nil	186.74
FY 2017-18	64.01	Nil	64.01

iii) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 39.98 lakhs (previous year ₹ 38.69 lakhs) and reduction in provision for expected credit loss of ₹ Nil (previous year ₹ 46.18 lakhs)

iv) Deposits and advances written off are net of provision for doubtful deposit and advances adjusted of ₹ 63.37 lakhs (previous year ₹ 6.29 lakhs).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

37.1 Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Current tax		
In respect of the current year	6,010.00	3,251.00
In respect of earlier years	(305.68)	(232.32)
	5,704.32	3,018.68
Deferred tax		
In respect of the current year	1,005.84	420.28
In respect of earlier years	(149.82)	(5,138.15)
	856.02	(4,717.87)
Total income tax expense recognised in the current year	6,560.34	(1,699.19)

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

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit before tax	19,907.67	9,765.02
Income tax expense calculated at 34.944% (previous year 34.608%)	6,956.54	3,379.48
Effect of provision for doubtful deposits and claims	10.21	335.05
Effect of expenses that are not deductible in determining taxable profit	86.96	36.94
Tax incentives	(37.87)	(34.57)
Effect of change in tax rate for computation of deferred tax	-	(45.62)
	7,015.84	3,671.28
Taxation in respect of earlier years	(455.50)	(5,370.47)
Income tax expense recognised in profit and loss	6,560.34	(1,699.19)

The tax rate used for the year 2018-2019 and 2017-2018 in the reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

37.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(3.18)	(35.02)
Total income tax recognised in other comprehensive income	(3.18)	(35.02)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

37.3 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 & Gujarat on the basis of Schemes pertaining to these three 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 31st 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 current year and previous year, accepting certain claims of the Company, 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:

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
MAT credit entitlement	(720.95)	(2,924.48)
Income Tax	(305.68)	(232.32)
Deferred tax	571.13	(2,213.67)
Net credit	(455.50)	(5,370.47)

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 Company are in India and hence there are no geographical segments.

Information about major products and services

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from services		
Revenue from box office	97,538.25	80,219.57
Revenue from advertising income	17,666.54	13,890.88
Convenience Fees	5,002.37	3,719.07
Virtual Print fee	2,697.95	2,463.96
Other services	1,459.16	2,329.33
Sub-total	1,24,364.27	1,02,622.81
Food & beverages revenue	43,592.55	30,602.30
Sub-total	43,592.55	30,602.30
Other operating revenue		
Government Grants - deferred revenue	1,051.85	1,387.99
Others	209.80	198.73
Sub-total	1,261.65	1,586.72
Total revenue from operations	1,69,218.47	1,34,811.83

Information about major customers:

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit for the year attributable to owners of the Company (₹ in Lakhs)	13,347.33	11,464.21
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,39,78,140	9,18,12,661
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	14.20	12.49

Diluted earnings per share

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	13,347.33	11,464.21
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,40,55,086	9,18,76,160
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	14.19	12.48

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

The following is a reconciliation of the equity shares used in the computation of basic and dilutive earnings:

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	9,39,78,140	9,18,12,661
Add: Effect of dilutive equivalent equity shares- share options outstanding	76,946	63,499
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	9,40,55,086	9,18,76,160

40. 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 ₹ 598.76 Lakh (previous year ₹ 496.18 Lakh) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 39.15 Lakh (previous year ₹ 29.70 Lakh) is included in pre-operative expenses.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

40. Employee benefits (Contd..)

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 31st March, 2019 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:

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March, 2019	31 st March, 2018
Opening defined benefit obligation	865.13	809.28
Current service cost	197.44	189.18
Interest cost	62.98	51.31
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Benefits paid	(68.60)	(84.43)
Closing defined benefit obligation	1,047.85	865.13

Components of amounts recognised in profit or loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March, 2019	31 st March, 2018
Current service cost	197.44	189.18
Interest expense	62.98	51.31
Amount recognised in profit or loss	260.42	240.49
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Amount recognised in other comprehensive income	(9.10)	(100.21)
Total	251.32	140.28

The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows.

Particulars	Valuation as at	
	31 st March, 2019	31 st March, 2018
Discount rate (per annum)	7.49%	7.58%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

40. Employee benefits (Contd..)

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 st March, 2019	31 st March, 2018
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(66.01)	(54.59)
If discount rate is decreased by 1%	74.53	61.60
If salary escalation rate is increased by 1%	70.27	58.11
If salary escalation rate is decreased by 1%	(63.38)	(52.44)

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 31st March, 2019 is 6.56 years (previous year 7.82 years)

Expected outflow in future years (as provided in actuarial report)

Particulars	₹ in Lakhs
Expected outflow in 1 st Year	95.85
Expected outflow in 2 nd Year	100.06
Expected outflow in 3 rd Year	121.07
Expected outflow in 4 th Year	150.55
Expected outflow in 5 th Year	121.93
Expected outflow in 6 th to 10 th Year	454.05

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

40. Employee benefits (Contd..)

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31st March, 2019 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 43.11 lakhs(previous year ₹ 5.29 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.

Particulars	Valuation as at	
	31 st March, 2019	31 st March, 2018
Discount rate (per annum)	7.49%	7.58%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	10.00%	10.00%
Mortality	IAML (2006-08) ultimate mortality table	

41. 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:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Total debt	11,015.64	29,201.77
Cash & bank balances (not subject to lien)	(1,125.78)	(1,279.40)
Net debt	9,889.86	27,922.37
Total Equity	96,385.49	66,967.47
Net debt to equity ratio	10.26%	41.70%

- (i) Debt is defined as total borrowings and current maturities of long term debt as described in Note 22, 23 and 26
- (ii) Cash & bank balances includes cash and cash equivalents (Note 17), other bank balances (Note 18), not subject to lien

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41. Financial Instruments (Contd..)

(ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	-	1,159.79
Measured at amortised cost		
(a) Cash and bank balances	1,730.15	1,675.04
(b) Other financial assets at amortised cost		
(i) Investments in NSC	114.48	168.36
(ii) Trade receivables	8,824.01	7,590.83
(iii) Loans	9,440.47	8,007.84
(iv) Other financial assets	8,201.93	6,545.30
Sub-total	28,311.04	23,987.37
Total financial assets	28,311.04	25,147.16
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	11,015.64	29,201.77
(ii) Trade payables	15,961.89	11,305.32
(iii) Other financial liabilities	9,393.30	6,902.08
Total financial liabilities	36,370.83	47,409.17

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 held 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 enters into any derivative instruments for trading or speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks.

(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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41. Financial Instruments (Contd..)

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:

(USD in Lakhs)

Particulars	Liabilities	
	As at 31 st March, 2019	As at 31 st March, 2018
Liabilities		
Capital Creditors-USD	2.02	10.95

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 st March, 2019	As at 31 st March, 2018
Liabilities		
Capital Creditors	139.34	713.00

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 st March, 2019	As at 31 st March, 2018
Increase by 10%	(9.06)	(46.62)
Decrease by 10%	9.06	46.62

(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, 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 st March, 2019	As at 31 st March, 2018
Increase by 50 basis points	(29.28)	(72.82)
Decrease by 50 basis points	29.28	72.82

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41. Financial Instruments (Contd..)

(iii) Other price risks

The Entity is exposed to equity price risks arising from equity investments. Equity investments in subsidiaries are held for strategic rather than trading purposes. The entity does not actively trade in these investments. The Company's investment in mutual funds were 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 31st March, 2019 is ₹ 3,685.08 lakhs (as at 31st March, 2018 of ₹ 1,766.96 lakhs) are due from 5 major customers who are reputed parties and having long association.

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%

Movement in the expected credit loss allowance

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
Balance as at beginning of the year	102.31	148.49
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	14.88	(46.18)
Balance as at end of the year	117.19	102.31

As at 31st March, 2019, an amount of ₹ 1643.18 lakhs (previous year ₹ 1643.18 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41. Financial Instruments (Contd..)

(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 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 Company'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 Company can be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2019

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade payables	15,961.89	-	-	15,961.89
Borrowings	5,500.00	5,500.00	-	11,000.00
Other financial liabilities	8,513.40	876.52	19.02	9,408.94
Total	29,975.29	6,376.52	19.02	36,370.83

The table below provides details regarding the contractual maturities of financial liabilities as at 31st 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	293.82	21.30	6,913.13
Total	21,856.10	25,534.05	21.30	47,411.45

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
	31 st March, 2019	31 st March, 2018		
Investments in Mutual Funds (Note 9)	-	1,159.79	Level 1	Quoted prices in an active market

In the period, there were no transfers between Level 1, 2 and 3.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

41. Financial Instruments (Contd..)

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.

42. 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 31st March, 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to INOX Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of ₹ 75.00 Lakh 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 23rd June, 2017, stock options of 1,67,500 shares had been granted to employees and on 5th January, 2017, stock options of 20,000 shares had 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

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:

Particulars	Options granted	
Date of grant	23 rd June, 2017	5 th January, 2017
Fair value of share option at grant date	269.10	217.56
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%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

42. Share-based payments (Contd..)

Movements in share options during the year

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Balance at beginning of year	1,62,500	20,000
Granted during the year	0	1,67,500
Forfeited during the year	7,500	20,000
Exercised during the year	38,125	5,000*
Balance at end of year	1,16,875	1,62,500
Exercisable as at end of the year	NIL	NIL
Weighted average exercise price of all stock options	₹15	₹15

*During the financial year 2017-18, 5,000 stock options were exercised but the allotment of the same was made during the financial year 2018-19.

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 ₹ 126.10 Lakhs (previous year ₹ 179.49 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 5th January, 2017:

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Number of options outstanding	10,000	15,000
Weighted Average Remaining Contractual Life (in years)	2.77	3.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23rd June, 2017:

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Number of options outstanding	1,06,875	1,47,500
Weighted Average Remaining Contractual Life (in years)	3.23	4.23
Weighted Average Exercise Price (₹)	15	15

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

43. Related Party Transactions

(i) Where Control Exists

- a. Gujarat Fluorochemicals Limited – holding company
- b. INOX Leasing & Finance Limited – ultimate holding company
- c. Shouri Properties Private Limited – subsidiary company
- d. 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 Balkrishnan – 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:

(₹ in Lakhs)

Particulars	Sales and services		Purchases of goods	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) Transactions with holding company:				
Gujarat Fluorochemicals Limited	8.39	5.43	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
INOX India Private Limited	3.18	2.44	-	-
INOX FMCG Private Limited	-	3.72	0.18	118.90
Sub-total	3.18	6.16	0.18	118.90

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

43. Related Party Transactions

During the year, Company entered into other transactions with related parties:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A. Transactions with holding company:		
Gujarat Fluorochemicals Limited		
(a) Interest paid	1,135.20	1,624.90
(b) Reimbursement of expenses paid	7.15	12.36
(c) Lease rent paid	29.69	32.51
(d) Repayment of ICD	16,249.00	-
(e) Preferential allotment of equity shares (including share premium)	16,000.00	-
B. Transactions with subsidiary company:		
Shouri Properties Private Limited		
(a) Conducting fees paid	349.52	299.82
(b) Reimbursement of expenses paid	7.79	12.62

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 to related parties	
	As at 31 st March, 2019	As at 31 st March, 2018
Trade receivables		
(a) Transactions with holding company:		
Gujarat Fluorochemicals Limited	0.03	-
(b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX India Private Limited	0.33	-
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	104.21	104.21

(₹ in Lakhs)

Particulars	Amounts owed to related parties	
	As at 31 st March, 2019	As at 31 st March, 2018
Trade payable and other payable		
a) Transactions with holding company:		
Gujarat Fluorochemicals Limited	0.58	4.03
b) Transactions with subsidiary company:		
Shouri Properties Private Limited	29.57	51.35
c) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX FMCG Private Limited	-	1.86

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

43. Related Party Transactions(Contd..)

Loans from related parties

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Inter-corporate deposit payable - Gujarat Fluorochemicals Limited	-	16,249.00

- Sales of movie tickets, advertisement 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 had been provided with Inter corporate deposits at rates comparable to the average commercial rate of interest. These loans were unsecured and the entire loan has been repaid during the year.

Compensation of Key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows :

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Remuneration paid to Mr. Alok Tandon	127.67	107.35
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Commission paid to non executive director - Mr. Pavan Kumar Jain	185.00	-
Sitting fees paid to directors	16.40	10.20
Total	359.07	147.55

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.

The amount of remuneration reported above includes:

- Contribution to Provident Fund (defined contribution plan) is ₹ 5.99 lakhs (previous year ₹ 5.56 lakhs).
- Share options exercised under ESOP of ₹ 12.14 Lakhs (previous year Nil)

Additional disclosures 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

44. Operating lease arrangements

The Company as a lessee

a) Leasing arrangements

The Company is operating some of the multiplexes under operating leases. These arrangements are for an initial period of 3-30 years with a minimum lock-in period of 2-15 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.

Lease payments recognised as an expense

(₹ in Lakhs)		
Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
In the Statement of Profit and Loss	24,376.75	19,733.03
In Pre-operative expenses	323.75	-
Total	24,700.50	19,733.03

Operating lease commitments

(₹ in Lakhs)		
Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Not later than 1 year	24,545.17	20,281.93
Later than 1 year and not later than 5 years	1,06,557.63	82,404.51
Later than 5 years	2,83,001.10	1,59,605.39
Total	4,14,103.90	2,62,291.83

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 and Common Facility Charges' in Note 36 to the 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 ₹ 10.92 Lakh (previous year ₹ 23.31 Lakh) are included in "Rent and Common Facility Charges" in Note 36 to the Statement of Profit and Loss.

45. Commitments

Commitment Table

(₹ in Lakhs)		
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances :	3,465.57	5,018.37
(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 in respect of Entertainment tax from commencement till reporting date (see Note below)	6,571.70	10,049.04

Note: This includes amount of entertainment tax disputes pertaining to exemption period reported under Note 46(c) - ₹ 502.78 Lakhs (previous year ₹ 1,237.91 Lakhs)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

46. Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a. Claims against the Company not acknowledged as debt :	116.36	116.36
In the arbitration proceedings in respect of termination notice of MOU for a 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. 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.		
b. Property Tax matters	-	224.00
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 this was made by the Company – see Note 24. The management has reviewed the position and pending settlement of dispute, has decided to pay the entire demand and the same is charged as expense during the year.		
c. Entertainment Tax matters:	3,625.48	4,083.87
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.	3,523.16	3,246.41
ii. In respect of one multiplex where the eligibility for exemption from payment of entertainment tax was rejected and the matter is decided in favour of the Company by the Hon'ble High Court.	-	735.14
iii. Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.	102.32	102.32
The Company has paid ₹ 586.46 Lakhs (previous year ₹ 282.57 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		
d. Service Tax matters	20,540.19	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.	14,226.97	16,641.03
ii. In respect of levy of service tax on sale of food and beverages in multiplex premises and the matter is being contested by way of appeal before the appropriate authorities.	6,313.22	2,360.45
The Company has paid ₹ 756.94 Lakhs (previous year ₹ 900.23 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

46. Contingent liabilities (Contd..)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
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
During the year, the Company has opted to settle the entire liability under the amnesty scheme and accordingly the amount payable under the amnesty scheme is charged to the Statement of Profit and Loss.		
h. Income-tax matters.	-	283.41
During the year, the various issues are settled by the appellate authorities in favour of the Company		
i. The Company may be required to charge additional cost towards electricity from 1 st June, 2007 to 31 st 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 th January, 2009, for change in category, is passed in favour of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83	389.83
j. Counter-guarantee given for bank guarantee taken by a subsidiary company	1,643.18	1,643.18
k. In respect of the Supreme Court judgement dated 28 th February, 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/ notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability if any, in respect of earlier period cannot be ascertained. Company has made a provision on a prospective basis from the date of the said order.		

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.

47. 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 ₹ Nil lakh during the year ended 31st March, 2019 (previous year ₹ 160.55 lakh) being Entertainment Tax exemption in respect of such Multiplexes. Cumulative amount as on 31st March, 2019 is ₹ 3,716.48 lakhs (previous year ₹ 4,075.77 lakhs).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2019

48. Exceptional Items:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a. During the year, in respect of one of the multiplexes of the Company, the jurisdictional High Court has passed an order against the Company in respect of grant of entertainment tax exemption. Even though the Company is taking further legal steps in this regard, the amount of entertainment tax exemption of ₹ 410.00 Lakhs recognized earlier, along with interest of ₹ 89.69 Lakhs payable thereon, is charged to the Statement of Profit and Loss. The amount payable, representing the entertainment tax refund received in earlier years and interest payable thereon, aggregating to ₹ 314.69 Lakhs is included under 'Other current liabilities' as a separate line item.	499.69	-
b. 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 previous year Company had 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 has taken further legal steps in this regard, provision of ₹ 854.16 Lakhs was made towards this claim.	-	854.16
Total	499.69	854.16

49. Preferential issue of equity shares

On 30th November, 2018, Company has allotted 64,00,000 equity shares of face value of ₹ 10 each, fully paid up, at a price of ₹ 250/- per share (including premium of ₹ 240/- per share) to its holding company, Gujarat Fluorochemicals Limited, for an aggregate consideration of ₹ 16,000.00 Lakhs. The expenditure of ₹ 67.79 Lakhs on issue of these shares is adjusted against the Securities Premium.

Utilisation of funds received through preferential issue of Equity Shares

(₹ in Lakhs)

Particulars	Amount
Funds received from issue of shares	16,000.00
Amount utilized towards the object of the issue viz. repayment of debt	(16,000.00)

As per of our report of even date attached
For **Kulkarni and Company**
Chartered Accountants
Firm's Reg. No: 140959W

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner
Mem No: 130432

Siddharth Jain
Director
DIN: 00030202

Deepak Asher
Director
DIN: 00035371

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary

Place: Pune
Date: 13th May, 2019

Place: Mumbai
Date: 13th May, 2019

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

to the members of INOX Leisure Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INOX Leisure Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, the profit

and total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31st March, 2019

Sr.	Key Audit Matter	Auditor's Response
1	<p>Claims and exposure relating to indirect taxation</p> <p>The Group has disclosed in Note 47 the contingent liabilities as at 31st March, 2019 which includes amount of ₹ 24,165.67 Lakhs in respect of indirect tax matters viz. entertainment tax and service tax.</p> <p>This has been identified as a key audit matter due to magnitude of the amount involved, uncertainty of the matter and the potential financial impact on the financial statements.</p> <p>There is significant judgement required by management in assessing the exposure of each case due to the complexities of the cases and timescales for resolution.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtained the summary of all pending indirect tax matters of the Group and assessed the management's position through discussion with the Head of Legal, CEO and CFO, on both the probability of success and the amounts involved. Inspected external legal opinions (where considered necessary) and other evidence to corroborate management's assessment with respect to these issues. Assessed the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the potential exposures and in accordance with Ind AS 37. <p>We are satisfied that the treatment in respect of the potential indirect tax matters is appropriate based on our procedures performed and we conclude that the related disclosures are appropriately presented in the financial statements.</p>
2	<p>Carrying amount of goodwill and property, plant & equipment</p> <p>As at 31st March, 2019, the carrying amount of goodwill is ₹ 1,750.97 lakhs and the carrying amount of property, plant & equipment (PPE) is ₹ 89,385.12 lakhs.</p> <p>The goodwill is in respect of the acquisition of one of a multiplexes and goodwill on consolidation of a subsidiary. The Group is required to annually assess the carrying amount of goodwill by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). As a result of performing value in use calculations, there is no impairment of the goodwill, in current year and ₹ 0.60 Lakhs in preceding year.</p> <p>The Group has also reviewed the carrying amounts of the PPE to determine whether the recoverable amount of a CGU is estimated to be less than its carrying amount by performing a value in use calculation based on cash flow projections of the relevant cash generating unit (CGU). For this purpose, each multiplex of the Group is treated as a separate CGU. Based on this analysis, net impairment loss of ₹ 82.00 lakhs is recognised during the year (₹ 309.55 lakhs in the preceding year).</p> <p>This has been identified as a key audit matter since the value in use calculations includes key assumptions and judgments in the calculation of the recoverable amount, viz. forecast revenue growth rates, discount rate assumptions and the parameters used for growth forecast.</p>	<p>To address this key audit matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> In case of PPE, we evaluated the appropriateness of the parameters used to identify whether any indication of impairment existed for the purpose of identification of CGUs to be tested Obtained an external valuation report in respect of the goodwill. For all CGUs identified for impairment testing and the CGU with goodwill, we obtained the discounted cash flow forecasts prepared by the management. We evaluated the appropriateness of management's model used for the impairment assessment and considered the reasonableness of the cash flow forecast, judgments and assumptions used in the calculations. For each CGU identified for impairment testing, we have checked the mathematical accuracy of the calculations <p>On performing the above procedures, we concluded that no impairment is required in case of goodwill and the impairment loss recognised by the Group in respect of PPE is appropriate and we conclude that the related disclosures are appropriately presented in the financial statements.</p>

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31st March, 2019 (Contd..)

Information Other than the consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's Report, including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per the applicable laws and regulations.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 234.72 lakhs as at 31st March, 2019, total revenues of ₹ 354.12 lakhs, total net profit after tax of ₹ 1.64 lakhs and total comprehensive income of ₹ 1.64 Lakhs and net cash outflows amounting to ₹ 1.44 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) with respect to the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31st March, 2019

liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report to the members of INOX Leisure Limited on the consolidated financial statements for the year ended 31st March, 2019 (Contd..)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies are disqualified as on 31st March, 2019 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 operating effectiveness of such controls, refer to our separate Report in Annexure. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) 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 auditors on separate financial statement of subsidiary companies as noted in the 'Other matters' paragraph:
 - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. The Group did not have any material foreseeable losses on long term contracts, including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

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

A.D Talavlikar
Partner

Place: Pune
Date: 13th May, 2019

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 financial statements for the year ended 31st March, 2019 – 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 financial statements of **INOX Leisure Limited** (hereinafter referred to as “the Holding Company”) as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies 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 and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 and its subsidiary companies 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, 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 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 and its subsidiary companies' internal financial controls system with reference to financial statements.

Annexure to Independent auditor's report

to the members of INOX Leisure Limited (Contd..)

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and its subsidiary companies 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 31st March, 2019, based on the internal controls over financial reporting criteria established by the Holding Company, its subsidiary companies and its associate companies, considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

Other matter

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 in so far as it relates to two subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

Place: Pune
Date: 13th May, 2019

A.D Talavlikar
Partner
Membership No. 130432

Consolidated Balance Sheet

as at 31st March, 2019

(₹ in Lakhs)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
1 Non - current assets			
(a) Property, plant and equipment	5A	89,385.12	74,270.89
(b) Capital work-in-progress	5B	6,372.71	5,394.78
(c) Goodwill	6	1,750.97	1,750.97
(d) Other intangible assets	7	1,105.43	1,154.66
(e) Financial assets			
(i) Other investments	8	61.38	121.27
(ii) Loans	9	8,922.16	7,417.53
(iii) Other financial assets	10	8,596.21	6,752.68
(f) Deferred tax assets (net)	11	5,285.34	8,112.40
(g) Income tax assets (net)	12	877.53	912.87
(h) Other non-current assets	13	10,390.75	8,268.24
Total Non - current assets		132,747.60	114,156.29
2 Current assets			
(a) Inventories	14	1,218.75	939.91
(b) Financial assets			
(i) Other investments	8	61.49	1,238.98
(ii) Trade receivables	15	8,824.01	7,590.83
(iii) Cash and cash equivalents	16	1,178.34	1,334.03
(iv) Bank balances other than (iii) above	17	186.97	168.84
(v) Loans	9	518.31	590.31
(vi) Other financial assets	10	22.12	18.42
(c) Income tax assets (net)	12	455.13	-
(d) Other current assets	13	2,666.39	2,463.17
Total Current assets		15,131.51	14,344.49
Total Assets (1+2)		147,879.11	128,500.78
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	10,260.59	9,616.28
(b) Other equity	19	89,387.54	60,612.06
(c) Interest in INOX Benefit Trust	20	(3,266.98)	(3,266.98)
Equity attributable to owners of the Company		96,381.15	66,961.36
Non-controlling interests	21	0.58	0.56
Total equity		96,381.73	66,961.92
LIABILITIES			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	5,500.00	25,240.23
(ii) Other financial liabilities	23	895.54	312.84
(b) Provisions	24	1,266.97	1,009.79
(c) Other non-current liabilities	25	6,904.20	7,565.72
Total Non - current liabilities		14,566.71	34,128.58
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	2,000.00	-
(ii) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises	27	1.43	5.33
b. total outstanding dues of creditors other than micro enterprises and small enterprises	27	15,959.69	11,315.54
(iii) Other financial liabilities	23	12,036.35	10,573.37
(b) Other current liabilities	28	4,751.75	3,823.37
(c) Provisions	24	1,440.84	1,478.32
(d) Income tax liabilities (Net)	12	740.61	214.35
Total Current liabilities		36,930.67	27,410.28
Total Equity and Liabilities (1+2+3)		147,879.11	128,500.78

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

Firm's Reg. No: 140959W

A. D. Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Kailash B Gupta

Chief Financial Officer

Deepak Asher

Director

DIN: 00035371

Parthasarathy Iyengar

Company Secretary

Alok Tandon

Chief Executive Officer

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Notes	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from operations	29	169,218.47	134,811.83
Other income	30	1,491.82	1,446.53
Total Income (I)		170,710.29	136,258.36
Expenses			
Cost of materials consumed	31	11,249.51	7,435.80
Exhibition cost	32	44,420.91	36,731.79
Employee benefits expense	33	11,516.77	9,635.56
Finance costs	34	2,367.36	2,889.63
Depreciation and amortisation expense	35	9,549.07	8,669.89
Impairment losses (net)	5 / 6	82.00	309.55
Other expenses	36	71,114.82	59,964.19
Total expenses (II)		150,300.44	125,636.41
Profit before share of loss of a joint venture and exceptional items		20,409.85	10,621.95
Share of loss of joint ventures (III)	8A	-	(3.43)
Profit before exceptional items and tax (I - II + III = IV)		20,409.85	10,618.52
Exceptional items (V)	49	499.69	854.16
Profit before tax (IV - V = VI)		19,910.16	9,764.36
Tax expense: (VII)	37		
Current tax		6,010.70	3,251.61
Deferred tax		1,005.84	420.28
Taxation pertaining to earlier years		(455.50)	(5,370.47)
Profit for the year (VI - VII = VIII)		13,349.12	11,462.94
Profit for the year attributable to:			
Equity holders of the Parent		13,349.10	11,462.92
Non-controlling interests		0.02	0.02
		13,349.12	11,462.94
Other Comprehensive Income (IX)			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		9.10	100.21
(ii) Tax on above	37	(3.18)	(35.02)
Total other comprehensive Income (i-ii)		5.92	65.19
Total Comprehensive income for the year (VIII + IX = X)		13,355.04	11,528.13
(Comprising Profit and other comprehensive income for the year)			
Other comprehensive income for the year attributable to:			
- Owners of the Company		5.92	65.19
- Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
- Equity holders of the Parent		13,355.02	11,528.11
- Non-controlling interests		0.02	0.02
		13,355.04	11,528.13
Earnings per equity share (in ₹)			
1) Basic	39	14.20	12.49
2) Diluted	39	14.19	12.48

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

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Kailash B Gupta

Chief Financial Officer

Deepak Asher

Director

DIN: 00035371

Parthasarathy Iyengar

Company Secretary

Alok Tandon

Chief Executive Officer

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cash flows from operating activities		
Profit for the year after tax	13,349.12	11,462.94
Adjustments for:		
Income tax expense	6,561.04	(1,698.58)
Finance costs	2,367.36	2,889.63
Share of loss of a joint venture	-	3.43
Interest income recognised in profit or loss	(787.06)	(705.14)
Government grants - deferred revenue	(1,051.85)	(1,387.99)
Gain on investments measured at fair value through profit or loss	(88.90)	(372.06)
Deferred rent expenses	542.33	616.77
Loss on disposal of property, plant and equipment (net)	479.86	1,085.22
Liabilities and provisions, no longer required, written back	(473.05)	(281.44)
Expense on ESOP	126.10	179.49
Bad debt & remissions	41.40	13.98
Deposits and advances written off	5.00	63.61
Allowance for doubtful advances and deposits	29.22	113.96
Allowance for doubtful trade receivables and expected credit losses (net)	46.01	-
Allowance for amount recoverable towards claims	-	854.16
Impairment loss on goodwill	-	0.60
Impairment loss on property, plant and equipment (net)	82.00	308.95
Depreciation and amortisation expense	9,549.07	8,669.89
Unrealised exchange loss/(gain)	(3.16)	10.32
	30,774.49	21,827.74
Movements in working capital:		
(Increase)/decrease in trade receivables	(1,320.59)	(2,963.62)
(Increase)/decrease in inventories	(278.84)	(31.15)
(Increase)/decrease in loans	(928.78)	(261.38)
(Increase)/decrease in other financial assets	(1,717.93)	477.94
(Increase)/decrease in other assets	(2,860.22)	(1,458.78)
Increase/(decrease) in trade payables	4,640.25	2,479.00
Increase/(decrease) in provisions	228.80	147.83
Increase/(decrease) in other financial liabilities	1,324.28	1,494.80
Increase/(decrease) in other liabilities	1,791.76	1,165.85
Cash generated from operations	31,653.22	22,878.23
Income taxes paid	(3,685.69)	(1,766.75)
Net cash generated by operating activities	27,967.53	21,111.48
Cash flows from investing activities		
Payments for other property, plant and equipment (including changes in capital work in progress and capital advances)	(24,650.44)	(15,857.32)
Payments for other intangible assets	(308.88)	(231.50)
Proceeds from disposal of property, plant and equipment and intangible assets	40.32	170.52
Interest received	318.10	182.83
Investments in Government securities	-	(8.13)
Maturity of Government securities	41.30	-
Purchase of current investments	(35,000.00)	(54,700.00)
Sale/redemption of current investments	36,272.40	54,912.26
Investment in subsidiary company	-	(3.00)
Payments towards business combination consideration payable	(72.24)	(5.32)
Movement in other bank balances	(203.97)	154.12
Net cash used in investing activities	(23,563.41)	(15,385.54)
Cash flows from financing activities		
Proceeds from issue of preferential equity shares to holding company	16,000.00	-
Share issue expenses	(67.79)	-
Shares issued under ESOP	6.47	-
Repayment of borrowings - non current	(20,193.00)	(2,503.40)
Net movement in current borrowings	2,000.00	-
Finance costs	(2,305.49)	(2,897.21)

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Net cash used in financing activities	(4,559.81)	(5,400.61)
Net increase/(decrease) in cash and cash equivalents	(155.69)	325.33
Cash and cash equivalents at the beginning of the year	1,334.03	980.96
Add: Cash and cash equivalents on acquisition of subsidiary	-	27.74
Cash and cash equivalents at the end of the year	1,178.34	1,334.03

Changes in liabilities arising from financing activities during the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings
Opening balance	29,201.77	-
Interest expense	2,144.38	96.19
Cash flows	(22,343.40)	1,916.70
Closing balance	9,002.75	2,012.89

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

(₹ in Lakhs)

Particulars	Non-current borrowings	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
Firm's Reg. No: 140959W

For and on behalf of the Board of Directors

A.D.Talavlikar
Partner
Mem No: 130432

Siddharth Jain
Director
DIN: 00030202

Deepak Asher
Director
DIN: 00035371

Alok Tandon
Chief Executive Officer

Kailash B Gupta
Chief Financial Officer

Parthasarathy Iyengar
Company Secretary

Place: Pune
Date: 13th May, 2019

Place: Mumbai
Date: 13th May, 2019

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

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	644.31	10,260.59

B. Other equity

(₹ in Lakhs)

Particulars	ATTRIBUTABLE TO OWNERS OF THE COMPANY					Non controlling interests	Total
	Reserves and surplus						
	Capital Redemption Reserve	Securities Premium	General Reserve	Shares options outstanding account	Retained Earnings		
Balance as at 1 st April, 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 (see Note 43)	-	-	-	179.49	-	-	179.49
Balance as at 31 st March, 2018	0.10	28,092.61	2,782.55	184.76	29,552.04	0.56	60,612.62
Additions during the year:							
Profit for the year	-	-	-	-	13,349.10	0.02	13,349.12
Other comprehensive income for the year, net of tax (*)	-	-	-	-	5.92	-	5.92
Total comprehensive income for the year	-	-	-	-	13,355.02	0.02	13,355.04
On account of stock options (see Note 43)	-	113.05	-	15.20	-	-	128.25
On preferential issue of equity shares	-	15,360.00	-	-	-	-	15,360.00
Share issue expenses	-	(67.79)	-	-	-	-	(67.79)
Balance as at 31 st March, 2019	0.10	43,497.87	2,782.55	199.96	42,907.06	0.58	89,388.12

(*) 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

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Kailash B Gupta

Chief Financial Officer

Deepak Asher

Director

DIN: 00035371

Parthasarathy Iyengar

Company Secretary

Alok Tandon

Chief Executive Officer

Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 and its subsidiaries (collectively referred to as the “Group”). 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 Group’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.

2.3 Basis of Preparation and Presentation

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.

Following accounting standards and amendments were applicable to the Group for the first time in the annual reporting period commencing from 1st April, 2018:

- a) New Accounting Standard - Ind AS 115: Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115: Revenue from Contracts with Customers, on 28th March, 2018, which is effective for accounting periods beginning on or after 1st April, 2018 using cumulative catch-up transition method, applied to contracts that were not completed as of 1st April,

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The Group has transitioned to Ind AS 115 with effect from 1st April, 2018. The Group had to change its accounting policies following the adoption of Ind AS 115. However, in view of the nature of the revenue streams of the Group, the adoption of Ind AS 115 did not have any impact on the revenue recognition and measurement in respect of its revenue from operations. Additional disclosures required by Ind AS 115 are given in Note no. 29.

b) Amendments to existing accounting standards applicable to the Group

- Amendments to Ind AS 12: Recognition of deferred tax assets for unrealized losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the Group as the Group does not have any deductible temporary differences or assets that are in the scope of the amendments.

- Amendments to Ind AS 20: Government Grants related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be

presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

- Appendix B: Foreign Currency Transactions and Advance Consideration to Ind AS 21

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's financial statements.

- Amendments to Ind AS 38: Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

The above amendments to Ind AS did not have any impact on the Group's financial statements and not expected to significantly affect the future periods.

These CFS have been prepared on accrual and going concern basis. The accounting policies have been consistently applied except where a newly issued accounting standard 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 Group'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 Group 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.

This CFS was authorized for issue by the Company's Board of Directors on 13th May, 2019.

3. Basis of Consolidation and Significant Accounting Policies

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. 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.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 Group.

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 3.12); 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 venture

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 an 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.

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 of 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

3.5 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes collected from customers.

Revenue from services:

Revenue from services is recognized, at a point in time or over time, on satisfaction of performance obligation for the services rendered, as under:

Revenue from box office is recognized as and when the movie is exhibited viz. at a point in time. Advertisement revenue is recognized on exhibition of the advertisement or over the period of contract, as applicable. Revenue from other services is recognized over the period of contract or at a point in time, as per the contractual terms.

Food and beverages revenue:

Food and beverages revenue is recognized when the control of goods have been transferred to the customers. The performance obligation is case of sale of products is satisfied at a point in time i.e. at the point of sale.

No element of financing is deemed present as the payment of transaction price is either made in advance/ due immediately at the point of sale or the sales are made with a credit term of 60-90 days, which is consistent with the market practice. There are no contracts where the period between the transfer of promised goods or services to the customers and payment by the customers exceed one year. Consequently, no adjustment is required to the transaction price for the time value of money. Non-cash consideration (or promise of non-cash consideration) is measured at fair value. If the fair value of the non-cash consideration cannot be reasonably estimated, the same is measured indirectly by reference to the standalone selling price of the goods or services promised to the customer (or class of customer) in exchange for the consideration.

Contract balances:

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as

unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

3.6 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.

3.7 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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.

3.8 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.

3.9 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 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.

3.10 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.

3.11 Employee benefits

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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
- re-measurement

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.

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.

3.12 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.

3.13 Treasury Shares

Pursuant to the Scheme of Amalgamation of Fame India Limited ('Fame') and its subsidiaries with the Company (see Note 20), 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'.

3.14 Taxation

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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.

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 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.

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.

3.15 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 1st 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 3.9).

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 1st 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 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 follows:

- | | |
|----------------------|---------|
| • 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 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.17 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.

3.18 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.

3.19 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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.

3.20 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 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:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- 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 FVOCI 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 FVOCI.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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.

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 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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.

3.21 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

3.22 Recent accounting pronouncements

a) New Accounting Standard - Ind AS 116 Leases:

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The variable component of lease payments will continue to be charged to the statement of profit and loss as lease expenses. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116. Under this approach, the Group proposes to record the right of use asset at its carrying amount as if the standard had been applied since the commencement date, but discounted at its incremental borrowing rate at the date of initial application and take the cumulative adjustment to retained earnings, net of deferred tax, on the date of initial application (1st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date would result in an increase in Right of use asset in the range of ₹ 1,60,000 lakhs to ₹ 1,70,000 lakhs and an increase in lease liability in the range of ₹ 2,10,000 lakhs to ₹ 2,30,000 lakhs. The difference, after giving effect to the deferred tax, will be adjusted in the opening retained earnings as at 1st April, 2019.

b) Amendments to existing accounting standards applicable to the Group

- Appendix C: Uncertainty over Income Tax Treatments to Ind AS 12: Income Taxes

On 30th March, 2019, Ministry of Corporate Affairs has notified Appendix C: Uncertainty over Income-Tax Treatments. The interpretation addresses the accounting income taxes when tax treatment involves uncertainty that affects the application of Ind AS 12. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Group will adopt the standard on 1st April, 2019 and is not likely to have significant impact on the Group's financial statements.

- Amendment to Ind AS 12: Income Taxes

The amendments to Ind AS 12 clarify that the income tax consequences of dividend are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity recognises income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. These amendments are applicable from annual periods beginning on or after 1st April, 2019. These amendments will not have any impact on the Group's financial statements.

- Amendment to Ind AS 19: Employee Benefits

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

These amendments apply to plan amendments, curtailments, or settlements occurring from annual periods beginning on or after 1st April, 2019 and will apply only to any future plan amendments, curtailments, or settlements.

- Amendment to Ind AS 23: Borrowing Costs

The amendment clarifies that any borrowing originally made to develop a qualifying asset should be treated as a part of general borrowings when substantially all the activities necessary to prepare that asset for its intended use or sale are completed. This amendment will be applicable to the borrowing costs incurred from 1st April, 2019. The Group is currently evaluating the effect of this amendment and the impact is not likely to be significant.

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 Group 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 assets.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

e) In respect of INOX Leisure Limited - Employees' Welfare Trust and INOX Benefit Trust

INOX Leisure Limited - 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.

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 31st March, 2019 was ₹ 1,740.97 (as at 31st March, 2018: ₹ 1,750.97 lakhs) after an impairment loss of ₹ Nil (previous year ₹ 0.60 lakhs) was recognized during the current year. 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 3.15 & 3.16 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 24 and Note 47
- Impairment of financial assets – see Note 42

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

5. Property, plant and equipment

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Carrying amounts of:		
Freehold land	2,669.66	2,669.66
Buildings	11,345.57	11,594.69
Leasehold improvements	29,308.64	21,815.12
Plant and equipment	33,785.14	28,234.79
Furniture and fixtures	8,693.56	7,067.84
Vehicles	148.55	48.23
Office equipment	3,434.00	2,840.56
Total	89,385.12	74,270.89

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Freehold Land	1,743.99	1,743.99
Buildings	4,322.71	4,413.95
Total	6,066.70	6,157.94

- (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 Group is not allowed to pledge these assets as security for other borrowings.

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Leasehold improvements	10,921.85	9,320.74
Plant and equipment+.1	13,339.68	12,127.51
Furniture and fixtures	3,850.14	3,961.62
Office equipment	1,293.32	1,445.78
Total	29,404.99	26,855.65

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

5. Property, plant and equipment (Contd..)

- (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 st March, 2019	As at 31 st March, 2018
Plant and equipment	-	6,039.48
Furniture and fixtures	-	790.40
Office equipment	-	276.85
Total	-	7,106.73

- (iv) The Group has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 103.00 lakhs due to lower than expected performances in respect of two multiplex theatres (as at 31st March, 2018: ₹ 308.95 lakhs in respect of four multiplex theatres). The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 575.33 lakhs (as at 31st March, 2018: ₹ 520.38 lakhs).

Further, in respect of one multiplex, there is reversal of impairment loss of ₹ 21.00 lakhs which was recognized in earlier year. This reversal is due to extension of lease period for the said multiplex. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 38.97 lakhs (as at 31st March, 2018: ₹ Nil lakhs).

The net impairment loss is recognised in the Statement of Profit and Loss. 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 is 12% per annum.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

5A. Property, plant and equipment

(₹ in Lakhs)

Description of Assets	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost								
Balance as at 1st April, 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 31st 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
Additions	-	-	10,091.39	9,694.71	3,187.18	128.18	1,802.42	24,903.88
Disposals	-	-	(769.25)	(556.08)	(244.74)	(61.49)	(48.05)	(1,679.61)
Borrowing cost	-	-	1.73	1.43	0.33	-	-	3.49
Balance as at 31st March, 2019	2,669.66	12,309.49	37,049.29	46,389.38	13,603.15	182.53	7,267.67	119,471.17
Accumulated depreciation and impairment								
Balance as at 1st April, 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	2,114.76	3,547.05	1,366.06	22.43	1,036.45	8,350.98
Impairment losses recognised in profit or loss	-	-	117.96	174.54	10.93	-	5.52	308.95
Eliminated on disposal of assets	-	(16.29)	(459.30)	(1,234.36)	(261.82)	-	(113.71)	(2,085.48)
Balance as at 31st March, 2018	-	714.80	5,910.30	9,014.53	3,592.54	67.61	2,672.74	21,972.52
Depreciation expense for the year	-	249.12	2,361.47	3,842.26	1,513.78	24.54	1,200.83	9,192.00
Impairment losses recognised in profit or loss	-	-	39.39	52.66	6.41	-	4.54	103.00
Reversal of Impairment Loss	-	-	(0.14)	(18.57)	(1.42)	-	(0.87)	(21.00)
Eliminated on disposal of assets	-	-	(570.37)	(286.64)	(201.72)	(58.17)	(43.57)	(1,160.47)
Balance as at 31st March, 2019	-	963.92	7,740.65	12,604.24	4,909.59	33.98	3,833.67	30,086.05

(₹ in Lakhs)

Carrying amounts	Land - Freehold	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 st 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
As at 31 st March, 2019	2,669.66	11,345.57	29,308.64	33,785.14	8,693.56	148.55	3,434.00	89,385.12

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

5B. Capital work in progress

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital work-in-progress	5,461.59	4,684.67
Pre-operative expenditure pending allocation	911.12	710.11
Total	6,372.71	5,394.78

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening balance	710.11	1,217.09
Add: Expenses incurred during the year		
Salaries and wages	569.62	469.29
Contribution to provident and other funds	39.15	29.70
Staff welfare	1.00	0.27
Borrowings costs	-	55.86
Lease Rent	323.75	-
Legal & professional fees and expenses	956.51	664.53
Travelling & conveyance	334.23	34.34
Power & fuel	70.34	55.41
Housekeeping expenses	30.69	18.13
Outsourced personnel cost	54.48	4.63
Security expenses	113.53	65.56
Miscellaneous expenses	192.31	87.61
	2,685.61	1,485.33
Sub total	3,395.72	2,702.42
Less: Capitalised during the year	2,484.60	1,992.31
Closing balance	911.12	710.11

Capital work in progress includes amount of ₹ Nil (as at 31st March, 2018: ₹ 649.60 lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (see Note 22). 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 st March, 2019	As at 31 st March, 2018
Cost or deemed Cost		
Balance at beginning of year	1,750.97	1,750.97
Add: on acquisition of subsidiary	-	0.60
Less: impairment loss	-	(0.60)
Balance at end of the year	1,750.97	1,750.97
Accumulated impairment losses		
Balance at beginning of year	(41.48)	(40.88)
Impairment losses recognised in the year	-	(0.60)
Balance at end of the year	(41.48)	(41.48)

The Group carried out a review of the recoverable amount of goodwill on consolidation. The review led to recognition of an impairment loss of ₹ Nil (previous year ₹ 0.60 lakhs) which had been recognised in the Statement of Profit and Loss. The discount rate used in measuring the value in use was 12% per annum.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 st March, 2019	As at 31 st March, 2018
Multiplex theatre	1,750.00	1,750.00
Shouri Properties Private Limited	41.85	41.85
Swanston Multiplex Cinemas Private Limited	-	0.60
Total	1,791.85	1,792.45

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 31st March, 2018: 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 5%. 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 10%. 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 9%. The values assigned to the assumption are based on the rebranding of these operations.

Shouri Properties Private Limited (SPPL)

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 31st March, 2018: 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 31st March, 2019 (previous year: Nil).

Swanston Multiplex Cinemas Private Limited (SMCPL)

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.

Since this cash generating unit was operating only one multiplex which had ceased operations w.e.f. 12th July, 2012, there are no cash flows expected in the future. As such, the recoverable amount of this cash generating unit based on value in use method is ₹ Nil.

Based on above, impairment loss of ₹ Nil (previous year ₹ 0.60 lakhs) has been recognised.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

7. Other intangible assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Carrying amounts of:		
Computer software	1,097.59	1,137.28
Website	7.84	17.38
	1,105.43	1,154.66

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, 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 st March, 2018	1,759.71	46.00	54.43	1,860.14
Additions	308.88	-	-	308.88
Disposals	(3.05)	-	(54.43)	(57.48)
Balance as at 31 st March, 2019	2,065.54	46.00	-	2,111.54
Accumulated amortisation				
Balance as at 1 st April, 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 st March, 2018	622.43	28.62	54.43	705.48
Amortisation expense for the year	347.53	9.54	-	357.07
Eliminated on disposal of assets	(2.01)	-	(54.43)	(56.44)
Balance as at 31 st March, 2019	967.95	38.16	-	1,006.11

(₹ in Lakhs)

Carrying amounts	Computer software	Website	Movie script	Total
As at 31 st March, 2018	1,137.28	17.38	-	1,154.66
As at 31 st March, 2019	1,097.59	7.84	-	1,105.43

8. Other investments

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Financial assets measured at amortised cost		
Investment in Government securities (unquoted, fully paid up)		
National Savings Certificates	114.48	168.36
Less: Current portion	(53.10)	(47.09)
Total Non-current investments	61.38	121.27

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

8. Other investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Unquoted investments (all fully paid)		
Financial assets measured at FVTPL		
Investments in mutual funds		
Aditya Birla Sunlife Cash plus-Growth-Regular Plan - Nil units (31 st March, 2018: 416,839.61) (face value H 100)	-	1,159.79
ICICI Prudential Liquid Plan-Growth-Regular Plan - 3,046.37 units (31 st March, 2018: 12,518.31) (face value ₹ 100)	8.39	32.10
Current portion of non-current investments		
Financial assets measured at amortised cost		
National Savings Certificate	53.10	47.09
Investment in National Savings Certificate		
Total Current investments	61.49	1,238.98
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	122.87	1,360.25
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 st March, 2019	As at 31 st March, 2018
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL - Mutual funds	8.39	1,191.89
Financial assets measured at amortised cost		
National Savings Certificates	114.48	168.36
	122.87	1,360.25

9. Loans

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Security deposits		
Considered good - unsecured	8,922.16	7,417.53
Security deposits which have significant increase in credit risk	-	-
Security deposits - credit Impaired	147.46	205.47
	9,069.62	7,623.00
Less: Provision for Impairment	(147.46)	(205.47)
Total	8,922.16	7,417.53

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

9. Loans (Contd..)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Security deposits		
Unsecured, considered good	518.31	590.31
Total	518.31	590.31
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.	5,121.43	4,813.41

10. Other financial assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Entertainment tax and GST subsidy claimed	1,591.60	2,633.97
Electricity charges refund claimed (see Note 47)	389.83	389.83
Non-current bank balances (from Note 17)	417.40	226.80
Amount recoverable towards claims		
Considered good - unsecured	87.97	147.97
Amount recoverable towards claims which have significant increase in credit risk	-	-
Amount recoverable towards claims - credit Impaired	914.16	854.16
	1,002.13	1,002.13
Less: Provision for Impairment (see Note 49)	(914.16)	(854.16)
	87.97	147.97
Other advances (*)		
Considered good - unsecured	6,109.41	3,354.11
Advances which have significant increase in credit risk	-	-
Advances - credit Impaired	22.50	58.64
	6,131.91	3,412.75
Less: Provision for impairment	(22.50)	(58.64)
	6,109.41	3,354.11
Total	8,596.21	6,752.68
Current		
Interest accrued	22.12	18.42
Total	22.12	18.42

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

11. Deferred tax assets (net)

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

Year ended 31st March, 2019

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	469.39	(1,383.36)			(913.97)
Intangible assets	(157.66)	39.42			(118.24)
Gratuity and leave benefits	436.79	76.11	(3.18)		509.72
Expenses allowable on payment basis	615.91	86.88			702.79
Allowance for doubtful trade receivables and expected credit loss	126.79	2.11			128.90
Effect of measuring investments at fair value	(3.42)	3.42			-
Government grants - deferred income	2,981.61	(283.60)			2,698.01
Other deferred tax assets	274.87	(123.62)			151.25
	4,744.28	(1,582.64)	(3.18)	-	3,158.46
MAT credit entitlement	3,368.12	726.62		(1,967.86)	2,126.88
Total	8,112.40	(856.02)	(3.18)	(1,967.86)	5,285.34

Year ended 31st 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
Other 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

11. Deferred tax assets (net) (Contd..)

As at 31st March, 2019, 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	11.00	31 st March, 2023
Business loss	2015-16	13.76	31 st March, 2024
MAT credit entitlement	2016-17	1.25	31 st March, 2027
MAT credit entitlement	2017-18	0.64	31 st March, 2033
MAT credit entitlement	2018-19	0.09	31 st March, 2034
Unabsorbed depreciation	Various	124.60	No Limit

The subsidiaries do not have undistributed profits.

12. Income tax assets and Income tax liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	Current	Non current	Current	Non current
Income tax assets (net)				
Income tax paid (net of provisions)	455.13	877.53	-	912.87
Total	455.13	877.53	-	912.87
Income tax liabilities (net)				
Provision for income tax (net of payments)	740.61	-	214.35	-
Total	740.61	-	214.35	-

13. Other non-current and current assets

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Non-current		
Capital advances	592.83	584.99
Security deposits	1,554.93	1294.21
Deferred rent expense	5,777.03	4437.96
Prepayments - leasehold land	273.75	280.71
Prepayments - others	2,129.21	1670.37
Total	10,390.75	8268.24
Current		
Advances to suppliers	631.08	544.59
Other advances for expense	57.75	48.79
Balances with government authorities - GST credit available	133.06	588.26
Deferred rent expense	614.91	494.50
Prepayments - leasehold land	6.96	6.96
Prepayments - others	1,140.92	760.26
Unbilled revenue	81.71	19.81
Total	2,666.39	2,463.17

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

14. Inventories

(at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Food & beverages	825.68	619.09
Stores, spares & fuel	393.07	320.82
	1,218.75	939.91

The mode of valuation of inventories is stated in Note 3.18

15. Trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current		
Considered good - unsecured		
Trade receivables which have significant increase in credit risk	8,824.01	7,590.83
Trade receivables - credit Impaired	117.19	102.31
	251.67	260.52
	9,192.87	7,953.66
Less: Provision for expected credit loss and Impairment	(368.86)	(362.83)
	8,824.01	7,590.83

16. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balances with banks in current accounts	541.15	872.69
Cash on hand	637.19	461.34
Total	1,178.34	1,334.03

17. Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Other bank balances		
Fixed deposits with original maturity period of more than 3 months but less than 12 months	71.87	77.31
Deposit accounts with original maturity for more than 12 months	532.50	318.33
	604.37	395.64
Less: Amount disclosed under Note 10 - 'Other financial assets - non current'	(417.40)	(226.80)
Total	186.97	168.84

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

17. Other bank balances (Contd..)

Notes:

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
a) Deposit account with original maturity for more than 3 months but less than 12 months	71.87	77.31
b) Deposit account with original maturity for more than 12 months	532.50	318.33

18. Share capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Authorised capital		
14,60,50,000 (31 st March, 2018: 14,60,50,000) equity shares of ₹ 10/- each	14,605.00	14,605.00
10,000 (31 st March, 2018: 10,000) preference shares of ₹ 10 each	1.00	1.00
Issued, subscribed and fully paid up		
10,28,57,754 (31 st March, 2018: 9,64,57,754) equity shares of ₹ 10 each	10,285.78	9,645.78
Less: 2,51,876 (31 st March, 2018: 2,95,001) equity shares of ₹ 10 each, issued to ESOP Trust but not allotted to employees (see Note 43)	(25.19)	(29.50)
	10,260.59	9,616.28

18A. Share capital

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
At the beginning of the year	96,162,753	9,616.28	96,162,753	9,616.28
Add: Issued during the year under ESOP	43,125	4.31	-	-
Add: Issued during the year under preferential allotment	6,400,000	640.00	-	-
Shares outstanding at the end of the year	102,605,878	10,260.59	96,162,753	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 st March, 2019		As at 31 st March, 2018	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
Gujarat Fluorochemicals Limited (holding company)	52,786,467	5,278.65	46,386,467	4,638.65
INOX Leasing & Finance Limited (ultimate holding company)	587,461	58.75	587,461	58.75
Total	53,373,928	5,337.40	46,973,928	4,697.40

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

18A. Share capital (Contd..)

During the year, the Company has allotted additional 64,00,000 fully paid-up equity shares of ₹ 10 each to Gujarat Fluorochemicals Limited (GFL). Consequently, the shareholding of GFL in the Company has increased from 48.09% to 51.32%. Even prior to the said preferential allotment, the Company was a subsidiary of GFL since the shareholders of the Company had passed a resolution at the Annual General Meeting held on 23rd August, 2013 amending the Articles of Association of the Company entitling GFL to appoint majority of directors on the Board of the Company if GFL holds not less than 40% of the paid-up equity capital of the Company and accordingly, GFL was having control over the Company.

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

Name of shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	52,786,467	51.32%	46,386,467	48.09%
HDFC Trustee Company Limited	6,533,720	6.35%	-	-

(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 31st 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 20).

19. Other equity

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital redemption reserve	0.10	0.10
Securities premium	43,497.87	28,092.61
General reserve	2,782.55	2,782.55
Shares option outstanding account	199.96	184.76
Retained earnings	42,907.06	29,552.04
	89,387.54	60,612.06

Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	0.10	0.10
Movement during the year	-	-
Balance at the 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

19. Other equity (Contd..)

Securities premium

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	28,092.61	28,092.61
Movement during the year		
On issue of shares on preferential basis	15,360.00	-
On account of ESOP	113.05	-
Share issue expense	(67.79)	-
Balance at the end of year	43,497.87	28,092.61

Securities Premium 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 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	2,782.55	2,782.55
Movement during the year	-	-
Balance at the 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.

Share options outstanding account

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	184.76	5.27
On account of share options	15.20	179.49
Balance at the end of year	199.96	184.76

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.

Retained earnings

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of year	29,552.04	18,023.93
Profit attributable to owners of the Company	13,349.10	11,462.92
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	5.92	65.19
Balance at the end of year	42,907.06	29,552.04

The amount that can be distributed by the Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

20. Interest in INOX Benefit Trust - 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 1st 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 10th 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 st March, 2019		As at 31 st March, 2018	
No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
4,350,092	3,266.98	4,350,092	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.

21. Non-controlling interests

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	0.56	0.54
Share of profit for the year	0.02	0.02
Balance at the end of year	0.58	0.56

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 24th 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.

22. Non current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Secured		
(i) Term loans - from banks	9,002.75	12,952.77
Unsecured		
(i) Inter-corporate deposits - from holding company	-	16,249.00
Total borrowings	9,002.75	29,201.77
Less: Amounts disclosed under Note 23 "Other current financial liabilities"		
Current maturities	(3,500.00)	(3,952.77)
Interest accrued	(2.75)	(8.77)
Total	5,500.00	25,240.23

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

22. Non current borrowings (Contd..)

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

As at 31st March, 2019

Particulars	Amount outstanding (₹ in lakhs)	Terms of repayment	Rate of interest
HDFC Bank Ltd	2,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4 th June, 2017.	8.85% to 9.30%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	3,437.50	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7 th February, 2018.	8.40% to 9.25%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	2,062.50	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29 th March, 2018.	8.60% to 8.96%
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	1,500.00	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26 th June, 2018.	8.53% to 8.60%

As at 31st 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 st October, 2018.	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 th 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 th 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 th 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 th June, 2018.	8.60%

(ii) Securities provided for secured loans

Axis Bank Ltd

Term loan from Axis Bank was 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. The entire loan has been repaid during the current financial Year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

22. Non current borrowings (Contd..)

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 were repayable in 6 to 8 years from the date of respective deposits and carried interest @ 10%. The entire inter-corporate deposit has been repaid during the current financial year.

(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 st March, 2019	As at 31 st March, 2018
Non-current		
Security deposits	759.45	146.54
Retention money	136.09	166.30
	895.54	312.84
Current		
Current maturities of long-term debt	3,500.00	3,952.77
Interest accrued	15.64	8.77
Security deposits	214.57	157.92
Creditors for capital expenditure	4,089.73	2,850.19
Retention money	930.50	469.32
Business combination consideration payable	-	72.24
Employee dues	716.42	575.43
Expenses Payable and others payable	2,569.49	2,486.73
	12,036.35	10,573.37
Total	12,931.89	10,886.21

24. Provisions

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Employee benefits (see Note 41)		
a) Gratuity	1,047.85	865.13
b) Leave benefits	410.83	384.83
	1,458.68	1,249.96
Other provisions (see below)	1,249.13	1,238.15
Total	2,707.81	2,488.11
Non-current	1,266.97	1,009.79
Current	1,440.84	1,478.32
Total Provisions	2,707.81	2,488.11

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

24. Provisions (Contd..)

Other provisions

(₹ in Lakhs)

Particulars	Service tax	Municipal tax	Other Indirect taxes	Total
Balance as at 1st April, 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 31st March, 2018	1,035.02	115.95	87.18	1,238.15
Provided during the year	-	224.00	126.93	350.93
Paid during the year	-	339.95	-	339.95
Balance as at 31st March, 2019	1,035.02	-	214.11	1,249.13

- Provision for service tax is in respect of service tax payable on renting of immovable property, for the period from 1st June, 2007 to 30th September, 2011, which was defined as a taxable service by the Finance Act, 2010, with retrospective effect from 1st June, 2007. The matter is pending before the Hon'ble Supreme Court of India.
- Provision for municipal tax was in respect of disputed amount pertaining to one of the Group's multiplexes. The entire amount is paid during the current year.
- 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.

25. Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Deferred revenue arising from Government grant	7,720.95	8,532.55
Less: Current portion disclosed under Note 28 "Other current liabilities"	(816.75)	(966.83)
Total	6,904.20	7,565.72

Movement in deferred revenue arising from government grant

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Opening Balance	8,532.55	9,439.97
Add: Recognised during the year	240.25	480.57
Less: Transferred to other operating revenue	(1,051.85)	(1,387.99)
Closing Balance	7,720.95	8,532.55

26. Current borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Unsecured loan		
- From bank		
Short term working capital demand loan	2,012.89	-
Less: Interest disclosed under Note 23 "Other current financial liabilities"	(12.89)	-
Total	2,000.00	-

The above loan is repayable in bullet repayments on 15th May, 2019 and 7th June, 2019 of ₹ 1,000.00 Lakhs each, and carries interest @ 9.05% p.a.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

27. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Trade payables		
- Dues of micro enterprises and small enterprises	1.43	5.33
- Dues to creditors other than micro enterprises and small enterprises	15,959.69	11,315.54
Total	15,961.12	11,320.87

28. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Revenue received in advance	1,705.73	1,177.82
Advances from customers	512.72	395.34
Deferred revenue arising from Government grant (from Note 25)	816.75	966.83
Statutory dues		
- Taxes payable (other than income taxes)	1,279.25	1,179.60
- Employee recoveries and employer contributions	122.61	103.78
Other Liabilities (see Note 49)	314.69	-
Total	4,751.75	3,823.37

29. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from contracts with customers:		
Revenue from services	124,364.27	102,622.81
Food and beverages revenue	43,592.55	30,602.30
	167,956.82	133,225.11
Other operating revenue	1,261.65	1,586.72
Total revenue	169,218.47	134,811.83

Disaggregated revenue information

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019
On the basis of type of goods or service	
Revenue from box office	97,538.25
Revenue from advertisement services	17,666.54
Convenience fees	5,002.37
Virtual print fees	2,697.95
Other services	1,459.16
	124,364.27
Food and beverages revenue	43,592.55
Total revenue from contracts with customers	167,956.82

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

29. Revenue from operations (Contd..)

Contract balances

Particulars	(₹ in Lakhs)
	Year ended 31 st March, 2019
Trade receivables	8,824.01
Contract assets	81.71
Contract liabilities	2,218.45

During the year ended 31st March, 2019, the Company has recognized revenue of ₹ 1,513.62 Lakhs arising from opening contract liabilities.

Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) are as under: (₹ in Lakhs)

Particulars	Year ended 31 st March, 2019
Within one year	5,561.32
More than one year but less than five years	6,189.33
Total	11,750.65

The transaction price allocated to service contracts for original expected duration of one year or less are not included in amounts disclosed above as permitted under Ind AS 115. Further, as permitted under the transitional provisions in Ind AS 115, the transaction price allocated to remaining performance obligations (unsatisfied or partially satisfied) as at 31st March, 2018 is not disclosed.

Additional disclosure on transition to Ind AS 115

The impact on account of applying Ind AS 115 Revenue from contract with customers instead of the erstwhile Ind AS 18: Revenue, on the financials statements of the Group for the year ended and as at 31st March, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹ 81.71 Lakhs as at 31st March, 2019 has been considered as a non financial asset.

30. Other income

Particulars	(₹ in Lakhs)	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018
A) Interest income		
Interest income calculated using the effective interest method:		
On bank fixed deposits	29.71	35.22
On long term investments	9.99	11.79
On security deposits	473.08	518.42
	512.78	565.43
Other interest income		
Interest on income tax refunds	200.46	107.38
Others	73.82	32.33
	274.28	139.71
Total interest income	787.06	705.14
B) Other non-operating income		
Liabilities and provisions no longer required, written back	473.05	281.44
Miscellaneous income	142.81	87.89
Total other non-operating income	615.86	369.33
C) Net gain on financial assets measured at fair value through profit or loss		
Mutual funds	88.90	372.06
Total	1,491.82	1,446.53
Note: Realised gains in respect of mutual funds	99.69	360.82

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

31. Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Cost of food & beverages consumed	11,249.51	7,435.80
Total	11,249.51	7,435.80

32. Exhibition cost

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Distributors' share	43,678.88	36,122.48
Other exhibition cost	742.03	609.31
Total	44,420.91	36,731.79

33. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Salaries and wages	9,849.80	8,188.06
Contribution to provident and other funds	666.55	570.31
Expense on ESOP	115.57	159.40
Gratuity	260.42	240.50
Staff welfare expenses	624.43	477.29
Total	11,516.77	9,635.56

34. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) Interest on financial liabilities carried at amortised cost		
- loan from related parties	1,135.20	1,624.90
- other borrowings	1,105.38	1,286.55
	2,240.58	2,911.45
b) Other Interest		
Interest on income tax	55.00	-
Other Interest expense - see note 2 below	39.53	9.12
	94.53	-
Total interest	2,335.11	2,920.57
Less: amount included in the cost of qualifying assets	-	(55.86)
	2,335.11	2,864.71
Other borrowing costs	32.25	24.92
Total	2,367.36	2,889.63

Note:

- The weighted average capitalisation rate of funds borrowed is Nil (previous year 8.73% p.a.)
- Excluding interest of ₹ 89.69 lakhs included in exceptional item (see Note 49).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

35. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Depreciation of property, plant and equipment	9,192.00	8,350.98
Amortisation of intangible assets	357.07	318.91
Total	9,549.07	8,669.89

36. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Power and fuel	10,707.28	9,531.96
Rent and common facility charges	31,863.80	26,415.53
Repairs to :		
- Buildings	353.11	316.89
- Plant and equipment	2,503.01	2,358.87
- Others	700.18	575.05
Rates and taxes	1,190.56	1,062.28
Expenditure on corporate social responsibility (CSR)	186.74	64.01
Directors' sitting fees	16.40	10.20
Commission to non-executive director	185.00	-
Allowance for doubtful trade receivables and expected credit losses	46.01	-
Allowance for doubtful advances and deposits	29.22	113.96
Bad debts & remissions - Note (i) below	41.40	13.98
Deposits and advances written off Note (ii) below	5.00	63.61
GST & Service tax	2,906.23	2,188.26
Net loss on foreign currency transactions and translations	53.90	23.43
Legal and professional fees and expense	1,722.51	1,373.69
Advertisement & sales promotion	2,308.70	1,633.65
Travelling & Conveyance expenses	1,043.58	869.37
Housekeeping expenses	3,115.55	2,578.68
Security charges	2,700.79	2,251.16
Outsourced personnel cost	6,510.42	5,326.50
Loss on sale / disposal of property, plant and equipment (net of impairment)	479.86	1,085.22
loss adjusted of ₹ Nil - previous year ₹ 312.41 lakhs)		
Miscellaneous expenses	2,445.57	2,107.89
Total	71,114.82	59,964.19

- (i) Bad debts & remissions are net of provision for doubtful trade receivable adjusted of ₹ 39.98 lakhs (previous year ₹ 38.69 lakhs) and reduction in provision for expected credit loss of ₹ Nil (previous year ₹ 46.18 lakhs)
- (ii) Deposits and advances written off are net of provision for doubtful deposits and advances adjusted of ₹ 63.37 lakhs (previous year ₹ 6.29 lakhs)
- (iii) Legal and Professional fees and expense includes:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) Professional fees paid to one of the non-executive directors	30.00	30.00
b) Legal fees to firms/LLPs in which some of the non-executive directors are partners (excluding amount of ₹ 5.07 lakhs (previous year ₹ Nil), towards share issue expenses and adjusted in security premium)	223.37	330.25

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

37.1 Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Current tax		
In respect of the current year	6,010.70	3,251.61
In respect of earlier years	(305.68)	(232.32)
	5,705.02	3,019.29
Deferred tax		
In respect of the current year	1,005.84	420.28
In respect of earlier years	(149.82)	(5,138.15)
	856.02	(4,717.87)
Total income tax expense recognised in the current year	6,561.04	(1,698.58)

Reconciliation of tax expense and the accounting profit for the year is as under:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit before tax	19,910.16	9,764.36
Income tax expense calculated at 34.944% (previous year 34.608%)	6,957.41	3,379.25
Effect of provision for doubtful deposits and claims	10.21	335.05
Effect of expenses/items that are not deductible in determining taxable profit	86.79	36.06
Tax incentives	(37.87)	(34.57)
Effect of change in tax rate for computation of deferred tax	-	(44.58)
Others pertaining to SPPL	-	0.68
	7,016.54	3,671.89
Taxation in respect of earlier years	(455.50)	(5,370.47)
Income tax expense recognised in profit or loss	6,561.04	(1,698.58)

The tax rate used for the year 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

37.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Deferred tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	(3.18)	(35.02)
Total income tax recognised in other comprehensive income	(3.18)	(35.02)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 & Gujarat on the basis of Schemes pertaining to these three 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 31st 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 current year and previous year, accepting certain claims of the Group, 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 st March, 2019	Year ended 31 st March, 2018
MAT credit entitlement	(720.95)	(2,924.48)
Income Tax	(305.68)	(232.32)
Deferred tax	571.13	(2,213.67)
Net credit	(455.50)	(5,370.47)

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 major products and services:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Revenue from services		
Revenue from box office	97,538.25	80,219.57
Revenue from advertising income	17,666.54	13,890.88
Convenience Fees	5,002.37	3,719.07
Virtual Print fee	2,697.95	2,463.96
Other services	1,459.16	2,329.33
Sub-total	124,364.27	102,622.81
Food & beverages revenue		
	43,592.55	30,602.30
Sub-total	43,592.55	30,602.30
Other operating revenue		
Government Grants - deferred revenue	1,051.85	1,387.99
Others	209.80	198.73
Sub-total	1,261.65	1,586.72
Total revenue from operations	169,218.47	134,811.83

Information about major customers:

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

39. Earnings per share

Basic earnings per share

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Profit for the year attributable to owners of the Group (₹ in Lakhs)	13,349.12	11,462.94
Weighted average number of equity shares for the purposes of basic earnings per shares (nos.)	93,978,140	91,812,661
Nominal value of each share (₹)	10.00	10.00
Basic earnings per share (₹)	14.20	12.49

Diluted earnings per share

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	13,349.12	11,462.94
Weighted average number of equity shares for the purpose of diluted earnings per shares (nos.)	94,055,088	91,876,160
Nominal value of each share (₹)	10.00	10.00
Diluted earnings per share (₹)	14.19	12.48

Note: The shares of the Company held by INOX Benefit Trust (see Note 20) are excluded while computing the weighted average number of shares.

The following is a reconciliation of the equity shares used in the computation of basic and dilutive earnings:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Weighted average number of equity shares used in calculation of basic earnings per shares (nos.)	93,978,140	91,812,661
Add: Effect of dilutive equivalent equity shares- share options outstanding	76,948	63,499
Weighted average number of equity shares used in calculation of diluted earnings per shares (nos.)	94,055,088	91,876,160

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 st March, 2019	As at 31 st March, 2018
Shouri Properties Private Limited	India	99.29%	99.29%
Swanston Multiplex Cinemas Private Limited	India	100.00%	100.00%
INOX Leisure Limited - Employees Welfare Trust	India	Controlled by INOX Leisure Limited	
INOX Benefit Trust	India	Controlled by INOX Leisure Limited	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

40. Details of subsidiaries (Contd..)

- a) Shouri Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by INOX Leisure Limited.
- b) SMCPL was engaged in the business of operating a multiplex and has ceased its operations since July 2012.
- b) INOX Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of INOX Leisure Limited.
- c) INOX Benefit Trust holds treasury shares for the benefit of INOX Leisure Limited.

The financial year of the above entities is 1st April, to 31st 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 previous 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 plan:

The Group contributes to the Government managed provident and pension fund for all qualifying employees. During the year contribution to provident and pension fund of ₹ 598.76 Lakh (previous year ₹ 496.18 Lakh) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Statement of Profit and Loss and ₹ 39.15 Lakh (previous year ₹ 29.70 Lakh) is included in pre-operative expenses.

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 31st March, 2019 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:

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March, 2019	31 st March, 2018
Opening defined benefit obligation	865.13	809.28
Current service cost	197.44	189.19
Interest cost	62.98	51.31
Re-measurement (gain) / losses:		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Benefits paid	(68.60)	(84.44)
Closing defined benefit obligation	1,047.85	865.13

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

41. Employee benefits (Contd..)

Components of amounts recognised in profit or loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March, 2019	31 st March, 2018
Current service cost	197.44	189.19
Interest expense	62.98	51.31
Amount recognised in profit or loss	260.42	240.50
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	6.27	(54.45)
b) arising from experience adjustments	(15.37)	(45.76)
Amount recognised in other comprehensive income	(9.10)	(100.21)
Total	251.32	140.29

The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows.

Particulars	Valuation as at	
	31 st March, 2019	31 st March, 2018
Discount rate	7.49%	7.58%
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 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.

(₹ in Lakhs)

Particulars	Gratuity	
	31 st March, 2019	31 st March, 2018
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(66.01)	(54.59)
If discount rate is decreased by 1%	74.53	61.60
If salary escalation rate is increased by 1%	70.27	58.11
If salary escalation rate is decreased by 1%	(63.38)	(52.44)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

41. Employee benefits (Contd..)

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 31st March, 2019 is 6.56 years (previous year 7.82 years)

Expected outflow in future years (as provided in actuarial report)

Particulars	₹ in Lakhs
Expected outflow in 1 st Year	95.85
Expected outflow in 2 nd Year	100.06
Expected outflow in 3 rd Year	121.07
Expected outflow in 4 th Year	150.55
Expected outflow in 5 th Year	121.93
Expected outflow in 6 th to 10 th Year	454.05

C. Other long term employment benefits:

Leave benefits

The Liability towards Leave benefits (Annual and sick leave) for the year ended 31st March, 2019 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 43.11 lakhs (previous year ₹ 5.29 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:

Particulars	Valuation as at	
	31 st March, 2019	31 st March, 2018
Discount rate (per annum)	7.49%	7.58%
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 of the Group. The Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

42. Financial Instruments (Contd..)

Gearing ratio

The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Total debt	11,015.64	29,201.77
Cash & Bank balances (not subject to lien)	(1,178.34)	(1,334.03)
Net debt	9,837.30	27,867.74
Total Equity	96,381.73	66,961.92
Net debt to equity ratio	10.21%	41.62%

- (i) Debt is defined as total borrowings and current maturities of long term debt as described in Notes 22, 23 and 26.
- (ii) Cash & Bank balances includes Cash and cash equivalents (Note 16), other bank balances (Note 17) not subject to lien.

(ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured at FVTPL:		
Debt-oriented mutual funds	8.39	1,191.89
Measured at amortised cost		
(a) Cash and bank balances	1,782.71	1,729.67
(b) Other financial assets at amortised cost		
(i) Investments in NSC	114.48	168.36
(ii) Trade receivables	8,824.01	7,590.83
(iii) Loans	9,440.47	8,007.84
(iv) Other financial assets	8,200.93	6,544.30
Sub total	28,362.60	24,041.00
Total financial assets	28,370.99	25,232.89
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	11,015.64	29,201.77
(ii) Trade Payables	15,961.12	11,320.87
(iii) Other financial liabilities	9,416.25	6,924.67
Total financial liabilities	36,393.01	47,447.31

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 Group'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:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

42. Financial Instruments (Contd..)

(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 Group'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 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	
	As at 31 st March, 2019	As at 31 st March, 2018
Liabilities		
Capital Creditors	2.02	10.95

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	
	As at 31 st March, 2019	As at 31 st March, 2018
Liabilities		
Capital Creditors	139.34	713.00

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 st March, 2019	As at 31 st March, 2018
Increase by 10%	(9.06)	(46.62)
Decrease by 10%	9.06	46.62

(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, 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

42. Financial Instruments (Contd..)

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 st March, 2019	As at 31 st March, 2018
Increase by 50 basis points	(29.28)	(72.82)
Decrease by 50 basis points	29.28	72.82

(iii) Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments in subsidiaries 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 31st March, 2019 is ₹ 3,685.08 Lakhs (as at 31st March, 2018 of ₹ 1,766.96 lakhs) are due from 5 major customers who are reputed parties and having long association.

The Group 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%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

42. Financial Instruments (Contd..)

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Balance at the beginning of the year	102.31	148.49
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	14.88	(46.18)
Balance at the end of the year	117.19	102.31

(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 Group'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 and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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 table below provides details regarding the contractual maturities of financial liabilities as at 31st March, 2019

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total contracted cash flows
Financial Liabilities				
Trade Payables	15,961.12	-	-	15,961.12
Borrowings	5,500.00	5,500.00	-	11,000.00
Other financial liabilities	8,536.35	876.52	19.02	9,431.89
Total	29,997.47	6,376.52	19.02	36,393.01

The table below provides details regarding the contractual maturities of financial liabilities as at 31st 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 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

42. Financial Instruments (Contd..)

(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 st March, 2019	31 st March, 2018		
Investments in Mutual Funds (Note 8)	8.39	1,191.89	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 31st March, 2006, the Company had issued 500,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to INOX Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of ₹ 75.00 Lakh 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 23rd June, 2017, stock options of 1,67,500 shares had been granted to employees and on 5th January, 2017, stock options of 20,000 shares had 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 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:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

43. Share-based payments (Contd..)

Particulars	Options granted	
Date of grant	23 rd June, 2017	5 th January, 2017
Fair value of share option at grant date	269.10	217.56
No. of share options granted	167,500	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

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Balance at the beginning of year	162,500	20,000
Granted during the year	0	167,500
Forfeited during the year	7,500	20,000
Exercised during the year	38,125	5,000*
Balance at the end of year	116,875	162,500
Exercisable at end of the year	NIL	NIL
Weighted average exercise price of all stock options	₹ 15	₹ 15

*During the financial year 2017-18 5000 stock options were exercised but the allotment of the same was made during the financial year 2018-19.

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 ₹ 126.10 Lakhs (previous year ₹ 179.49 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 5th January, 2017:

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Number of options outstanding	10,000	15,000
Weighted Average Remaining Contractual Life (in years)	2.77	3.77
Weighted Average Exercise Price (₹)	15	15

For Options granted on 23rd June, 2017:

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Number of options outstanding	106,875	147,500
Weighted Average Remaining Contractual Life (in years)	3.23	4.23
Weighted Average Exercise Price (₹)	15	15

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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:

Joint Venture

Swanston Multiplex Cinemas Private Limited - Joint venture company upto 4th 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 Balkrishnan – 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
- INOX FMCG Private Limited

Details of transactions between the Group and related parties are disclosed below.

The Group has entered into the following trading transactions with related parties:

(₹ in Lakhs)

Particulars	Sales and services		Purchases of goods	
	Year ended 31 st March, 2019	Year ended 31 st March, 2018	Year ended 31 st March, 2019	Year ended 31 st March, 2018
a) Transactions with the holding company: Gujarat Fluorochemicals Limited	8.39	5.43	-	-
b) Transactions with enterprises over which a KMP or his relative has significant influence				
INOX India Private Limited	3.18	2.44	-	-
INOX FMCG Private Limited	-	3.72	0.18	118.90
Sub-total	3.18	6.16	0.18	118.90

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

44. Related Party Transactions (Contd..)

The Group has entered into other transactions with related parties as under:

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Transactions with the holding company:		
Gujarat Fluorochemicals Limited		
(a) Interest paid:	1,135.20	1,624.90
(b) Reimbursement of expenses paid	7.15	12.36
(c) Rent paid	29.69	32.51
(d) Repayment of ICD	16,249.00	-
(e) Preferential allotment of equity shares (including share premium)	16,000.00	-

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 to related parties	
	As at 31 st March, 2019	As at 31 st March, 2018
Trade payables		
a) Transactions with the holding company:		
Gujarat Fluorochemicals Limited	0.58	4.03
b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX FMCG Private Limited	-	1.86

(₹ in Lakhs)

Particulars	Amounts owed to related parties	
	As at 31 st March, 2019	As at 31 st March, 2018
Trade receivables		
a) Transactions with the holding company:		
Gujarat Fluorochemicals Limited	0.03	-
b) Transactions with enterprises over which a KMP or his relative has significant influence		
INOX India Private Limited	0.33	-

Loans from related parties

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Inter-corporate deposit payable - Gujarat Fluorochemicals Limited	-	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 were unsecured and entire loan has been repaid during the year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

44. Related Party Transactions (Contd..)

Compensation of Key management personnel

Particulars of payments to directors and key management personnel are as follows :

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Remuneration paid to Mr. Alok Tandon	127.67	107.35
Professional fees paid to Mr. Deepak Asher	30.00	30.00
Commission paid to non executive director - Mr. Pavan Kumar Jain	185.00	-
Sitting fees paid to Directors	16.40	10.20
	359.07	147.55

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.

The amount of remuneration reported above includes:

- Contribution to Provided Fund (defined contribution plan) is ₹ 5.99 lakhs (previous year ₹ 5.56 lakhs).
- Share options exercised under ESOP of ₹ 12.14 Lakhs (previous year Nil)

45. Operating lease arrangements

The Group as a lessee

a) Leasing arrangements for multiplexes

The Group is operating some of the multiplexes under operating leases. These arrangements are for an initial period of 3-30 years with a minimum lock-in period of 2-15 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.

Lease payments recognised as an expense

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
In the Statement of Profit and Loss	24,373.17	19,841.82
In Pre-operative expenses	323.75	-
Total	24,696.92	19,841.82

Operating lease commitments

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2019	Year ended 31 st March, 2018
Not later than 1 year	24,545.17	20,281.93
Later than 1 year and not later than 5 years	106,557.63	82,404.51
Later than 5 years	283,001.10	159,605.39
Total	414,103.90	262,291.83

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 and Common Facility Charges' in Note 36 to the Statement of Profit and Loss and the balance remaining amount to be amortised is included in Balance Sheet as "Prepayments Leasehold land".

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

45. Operating lease arrangements (Contd..)

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 ₹ 10.92 Lakh (previous year ₹ 23.31 Lakh) are included in "Rent and Common Facility Charges" in Note 36 to the Statement of Profit and Loss.

46. Commitments

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	3,465.57	5,018.37
(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)	6,571.70	10,049.04

Note: This includes amount of entertainment tax disputes pertaining to exemption period reported under Note 46(c) - ₹ 502.78 Lakhs (previous year ₹ 1,237.91 Lakhs)

47. Contingent liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
In respect of INOX Leisure Limited		
a. Claims against the Company not acknowledged as debt :	116.36	116.36
In the arbitration proceedings in respect of termination notice of MOU for a 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. 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.		
b. Property Tax matters	-	224.00
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 this was made by the Company – see Note 24. The management has reviewed the position and pending settlement of dispute, has decided to pay the entire demand and the same is charged as expense during the year.		
c. Entertainment Tax matters:	3,625.48	4,083.87
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.	3,523.16	3,246.41
ii. In respect of one multiplex where the eligibility for exemption from payment of entertainment tax was rejected and the matter is decided in favour of the Company by the Hon'ble High Court.	-	735.14

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

47. Contingent liabilities (Contd..)

(₹ in Lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
iii. Other demands are mainly in respect of levy of entertainment tax on service charges and convenience fee collected. The Company has paid ₹ 586.46 Lakhs (previous year ₹ 282.57 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')	102.32	102.32
d. Service Tax matters This includes	20,540.19	19,001.48
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.	14,226.97	16,641.03
ii. In respect of levy of service tax on sale of food and beverages in multiplex premises and the matter is being contested by way of appeal before the appropriate authorities. The Company has paid ₹ 756.94 Lakhs (previous year ₹ 900.23 Lakhs) to the respective authorities under protest (which is included in 'Other non current assets')	6,313.22	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 projectors In addition to this matter, 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.	4.36	4.36
g. VAT demand During the year, the Company has opted to settle the entire liability under the amnesty scheme and accordingly the amount payable under the amnesty scheme is charged to the Statement of Profit and Loss.	-	261.87
h. Income-tax matters. During the year, the various issues are settled by the appellate authorities in favour of the Company	-	283.41
i. The Company may be required to charge additional cost towards electricity from 1 st June, 2007 to 31 st 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 th January, 2009, for change in category, is passed in favour of the electricity supplier. The Company has paid the whole amount to the respective authorities under protest (which is included in 'Other non current financial assets')	389.83	389.83
j. In respect of the Supreme Court judgement dated 28 th February, 2019 on applicability of Provident Fund on certain components of employees' remuneration, clarifications/ notification from the Government authorities is awaited as regard implementation of the same. Hence, additional liability, if any, in respect of earlier period cannot be ascertained. The Company has made a provision on a prospective basis from the date of the said order.		

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 ₹ Nil lakh during the year ended 31st March, 2019 (previous year ₹ 160.55 lakh) being Entertainment Tax exemption in respect of such multiplexes. Cumulative amount as on 31st March, 2019 is ₹ 3,716.48 lakhs (previous year ₹ 4,075.77 lakhs).

49. Exceptional items

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2019	As at 31 st March, 2018
a. During the year, in respect of one of the multiplexes of the Group, the jurisdictional High Court has passed an order against the Group in respect of grant of entertainment tax exemption. Even though the Group is taking further legal steps in this regard, the amount of entertainment tax exemption of ₹ 410.00 Lakhs recognized earlier, along with interest of ₹ 89.69 Lakhs payable thereon, is charged to the Statement of Profit and Loss. The amount payable, representing the entertainment tax refund received in earlier years and interest payable thereon, aggregating to ₹ 314.69 Lakhs is included under 'Other current liabilities' as a separate line item	499.69	-
b. The Group 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 Group aggregating to ₹ 914.16 Lakhs which was carried forward as amount recoverable towards claim in Note 11 "Other financial assets". During the previous year the Group had received Arbitration Award and the claim of the Group towards reimbursement of cost of fit outs is decided against the Group. Even though the Group has taken further legal steps in this regard, provision of ₹ 854.16 Lakhs was made towards this claim.	-	854.16
Total	499.69	854.16

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

50. Preferential issue of equity shares

On 30th November, 2018, Company has allotted 64,00,000 equity shares of face value of ₹ 10 each, fully paid up, at a price of ₹ 250/- per share (including premium of ₹ 240/- per share) to its holding company, Gujarat Fluorochemicals Limited, for an aggregate consideration of ₹ 16,000.00 Lakhs. The expenditure of ₹ 67.79 Lakhs on issue of these shares is adjusted against the Securities Premium.

Utilisation of funds received through preferential issue of Equity Shares

(₹ in Lakhs)

Particulars	Amount
Funds received from issue of shares	16,000.00
Amount utilized towards the object of the issue viz. repayment of debt	(16,000.00)

51. Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31st March, 2019

(₹ in Lakhs)

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 other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	96,385.49	99.99%	13,347.33	100.00%	5.92	99.99%	13,353.25
Subsidiaries (Group's share)								
Indian								
Shouri Properties Private Limited	0.08%	80.14	0.02%	2.89	-	-	0.02%	2.89
Swanston Multiplex Cinemas Private Limited	0.00%	3.34	-0.01%	(1.25)			-0.01%	(1.25)
INOX Leisure Limited	0.02%	13.98	0.00%	0.16	-	-	0.00%	0.16
Employees welfare trust								
INOX Benefit Trust	0.00%	0.88	-	(0.02)	-	-	-	(0.02)
Non-controlling Interest in subsidiaries	0.00%	0.58	0.00%	0.02	-	-	0.000%	0.02
Consolidation eliminations / adjustments	-0.11%	(102.68)	0.00%	(0.02)	-	-	0.000%	(0.02)
Total	100.00%	96,381.73	100.00%	13,349.11	100.00%	5.92	100.00%	13,355.03

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

51. Disclosure of additional information as required by the Schedule III: (Contd..)

(b) As at and for the year ended 31st March, 2018

(₹ in Lakhs)

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 other comprehensive income	Amount
Parent								
INOX Leisure Limited	100.01%	66,967.49	100%	11,464.19	100%	65.19	100.01%	11,529.38
Indian								
Shouri Properties Private Limited	0.12%	77.25	0.02%	2.56	-	-	0.02%	2.56
Swanston Multiplex Cinemas Private Limited	0.01%	4.59	0.00%	(0.19)	-	-	0.00%	(0.19)
INOX Leisure Limited Employees Welfare Trust	0.02%	13.82	0.00%	0.50	-	-	0.00%	0.50
INOX Benefit Trust	0.001%	0.91	-	(0.09)	-	-	-	(0.09)
Non-controlling Interest in subsidiaries	0.001%	0.56	0.000%	0.02	-	-	0.00%	0.02
Joint Ventures (Investments as per equity method)								
Indian								
Swanston Multiplex Cinemas Private Limited	0.00%	2.39	-0.03%	(3.43)	-	-	-0.03%	(3.43)
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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Kulkarni and Company**

Chartered Accountants

Firm's Reg. No: 140959W

A.D.Talavlikar

Partner

Mem No: 130432

Siddharth Jain

Director

DIN: 00030202

Deepak Asher

Director

DIN: 00035371

Alok Tandon

Chief Executive Officer

Kailash B Gupta

Chief Financial Officer

Parthasarathy Iyengar

Company Secretary

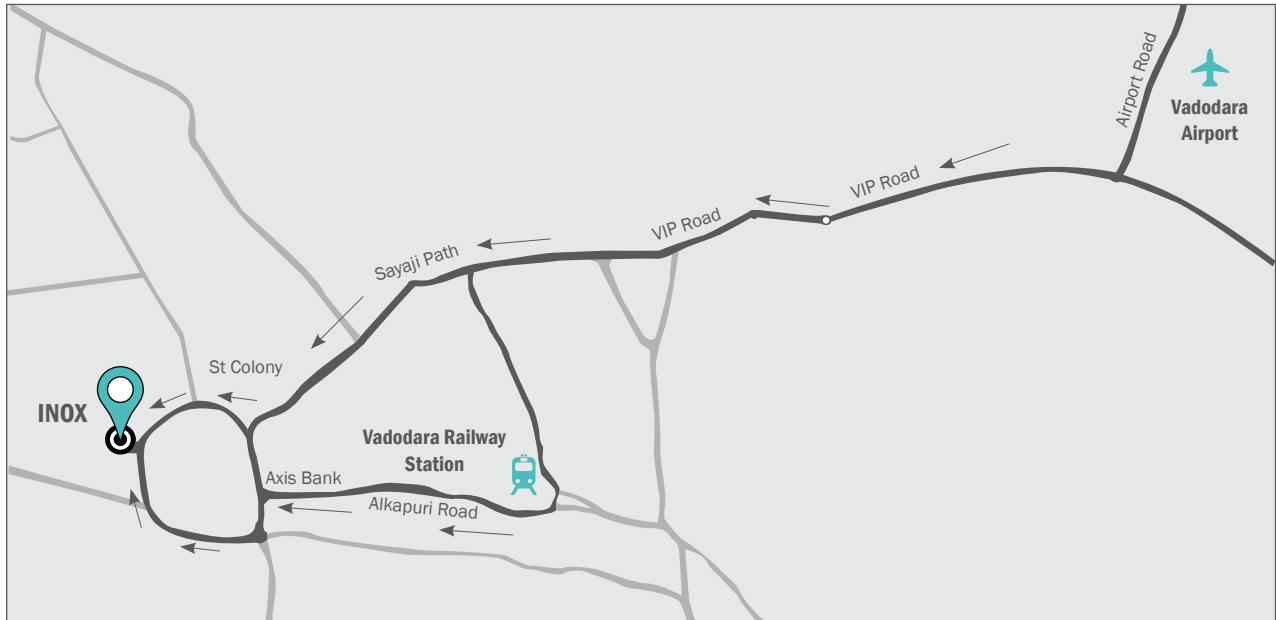
Place: Pune

Date: 13th May, 2019

Place: Mumbai

Date: 13th May, 2019

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING



Address of the AGM Venue: INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, Vadodara – 390 007



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

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 Twentieth Annual General Meeting of the Company held on Wednesday, 18th September, 2019 at 11:00 A.M. at INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, Vadodara – 390 007.

Sr. No. :

Member's Name and Address details	
Signature	
DP ID*	
Client ID*	
Folio No.	
No. of Shares	
Name of the Proxy	
Signature	

* 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)
190819064		

Note: The Voting period starts from Sunday, 15th September, 2019 (9:00 A.M.) and ends on Tuesday, 17th September, 2019 (5:00 P.M.). The voting module shall be disabled by CDSL for voting thereafter.



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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

20th Annual General Meeting – Wednesday, 18th September, 2019

Name of the Members	
Registered Address	
Email ID	
Folio No./Client ID*	
DP ID*	

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

1) Name: _____ E-mail id: _____

Address: _____

Signature: _____, or failing him/her

2) Name: _____ E-mail id: _____

Address: _____

Signature: _____, or failing him/her

3) 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 20th Annual General Meeting of the Company, to be held on Wednesday, 18th September, 2019, at 11.00 A.M. at INOX Screen 3, INOX Leisure Limited, Race Course Road, Gopal Baug, Ellora Park, 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. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 st March, 2019, 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, 2019 and the report of the Auditors thereon.			
2.	Appointment of a Director in place of Mr. Deepak Asher (DIN: 00035371), who retires by rotation and being eligible, seeks re-appointment			
Special Business				
3.	To Approve the payment of professional fees to Mr. Deepak Asher (DIN: 00035371), Non-executive Director of the Company.			
4.	To Consider and Approve payment of remuneration to Mr. Pavan Jain, Chairman and Non-Executive Director of the Company for the Financial Year 2018-19.			
5.	To Consider and Approve payment of remuneration to Mr. Siddharth Jain, Non-Executive Director of the Company for the Financial Year 2019-20.			
6.	To Consider and Approve re-appointment of Ms. Girija Balakrishnan (DIN: 06841071) as an Independent Director for a period of 5 consecutive years from 3 rd December, 2019 to 2 nd December, 2024.			

Signed this on _____ day of _____ 2019.

Signature of Member

Signature of Proxy Holder(s)

Affix a
Revenue
Stamp not
less than
₹ 1

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.





INOX
LIVE *the* MOVIE

Viraj Towers, 5th Floor, Western Express Highway, Andheri (E), Mumbai 400 093
Ph +91 22 4062 6900 | Fax +91 22 4062 6999
Email: contact@inoxmovies.com | Web: www.inoxmovies.com

